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智冠科技股份有限公司  
SOFT-WORLD INTERNATIONAL CORPORATION

# 111年度 年報

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## One. A Message to the Shareholders

Due to the rapid changes in the global situation and environment over the past year, Soft-World group has adhered to a diversified business strategy by investing resources to deepen the integration of various related fields, with the goal of developing three core business groups: digital games, online marketing advertising, and financial technology. We establish mature and comprehensive services and progressively carve out operation niches, driving better performance in an industrial environment with many changes. Looking back at 2022, we have made consistent contributions in game distribution and marketing businesses, and formed partnerships with a diverse array of international-acclaimed game products. Meanwhile, the collection and payment business of the subsidiary Neweb Technologies Co., Ltd. has been steadily growing. These have substantially strengthened the overall operation and profitability of the entire company. In 2022, the Company consolidated revenue reached NT\$6.1 billion, net profit after tax for the owner's share was NT\$836 million and earnings per share were NT\$6.90.

Notching solid growth in digital games business and advancing one-stop services into overseas markets

Soft-World's MyCard digital points and integrated marketing services have been growing constantly, achieving the highest coverage rate among third-party cooperative games. In addition to actively integrating global game collaborations, we provide comprehensive game payment solutions and dense sales channels. Coupled with localized, customized marketing campaigns, we have effectively enhanced player engagement and promotional impact. Moving forward, we will leverage MyCard integrated marketing, IP development, publishing & operation, community customer service, financial payment, online advertising, cloud services, and other one-stop services to better meet the demands of the international market. Through Taiwan's flexible and creatively specialized online services, we foster global collaborations to provide a strong support for global digital content providers expanding into Taiwan, Hong Kong, Macao, and Southeast Asia.

In 2022, the game development subsidiary, Chinese Gamer International Corp. launched two mobile games: "Legend of Emperors S" and "TS Multiverse". "Legend of Emperors S," is based on well-known Hong Kong comics and is characterized by a distinctive, passionate style. "TS Multiverse" has revamped the quality of the original game content while also introducing several new gameplay elements, such as a soul system for generals and cross-server auction houses. Chinese Gamer also updated "Huang Yi Online" and "TS M" to re-engage its player base. Beyond self-developed products, Chinese Gamer has leveraged its IP resources for collaborations, launching the IP-licensed game "TS 3: Idle" in several regions. Moving forward, it will keep promoting IP authorization, collaborative development, and indie games support, using flexible cooperation models to attract more players and align with market trends.

In terms of game agency, the subsidiary Game Flier International Corp. launched two new mobile games in 2022: "Eastward Legends: The Emyrean", an ancient martial arts action game, and "White Chord", a two-dimensional girl simulation game. "White Chord" received significant attention through an in-depth marketing campaign featuring VTubers and virtual singers. It became The Most Popular Download on its release day, receiving enthusiastic feedback from the 2D gaming community. For evergreen online games such as "Perfect World 2 Online", "Tian Long Online", "Nobunaga's Ambition Online" and more, The Company continues to collaborate with the original manufactures to release updated content and enriching activities. Additionally, Game Flier introduced the "GF i Platform" last year, combining its classic games with Web 3.0 partners to bring players a unique digital marketing experience of "game X empowerment X services". Opening up innovative service opportunities.

The subsidiary Game First International Corp. focuses on the development of multilingual game customer service, integrated marketing, social media operations, and e-sports events organization while customizing marketing and distribution strategies for various markets. The Company collaborated with internationally renowned games in 2022, offering comprehensive operational support to game developers.

The Group also continues to promote Zealot Digital's game art, Soft-World's music production services, and Fast Distributed Cloud's multi-cloud solutions in order to provide game manufacturers with the necessary resources and to establish a comprehensive service chain of gaming industry.

Online marketing advertising business: precision marketing to facilitate brand expansion  
Efun International Corp., a subsidiary, is heavily focused on MarTech (Marketing and Technology) application, follows the trend of online new media, develops and expands the most cutting-edge advertising technology and marketing tools, and assists brands in global market promotion. Efun has extensive advertising experience, worked with over 700 international game operators, e-commerce platforms, 3C, and other brands, and has been certified by Google, Meta, and LINE core partners to provide global online advertising planning. In addition to continuously strengthening service differentiation in materials and creativity, the Company is also promoting cooperation in various areas, such as LINE accounts, KOL collaboration, social media planning, and regional potential media.

Financial Technology Business: continuously expanding multiple payment applications  
Neweb Technologies, a financial technology subsidiary, is committed to developing third-party payment and electronic payment, offering a full spectrum of digital financial services from online to offline. The Company continued to accelerate the scale of online collection and payment transactions in 2022, increasing the overall volume of transactions by double digits year after year. The promotion of offline multiple payment application scene setups will be accelerated this year.

“NewebPay” utilizes a comprehensive payment instrument to connect stores and consumer needs, and is continuously to improve platform-side application services. In order to provide greater store convenience, logistic services have become increasingly available over the past few years, including store-to-store pickup and bulk warehouse delivery for convenience stores. In the future, more convenience store logistics, home delivery and international cross-border logistics services will be introduced to meet store requirements.

ezPay Co., Ltd. focuses on parallel offline business development. Last year, a new generation of “ezAIO” equipment for collecting multiple payments has been progressively introduced to physical stores. Now, it has integrated over 19 payment tools and value-added applications and concurrently wireless networking models, extending to mobile billing, tableside service, and other physical payment scenarios, thereby shifting from payment integration to service integration. Besides offering domestic and international collection services, the Company's e-wallet “ezPay” joined the “inter-institutional electronic payment institutions platform” in 2021 to facilitate cross-institutional transfer services. This year, the platform will allow the services of cross-institutional shopping, enabling our affiliated merchants to accept transactions from e-wallets managed by other e-payment or financial institutions.

Moreover, Neweb group's value-added applications, including donation platforms, e-invoices, and collection and transfer of e-receipts of the travel industry, also experienced significant growth in business volume last year, driven by the increased demand for elections and charitable fundraising, online shopping and online services, and the lifting of travel restrictions.

Soft-World is actively deploying a variety of internet-related services and strengthening its connections with customers and consumers. In addition to intensively cultivating domestic market operations, we are gradually strengthening the group's one-stop service implementation in overseas markets and continue to expand the market coverage and service reach.

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. Below is the results of our operations in 2022 and the business outlook for 2023.

## I. The 2022 Business results

### (I) 2022 Business Plan Result

The 2022 final account book was audited by Deloitte Taiwan. In 2022, the net consolidated revenue was NT\$6,100 million; the net consolidated profit after tax attributed to owners of this parent was NT\$836 million; and the EPS was NT\$6.90.

### (II) Budget execution in 2022

We did not disclose any financial forecast for 2022, and there is thus no budget performance.

### (III) Financial income and expenditure, and profitability analysis in 2022

#### 1. Financial Revenue and Expenditure

Unit: NTD thousands

Item	2022	2021	Increase (decrease) in amount	increase / decrease %
Operating revenue	6,098,078	6,601,378	(503,300)	(8)
Gross profit	3,286,953	3,315,627	(28,674)	(1)
Operating expenses	2,305,184	2,261,971	43,213	2
Net income	981,769	1,053,656	(71,887)	(7)
Net profit before taxation	1,107,711	1,108,942	(1,231)	-
Net income in current year	881,707	873,329	8,378	1
Net profit attributable to the Company	836,417	829,934	6,483	1
Net gain attributable to non-controlling interest	45,290	43,395	1,895	4

#### 2. Profitability analysis

Item		2022	2021
Return on assets %		5.48	6.00
Return on shareholders' equity (%)		11.25	11.54
As a percentage	Net income	76.88	82.69



of paid up capital (%)	Net profit before taxation	86.90	86.99
Net profit margin (%)		14.46	13.23
After tax EPS (NT\$)		6.90	6.84

(IV) Research and development

Soft-World Group has consistently focused on gaming field, including game development, music and sound production, as well as platform system applications. As stated in the consolidated financial statements, the total R&D expenses for 2022 amounted to NT\$292,344 thousand.

## II. Summary of business plan in 2023

(I) Operating approaches and important production-marketing strategies

1. MyCard channel distribution:

Soft-World's MyCard digital points offers services that can be leveraged for payment in thousands of games and other forms of digital content, and catering to over 6,600,000 registered members and tens of millions of users. MyCard provides game publishers with comprehensive promotional resources by integrating exhaustive payment options and localized custom marketing campaigns. This year, in addition to deepening steady operations in Taiwan, Hong Kong, and Macao markets and continuously growing our digital points service to be utilized in more variety of games, we aim to actively expand overseas service territory and establish strong dense sales channels both domestically and internationally. Furthermore, there will be an increased cooperative proportion in Singapore, Malaysia, Philippines, Thailand, Indonesia, and Vietnam, etc., connecting the services to international markets.

2. Proprietary game development and chartered operation:

This year, Chinese Gamer is developing a new game titled “Back to the Past”, which combines Huang Yi’s novel IP with MMORPG gameplay to provide players with a rich gaming experience. Additionally, the Company is preparing for internationally authorized operation opportunities for its products in order to create game content that aligns with the local market and to promote operational momentum. Many of the Company’s original games will also be planned for version updates in succession. In addition, the R&D department will investigate and explore the applications of content creation in emerging fields. The Game Flier is committed to introducing a wide variety of high-quality game works. This year, aside from maintaining the stable operation of “White Chord” to preserve the impacts of its new release, the Company will continue to collaborate with the original developers to launch updated content and a wide range of activities for several classic online games. It will also integrate the existing operational experience with the digital marketing experiences in innovative fields.

3. IP authorizations, co-developed:

The Soft-World Group and Chinese Gamer will continue to utilize hundreds of classic IPs, covering PC games, online games, martial art novels, Hong Kong comics and other themes. Through the establishment of flexible collaboration models with domestic and international game developers, the promotion of IP authorization, cooperative development, indie game support, and other diverse aspects, these well-known plots, characters, and world views can bring a brand new experience to a variety of works, while also accelerating mass production of product and sharing profits with developers.

4. Online advertising and marketing business:

Efun also keeps up with AI market trends, introducing self-developed marketing tools and



extensive online advertising experience. By combining AI analysis modules, big data centers, and resourceful materials, the Company develops precise marketing solutions that enable global clients to efficiently reach their target audiences, improving conversion effectiveness, and reducing costs. In the future, the Company will continue to actively expand overseas markets and opportunities for cooperation in multiple industries, as well as investigate cross-industry alliances in terms of featured advertising applications.

5. FinTech businesses extend the market to offline payments:

Neweb has been heavily involved in digital financial solutions, developed a one-stop payment and logistics integration service platform, and provided value-added services including e-invoices and e-receipts. The Company provides services to extensive industries, including e-commerce, digital content, games, live streaming, delivery service, taxi service, online ticketing, course teaching, and well-known brand operators. Neweb assists partners in enhancing the overall service experience and operational efficiencies. The volume of online collection and payment transactions attained a record high last year, and is expected to be on the rise this year. In 2023, the Company will step up its marketing of ezAIO and continue to grow its suite of payment and e-invoice-related applications, laying the groundwork for new partnerships with physical channels.

(II) Expected sales volume and its basis

The Company's revenue is derived from various game software (including mobile, PC online, web, console and HTML5 games, etc.), software magazines, royalties, processing fees, advertising, cloud computing services, payment-related services, and event planning. We plan to introduce additional categories of new games and payment application services in 2023. In the absence of financial forecasts, sales data is currently unavailable.

III. Future development strategy of the Company

- (I) Consolidate game development technology and mass production capacities, producing in-house products for global authorizing and distribution.
  - (II) Improve the competitive strength of game operation, and solidify the market share in Taiwan, Hong Kong, and Macao.
  - (III) Strengthen the capabilities of the digital content integration platform and develop innovative service mechanisms.
  - (IV) Establish comprehensively integrated marketing services and expand collaborations in local and overseas markets.
  - (V) Implement IP authorization for multiple product applications and develop IP brand value and business opportunities.
  - (VI) Deepen the field of online advertising and marketing and expand global digital advertising services.
  - (VII) Promote financial technology business, root in Taiwan and eye on the world, and step towards cross-border online finance.
  - (VIII) Invest in innovative application development teams with growth potential, and support the development of digital contents and cultural and creative industries.
- IV. Impacts of the external competitive environment, regulatory environment, and the overall business environment

In recent years, the global pandemic has reshaped people's lifestyles and consumption habits, spurring the growth of digital entertainment and online services. It has also accelerated the global operation of game products, offering both challenges and partnership opportunities. The Company persistently enhances our group's digital services and expands Taiwan's complete one-stop service experience overseas, building a new growth driver. Meanwhile, signs of China easing restrictions on the

gaming industry are promising and could boost demand for related services. The Company will also closely monitor the competitive landscape and market shifts to align with industry trends.

In response to current and potential future legislative changes, we will continuously track, update, and comply with these regulations to safeguard the best interests of our shareholders. When evaluating investment opportunities and operational policies, we take into account the industry landscape and monitor macroeconomic trends to prudently assess and select the most effective strategies.

We wish you all shareholders,

Health and prosperity in the future.

Chairman and President, WANG, CHIN-PO

Accounting Supervisor HUANG, YA-CHUAN

## Two. 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 <i>Heavy Crack</i> with SSI of the USA.
1989	Published <i>SoftWorld</i> magazine.
1990	Organized the 1 <sup>st</sup> Golden Diskette Award Leisure Software Design Competition to discover domestic talented PC game designers.
1991	Published the first independently developed single-player PC game <i>Romance of the Three Kingdoms</i> .
1993	Published the first independently developed single-player PC game <i>The Smiling, Proud Wanderer</i> adapted from the novel by novelist Jin Yong.
1997	Published the first independently developed single-player PC game <i>Pili Phantom Arrow</i> based on the Taiwanese puppetry show.
1999	Published the independently developed single-player PC game <i>Play Through</i> adapted from the same-name novel by novelist Yee Wong.
2000	Established Chinese Gamer International Corporation to start independent online game development in Taiwan and launched the first MMORPG <i>Romance of Three Kingdoms Online</i> .
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. Chinese Gamer International launched the independently developed online game <i>Heroes of Jin Yong</i> .
2002	Established Gameflier International Corporation to enter the game agency business and launched <i>Ragnarok Online</i> 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. Chinese Gamer International launched the independently developed online game <i>TS Online</i> . Chinese Gamer 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 <i>Nobunaga's Ambition Online</i> independently developed game by Koei of Japan. Established Game First International Corporation and launched <i>World of Warcraft</i> , an internationally famous online game by Blizzard of the USA.

Year	Important events
	Chinese Gamer International launched the independently developed online game <i>Wonderland Online</i> .
2006	Gameflier International launched <i>Ghost Online</i> , the first free-to-play leisure game, to enter the free-to-play online game market.
	Chinese Gamer International launched the independently developed 3D online game <i>Huang Yi Online</i> .
	Established “MyCard” platform and published the MyCard universal GTC.
	Gameflier International launched <i>Perfect world Online</i> , an independently developed game by Perfect World Co., Ltd. of China.
2007	Gameflier International launched <i>The Romance of the Three Kingdoms Web</i> , the first independently developed web game.
2008	Established Zealot Digital International Corporation to focus on game engine R&D.
	Gameflier International launched <i>Dragon Oath</i> , an independently developed game by Sohu, Inc. of China.
	Chinese Gamer International launched the independently developed online game <i>Wu-Lin Heroes Online</i> .
2009	Chinese Gamer International launched the independently developed online game <i>Chinese Hero Online</i> adapted from famous Hong Kong comics.
2010	Gameflier International launched <i>Monster Hunter</i> of Capcom, Japan.
	Launched the “e-PLAY” platform.
	Game First International signed an exclusive distribution contract for distributing the Traditional Chinese version of <i>StarCraft II: Wings of Liberty</i> 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.
	Chinese Gamer International launched the independently developed online game <i>Legends of Emperor Online</i> 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 51 <sup>st</sup> 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 <i>Diablo III</i> 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 <i>StarCraft II: Heart of the Swarm</i> in Taiwan, Hong Kong, and Macau with Blizzard Entertainment of the USA.
	Zealot Digital International launched the independently developed game <i>Pili Shen Zhou Online</i> .
	Established Pay2go Technology Corporation to enter the third-party payment business.
	Acquired a cooperation license for LINE Corporation in Taiwan.
	Gameflier International launched <i>Dragon Nest Online</i> by Eyedentity Games of South Korea.
2014	Gameflier International launched the mobile game <i>Devil Maker</i> by PALMPLE of South Korea.

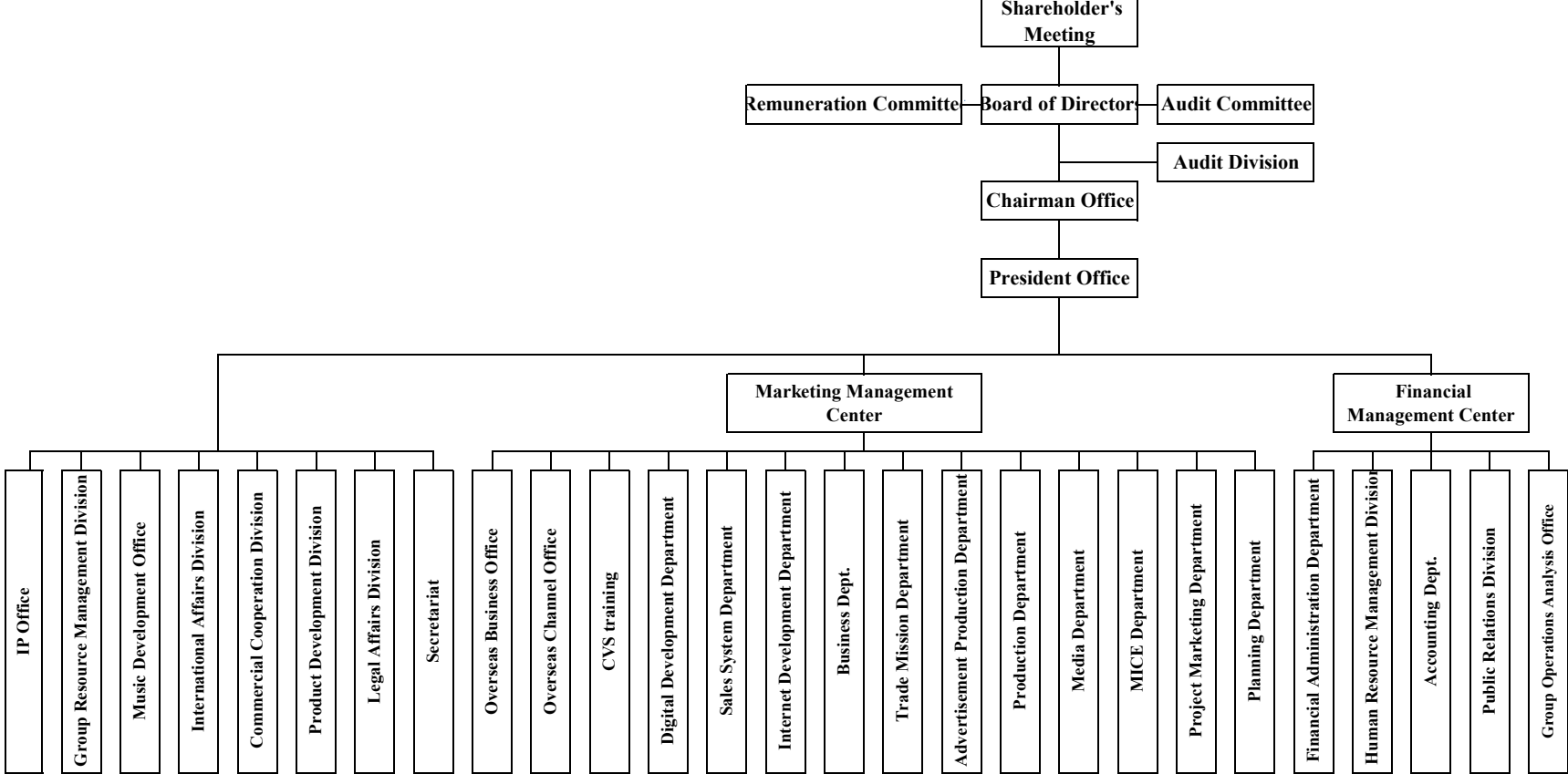
Year	Important events
	Game First International signed an exclusive distribution contract for distributing <i>Diablo III: Reaper of Souls</i> in Taiwan, Hong Kong, and Macau with Blizzard Entertainment of the USA.
	Zealot Digital International launched the independently developed game <i>Authentic Heroes of Gu Long Online</i> .
	Zealot Digital International launched the mobile game <i>Pili Heroes</i> co-developed with Dream <sup>2</sup> of China in Taiwan, Hong Kong, and Macau.
2015	Gameflier International launched the mobile game <i>One Hundred Thousand Bad Jokes</i> 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 <i>Overwatch</i> in Taiwan, Hong Kong, and Macau with Blizzard Entertainment of the USA.
	Gameflier International launched the online game <i>Shushan Online</i> independently developed game by Loong Entertainment of China.
	Zealot Digital International launched the independently developed AR mobile game <i>My Hero Go</i> .
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.
	Chinese Gamer International launched the independently developed mobile game <i>TS M</i> .
	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.
	Chinese Gamer International launched the independently developed mobile game <i>Love Box M</i> .
	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 <i>Huang Yi M</i> .
2021	Soft-World authorizes IP to Purple Dragon (China) Limited for the launch of its mobile game "Kalpa" in China, Taiwan, Hong Kong, and Macau.

Year	Important events
	The “TS M” developed by Chinese Gamer International Corp. is licensed to launch in China.
	Game Flier International Corp. has jointly published and launched the “Wind Fantasy SP Mobile” that was developed by Funyours Technology Co., Ltd.
	ezPay Co., Ltd. has joined the “Online Payment Inter-institution Platform” and obtained the financial institution code 398 for cross-agency money transfer service.
	EFUN International Corporation was awarded with Google “2021 Elite Partner Award – Application Program Business Development.”
2022	Chinese Gamer International launched the independently developed mobile game <i>Legend of Emperors S</i> .
	Game Flier International Corporation acts for the launch of the mobile game “Finger Sword Jianghu” of Chengdu Westhouse Shiyu Technology Co., Ltd.
	Game Flier International Corporation acts for the launch of the mobile game “White Chord” of Shanghai Yulong Information Technology Co., Ltd.
	Chinese Gamer International launched the independently developed mobile game <i>TS Multiverse</i> .

Three. Corporate Governance

I. Organizational structure

(1) Organization structure





(II) The responsibilities of various divisions:

Department	Main business
Audit Division	<ol style="list-style-type: none"> <li>1. Assistance in the establishment and revision of the internal control system.</li> <li>2. Establishment of the annual audit program.</li> <li>3. Effectiveness audit of the nine cycles in the internal control system and various documented systems.</li> <li>4. Production of audit reports, timely proposition of improvement recommendations, and periodic reporting to BOD.</li> </ol>
Office of the President	<ol style="list-style-type: none"> <li>1. Administer overall strategic targets and supervise and coordinate all units.</li> <li>2. Publicize and implement corporate policies and related regulations.</li> <li>3. Draw up, review, and manage external contracts.</li> </ol>
Financial Management Center	<ol style="list-style-type: none"> <li>1. Bookkeeping.</li> <li>2. Financial planning and fund management.</li> <li>3. Personnel affairs and wage management, general affairs, and stock service.</li> <li>4. Analysis of operating efficiency and operating costs.</li> <li>5. Media public relations.</li> </ol>
Marketing Management Center	<p>Planning Department</p> <ol style="list-style-type: none"> <li>1. Project marketing and strategic planning and internet campaigning.</li> <li>2. Contracting out and implementation of event planning projects.</li> <li>3. Planning, discussion, and implementation cross-sector events.</li> </ol> <p>Project Marketing Department</p> <ol style="list-style-type: none"> <li>1. Production of game marketing projects, websites and webpages, ad banners, and commercial films for subsidiaries of the group.</li> <li>2. The marketing projects, such as, website design, online marketing, video &amp; MV shooting and editing, outdoor advertising, H5 dynamic material production, and TV advertising, received from the customers.</li> <li>3. Refers to the 3-way interactive entertainment city operation planning, webpage production, framing, video advertisement production and sales, spokespersons, Internet celebrities, and KOL assistance in negotiation and implementation.</li> <li>4. Refers to the advertisement sales of Out of Home (OOH) and underground city.</li> </ol> <p>MICE Department</p> <ol style="list-style-type: none"> <li>1. Professional department for planning creative events for the group.</li> <li>2. Planning, design, and implementation of various exhibitions, press conferences, and large events.</li> <li>3. The services include: activity design, various space decoration, corporate image design, gift design and making, HR deployment</li> </ol> <p>Media Department</p> <ol style="list-style-type: none"> <li>1. Cross-platform digital media content services.</li> <li>2. Print gaming magazine</li> <li>3. Video customization team</li> <li>4. Customized dubbing resource</li> <li>5. Promotion of advertising business.</li> </ol> <p>Production Department</p>

Department	Main business
	<ol style="list-style-type: none"> <li>1. Post-production of handbooks, covers, boxes, posters, and publicity materials.</li> <li>2. Production and inventory management.</li> <li>3. Product production.</li> </ol>
	<p>Advertisement Production Department</p> <ol style="list-style-type: none"> <li>1. Assist subsidiaries in providing promotional copywriting and key visuals, online material design advice, and various physical and virtual design needs.</li> <li>2. Exclusive manufacturer's needs in various physical or online marketing materials and designs</li> </ol>
	<p>Trade Mission Department</p> <ol style="list-style-type: none"> <li>1. Negotiation and contract signing for MyCard and distribution agency</li> <li>2. Implementation of product marketing plan</li> <li>3. Collection of market intelligence</li> <li>4. Management of accounts receivable and accounts payable</li> <li>5. Commodity reporting, purchase, sales, and inventory management</li> <li>6. Handling export sales.</li> </ol>
	<p>Business Dept.</p> <ol style="list-style-type: none"> <li>1. New product distribution, product check and replenishment, customer order handling and delivery,</li> <li>2. Customer data processing and receivables management.</li> <li>3. Domestic customer cultivation and market intelligence collection.</li> </ol>
	<p>Internet Development Department</p> <ol style="list-style-type: none"> <li>1. MyCard website, APP globalization of operations and management.</li> <li>2. The operation and promotion of MyCard membership and social media globalization.</li> <li>3. MyCard platform data and internal control.</li> <li>4. MyCard platform risk control and anti-fraud management.</li> <li>5. Development and promotion of various online payment mechanisms</li> <li>6. The development and promotion of e-commerce platforms.</li> <li>7. Vendor and developer platform promotion and related vendor connection management.</li> <li>8. The 24-hour customer service management for game manufacturers, distributors, and consumers.</li> <li>9. MyCard related application mechanism planning.</li> </ol>
	<p>Sales System Department</p> <ol style="list-style-type: none"> <li>1. IT planning and management.</li> <li>2. Construction and maintenance of IT systems.</li> <li>3. Construction and management of websites and network systems.</li> <li>4. Management and maintenance of computer hardware and software.</li> <li>5. Development and maintenance of financial, accounting, and business information systems.</li> </ol>
	<p>Digital Development Department</p> <ol style="list-style-type: none"> <li>1. Developing APPs to reward download of digital games.</li> <li>2. Market analysis of digital game download platforms, APP operations, digital diversification, planning and execution of marketing activities.</li> <li>3. Develop digital marketing/digital advertising related application</li> </ol>

Department	Main business
	<p>system (APP/WEB).</p> <ol style="list-style-type: none"> <li>4. Perform digital marketing and advertising data analysis in cooperation with the marketing activities.</li> <li>5. Continuously planning, developing, establishing and maintaining APP/WEB in operation.</li> <li>6. To keep pace with the latest digital promotion technologies and related applications in the market on a regular basis.</li> </ol> <p>CVS training</p> <ol style="list-style-type: none"> <li>1. Working with Taiwan's four major convenience stores to sell MyCard debit cards and game packs.</li> <li>2. Negotiations with superstores for cross-industry cooperation to provide marketing plans and acquire channel advertising resources as well as collaborated multi-products promotion.</li> </ol> <p>Overseas Channel Office</p> <p>Cooperation and expansion of overseas markets, cooperation in introducing channels and overseas financial flows</p> <p>Overseas Business Office</p> <ol style="list-style-type: none"> <li>1. Responsible for negotiation with overseas regional manufacturers to publish games in Taiwan.</li> <li>2. Provide MyCard service cooperation with manufacturers in Taiwan, Hong Kong, Macau, and Southeast Asia.</li> <li>3. Providing channel marketing, KOL marketing services, video-audio services, creative ideas services, curatorial services, and cloud servers.</li> </ol>
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.
International Affairs Division	Overseas market cultivation.
Music Development Office	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	<ol style="list-style-type: none"> <li>1. The procurement and management of information systems and equipment include office and personal computers, computer room servers and network equipment, and various application software and operating systems.</li> <li>2. The purchase and management of general materials and equipment includes all equipment and materials needed for the company's lease of offices and parking spaces, and business operation.</li> <li>3. Resource utilization, planning, and management among the companies within the Group.</li> </ol>
IP Office	Managing, authorizing and maintaining intellectual property (IP)

## II. Information of the director, President, Vice President, associated director, and supervisor of the various units and branches:

### (I) Directors:

#### 1. Background of Directors

April 27, 2023

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Election (Appointment Date	Tenure	Inauguration date (Note 3)	Shares at Election		Current shareholding		Current Shares Held by Spouse & Dependents		Shareholding under the title of a third party		Major (academic degree) experience (Note 4)	Current duties in The Company and in other companies	Other Chief, Supervisors or Directors with a Spousal or Other Immediate Relative			Remarks (Note 5)
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relation	
Chairman	Taiwan R.O.C.	WANG, CHIN-PO	Male 71~80 years old	2021/07/30	3 years	1994/08/15	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 6	None	None	None	Note 7
Director	Taiwan R.O.C.	WANG, CHIUNG- FEN	Male 51~60 years old	2021/07/30	3 years	2018/06/14	0	0	0	0	0	0	0	0	Bachelor of Law, National Chung Hsing University President, General Law Firm	Note 8	None	None	None	None
Director	Taiwan R.O.C.	SHIH, MING- HAO	Male 51~60 years old	2021/07/30	3 years	2018/06/14	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 Founder, Association of Listed/OTC Companies in Taiwan	Note 9	None	None	None	None
Director	Taiwan R.O.C.	CHIEN, CHIN- CHENG	Male 61~70 years old	2021/07/30	3 years	2021/07/30	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 10	None	None	None	None
Director	Taiwan R.O.C.	CHANG, HUNG- YUAN	Male 61~70 years old	2021/07/30	3 years	2021/07/30	0	0	0	0	0	0	0	0	Master of Accounting and MBA, St. John's University, New York City, USA Director of International Management School, Shih Hsu University Enterprise Management Foundation Director, Soochow University Board Supervisor, Shih Hsin University Part-time Professor, Dept. of Business Administration, Soochow University Full-time Professor, Department of Communications Management, and Department of Business Administration, Shih-Hsin University Independent director of TPK Holding Co., Ltd.	Note 11	None	None	None	None
Director	Taiwan R.O.C.	WU, AI- YUN	Female 51~60 years old	2021/07/30	3 years	2018/06/14	0	0	0	0	0	0	0	0	Bachelor of Accounting, Ming Chuan University Finance Director, Focus Technology Co., Ltd.	Note 12	None	None	None	None
Independent director	Taiwan R.O.C.	SHYU, SO-DE	Male 61~70 years old	2021/07/30	3 years	2021/07/30	0	0	0	0	0	0	0	0	PhD Finance, University of Alabama, USA Professor, Department of Finance, Vice Dean, College of Management, National Sun Yat-sen University, President, Takming University of Science and Technology	Note 13	None	None	None	None
Independent director	Taiwan R.O.C.	LIN, HSUAN- CHU	Male 41~50 years old	2021/07/30	3 years	2018/06/14	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 14	None	None	None	None
Independent director	Taiwan R.O.C.	CHUANG, PI-HUA	Female 51~60 years old	2021/07/30	3 years	2021/07/30	0	0	0	0	0	0	0	0	MSA, National Taiwan University Principal CPA, Haps Consulting Ltd. & CPAs	Note 15	None	None	None	None

- 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: Please indicate the actual age and the respective age group, such as 41-50 years old or 51-60 years old.
- Note 3: Indicate the date of the first-time elected director or supervisor; also, the period of interruption should be noted.
- Note 4: 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 5: Where the chairperson of the board of directors and the general manager 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 6: This Company: President.  
Other companies: 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), 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.), Director of Dynasty International Information Co., Ltd. (Institutional representative of Soft-World International Corporation), Director of Soft-World (Hong Kong) International Corporation (Institutional representative of Soft-World International Corporation), Director of Soft-World Technology Pte. Ltd. (Institutional representative of Soft-World International Corporation), The Chairman of CService Technology Co., Ltd. (Institutional representative of Neweb), Chairman of Fast Distributed Cloud Computing (Taiwan) Co., Ltd. (Institutional representative of Soft-World International Corporation), Chairman of Joy Children Technology Co., Ltd. (Institutional representative of Soft-World International Corporation), Chairman of Compete!Games interactive entertainment corporation (Institutional representative of Game First International Corporation), Chairman of Efun International Corporation (Institutional representative of Soft-World International Corporation), Director of PLAYGAME SDN. BHD (Institutional representative of Global Concept Corporation), Chairman of Taiwan Taomee Co., Ltd. (Institutional representative of PLAYGAME), Chairman of Re:Ad Media (Taiwan) Corporation (Institutional representative of Efun International Corporation), Director of Interactive Entertainment Technology Co., Ltd, Director of Public Television Service Foundation
- Note 7: The Chairman of the company also serves as the President of the company to improve operating efficiency and decision-making ability. The Chairman also closely communicates the company's current operations, plans, and policies to the directors in order to substantiate corporate governance. The company intends to have additional independent directors appointed to enhance the function of the Board of Directors and the effectiveness of supervision. We have the following specific measures:  
(1) The current directors are experts in financial accounting and operational management, respectively. They can perform supervision effectively.  
(2) Every year we arrange directors 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 8: The Company: None  
Other Company: Chairman of Jin Zhifu Asset Management Company, Chairman of Taiwan Steel Group Union Co., Ltd., Chairman of Taiwan Netcom Investment Holding Corp., Chairman of Gloria Material Technology Corp., Chairman of S-TECH CORP., Chairman of Heyang Investment Co., Ltd., Chairman of Soltek Investment Company, Chairman of Nanin Co., Ltd., Chairman of Jade Colorful CO., Institutional director representative of Chun Yu Works & Co., Ltd., Institutional director representative of Taiwan Styrene Monomer Corporation, Institutional director representative of D-Link Corporation, Institutional director representative of Cameo Communications, Inc., Director of Star Travel Corp., Institutional director representative of Chun Bang Precision Co., Ltd., Institutional director representative of Chunyu Bio-Tech, Institutional director representative of Chunyu Investment Company, Chairman of TSG Hawks, Chairman of Taigang Sports Marketing Co., Ltd., Institutional director representative of Zung-Fu Co., Ltd., Institutional director representative of UFC GYM TAIWAN LIMITED, Director of Shanghai Chun Zu Machinery Company, Supervisor of Chunyu (Dongguan) Metal Products Co., Ltd., Supervisor of Shanghai UcheeHardware Products Co., Ltd., Chairman of Guangzhou Rainbow Shines Limited, Chairman of Tianjin Rainbow Shines Limited, Chairman of Xi'an Rainbow Shines Limited, Chairman of Jiaxing Rainbow Shines Limited, Chairman of Jiaxing Xiangyang Metal Material Technology Co., Ltd., Chairman of G-YAO ENTERPRISES LTD., Chairman of ALL WIN ENTERPRISES LTD., Chairman of FAITH ENTERPRISES LTD., Chairman of Alloy Tool Steel Inc., Chairman of Gloria Material Technology Japan Co., Ltd., Principal lawyer/President, General Law Firm
- Note 9: The Company: None  
Other companies: The partner of Pao Chou PE Fund
- Note 10: The Company: None  
Other companies: Independent Director and Remuneration Committee Member, GMTC Co., Ltd.; Independent Director and Remuneration Committee Member, Taiwan Styrene Monomer Corporation; Independent Director and Remuneration Committee Member, Chun Yu Works & Co., Ltd.
- Note 11: The Company: None  
Other companies: Independent Director, Lu Hai Industrial Corp.
- Note 12: 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 13: The Company: None  
Other companies: Independent director of Wah Lee Industrial Corp., Independent Director and Remuneration Committee Member of Jia Wei Lifestyle, Inc.; Independent Director and Remuneration Committee Member of MYSON CENTURY, INC.
- Note 14: The Company: None  
Other companies: 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 15: The Company: None  
Other companies: CPA, Haps Consulting Ltd. & CPAs; Independent Director, Tainan Living (Cayman) Co., Ltd.; Independent director of Fu Ta Material Technology Co., Ltd.

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: For the corporate shareholders that are not a company or organization, the name of the shareholder and shareholding ratio that should be disclosed in the preceding paragraph refer to the name of the investor or donor and the ratio of capital contribution or donation. A donor who has passed away should be noted as "deceased."

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: For the corporate shareholders that are not a company or organization, the name of the shareholder and shareholding ratio that should be disclosed in the preceding paragraph refer to the name of the investor or donor and the ratio of capital contribution or donation. A donor who has passed away should be noted as "deceased."

4. Disclosure of information on the professional qualifications of directors and independence of independent directors.

Condition Name	Professional qualification and experience (Note 1)	Independence Criteria (Note 2)	Number of public companies where the person holds the title as independent director
Chairman WANG, CHIN-PO	More than five years of sales experience related to the Company's business operation Currently serves as the Chairman and President of Soft-World Co., Ltd. Not under any of the categories stated in Article 30 of the Company Act.	Not applicable	0
Director WANG, CHIUNG-FEN	An attorney with more than five years of work experience related to the Company's business operation Currently serves as the Chairman of Gloria Material Technology Corp. Not under any of the categories stated in Article 30 of the Company Act.	Not applicable	1
Director SHIH, MING-HAO	More than five years of work experience related to corporate governance and the Company's business operation Former Founder, Association of Listed/OTC Companies in Taiwan Not under any of the categories stated in Article 30 of the Company Act.	Not applicable	0
Director CHIEN, CHIN-CHENG	More than five years of sales experience related to the Company's business operation Former Professor, Department of Accountancy and Graduate Institute of Finance, National	Not applicable	3

Condition Name	Professional qualification and experience (Note 1)	Independence Criteria (Note 2)	Number of public companies where the person holds the title as independent director
	Cheng Kung University. Not under any of the categories stated in Article 30 of the Company Act.		
Director CHANG, HUNG- YUAN	More than five years of sales experience related to the Company's business operation current the Full-time Professor, Department of Communications Management and Department of Business Administration, Shih Hsin University, Taiwan; Part-time Professor, Dept. of Business Administration, SooChow University. Not under any of the categories stated in Article 30 of the Company Act.	Not applicable	1
Director WU, AI-YUN	More than five years of sales experience related to the Company's business operation current the Finance Director, Focus Technology Co., Ltd. Not under any of the categories stated in Article 30 of the Company Act.	Not applicable	0
Independent Director, SHYU, SO- DE	Audit Committee members with accounting or financial expertise More than five years of sales experience related to the Company's business operation Former Professor, Department of Finance, Vice Dean, College of Management, National Sun Yat-sen University; President of Takming University of Science and Technology Not under any of the categories stated in Article 30 of the Company Act.	<ol style="list-style-type: none"> <li>1. Not serving as a director, supervisor, or employee of the Company or the Company's affiliated enterprises</li> <li>2. The principal, spouse, and relatives within the second degree of kinship (or held in the name of others) who do not hold any shares of the Company;</li> <li>3. Not serving as a director, supervisor, or employee of a company that has a specific relationship with the Company (please refer to Article 3, Paragraph 1, Subparagraphs 5~8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies);</li> <li>4. No remuneration received for providing business, legal, financial, accounting, and other services to the Company or the Company's affiliated enterprises in the last two years;</li> </ol>	3
Independent	Audit Committee members with	1. Not serving as a director, supervisor,	1



Condition Name	Professional qualification and experience (Note 1)	Independence Criteria (Note 2)	Number of public companies where the person holds the title as independent director
director, LIN, HSUAN-CHU	accounting or financial expertise More than five years of sales experience related to the Company's business operation current the Professor, Department of Accountancy and Graduate Institute of Finance, National Cheng Kung University Not under any of the categories stated in Article 30 of the Company Act.	or employee of the Company or the Company's affiliated enterprises 2. The principal, spouse, and relatives within the second degree of kinship (or held in the name of others) who do not hold any shares of the Company; 3. Not serving as a director, supervisor, or employee of a company that has a specific relationship with the Company (please refer to Article 3, Paragraph 1, Subparagraphs 5~8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); 4. No remuneration received for providing business, legal, financial, accounting, and other services to the Company or the Company's affiliated enterprises in the last two years;	
Independent director, CHUANG, PI-HUA	Audit Committee members with accounting or financial expertise A certified public accountant with more than five years of work experience related to the Company's business operation Current Principal CPA, Haps Consulting Ltd. & CPAs Not under any of the categories stated in Article 30 of the Company Act.	1. Not serving as a director, supervisor, or employee of the Company or the Company's affiliated enterprises 2. The principal, spouse, and relatives within the second degree of kinship (or held in the name of others) who do not hold any shares of the Company; 3. Not serving as a director, supervisor, or employee of a company that has a specific relationship with the Company (please refer to Article 3, Paragraph 1, Subparagraphs 5~8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); 4. No remuneration received for providing business, legal, financial, accounting, and other services to the Company or the Company's affiliated enterprises in the last two years;	2

Note 1: Professional qualification and experience: Describe the professional qualifications and experiences of each director and supervisor. As for the Audit Committee member who is specialized in the accounting and finance fields, describe his/her accounting or financial background and work experience. Describe if they are not under any categories stated in Article 30 of the Company Act.

Note 2: Independent directors should state their independence status, including but not limited to whether they, their spouses, or relatives within the second-degree kinship serve as directors, supervisors or employees of Synmosa and/or its affiliated companies, as well as the number of shares and shareholding ratios held by them, their spouses and relatives within second-degree kinship (or through third-party holdings), whether they also serve as directors, supervisors or employees of Synmosa affiliated companies (see the provisions of Article 3, Paragraph 1.5-1.8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies), and remunerations received for providing business, legal, financial, accounting and other services to Synmosa and/or its affiliates in the last two years.

5. Diversity and Independence of the Board of Directors.

The Company, based on the diversity policy, corporate governance enhancement, and the profound development of the composition and structure of the Board of Directors, has adopted the candidate nomination system for the election of directors in compliance with the requirements of the Articles of Incorporation. The overall composition of the Board of Directors shall be taken into account while selecting directors, including: Operational judgment and management ability, accounting and financial analysis ability, crisis management ability, industry knowledge, international market prospect, leadership, decision-making ability, etc., also, it shall be resolved by the Board of Directors and then submitted to the shareholders' meeting for election.

(1) The Company's incumbent board director diversity policy and its implementation is as follows:

The core of diversity  Name	Basic details						Professional experience								Professional competency		
	Nationality	Gender	An employee of the Company	Age (Note 3)	Terms of service of independent directors		The ability to make judgments about operations	Perform accounting and financial analysis	Business management competence	Crisis management competence	Knowledge of Industry	Understanding of International Markets	Leadership	Decision Making	Law	Accounting	Industry
					3 years and below	6-9 Years											
Chairman WANG, CHIN-PO	Taiwan R.O.C.	Male	✓	<u>71~80 years old</u>	-	-	✓	O	✓	✓	✓	✓	✓	✓	O	O	✓
Director WANG, CHIUNG-FEN	Taiwan R.O.C.	Male	-	<u>51~60 years old</u>	-	-	✓	O	✓	✓	✓	✓	✓	✓	✓	O	✓
Director SHIH, MING-HAO	Taiwan R.O.C.	Male	-	<u>51~60 years old</u>	-	-	✓	O	✓	✓	✓	✓	✓	✓	O	O	✓
Director CHIEN, CHIN-CHENG	Taiwan R.O.C.	Male	-	<u>61~70 years old</u>	-	-	✓	✓	✓	✓	✓	✓	✓	✓	O	✓	✓
Director CHANG, HUNG-YUAN	Taiwan R.O.C.	Male	-	<u>61~70 years old</u>	-	-	✓	✓	✓	✓	✓	✓	✓	✓	O	✓	✓
Director WU, AI-YUN	Taiwan R.O.C.	Female	-	<u>51~60 years old</u>	-	-	✓	✓	✓	✓	✓	✓	✓	✓	O	✓	✓
Independent Director, SHYU, SO-DE	Taiwan R.O.C.	Male	-	<u>61~70 years old</u>	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	O	✓	✓
Independent director, LIN, HSUAN-CHU	Taiwan R.O.C.	Male	-	41~50 years old	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	O	✓	✓
Independent director, CHUANG, PI-HUA	Taiwan R.O.C.	Female	-	<u>51~60 years old</u>	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	O	✓	✓

Note: ✓ means with ability, O means with partial ability.

- There are 9 directors (including 3 independent directors) of the Company's 10<sup>th</sup> term of the Board of Directors; also, independent directors shall not serve for more than 3 terms of office. The Company's board directors are all citizens of the Republic of China, and there are 3 independent directors (33%), 1 director (11%) who is also an employee of the Company, and 2 female directors (22%). In terms of the age group for all the board directors, 1 director falls in the age group of 41-50 years old, 4 directors fall in the age group of 51-60 years old, 3 directors fall in the age group of 61-70 years old and 1 director fall in the age group of 61-70 years old to help the Company accommodate more ways of thinking.

In addition to the aforementioned statement, the Company values the importance of gender equality in the composition of the Board of Directors. There are 2 female directors (one of which is an independent director) in service. The Company will strive to increase the proportion of female directors continuously.

2. In terms of the aspect, complementation, and substantiation of the director diversity, the standards in Article 16 of the Company's "Corporate Governance Best Practice Principles" are included. For the future to come, the diversity policy will be amended in a timely manner in accordance with the operation of the Board of Directors, the operational pattern, and the development needs, including but not limited to basic conditions and values, professional knowledge and skills in order to ensure that all board directors have the knowledge, skills, and attainment needed for their duty performance.

(2) Independence of Board of Directors:

The Company has 9 board directors elected to serve, including 3 independent directors that accounted for 33% of the Board of Directors. All independent directors of the Company were in compliance with the regulations of the Financial Supervisory Commission on independent directors as of the end of 2022; also, the matters stated in Article 26-3, Paragraph 3 and Paragraph 4 of the Securities and Exchange Act are not found between the directors and independent directors. The Company's Board of Directors is independent. Please refer to the annual report for the professional qualifications of directors and the independence of independent directors.

Note 1: Professional qualification and experience: Describe the professional qualifications and experiences of each director and supervisor. As for the Audit Committee member who is specialized in the accounting and finance fields, describe his/her accounting or financial background and work experience. Describe if they are not under any categories stated in Article 30 of the Company Act.

Note 2: Independent directors should state their independence status, including but not limited to whether they, their spouses, or relatives within the second-degree kinship serve as directors, supervisors or employees of Synmosa and/or its affiliated companies, as well as the number of shares and shareholding ratios held by them, their spouses and relatives within second-degree kinship (or through third-party holdings), whether they also serve as directors, supervisors or employees of Synmosa affiliated companies (see the provisions of Article 3, Paragraph 1.5-1.8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies), and remunerations received for providing business, legal, financial, accounting and other services to Synmosa and/or its affiliates in the last two years.

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

April 27, 2023

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)
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			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.) 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) 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) Director of Public Television Service Foundation	None	None	None	Note 4
President, Financial Management Center	Taiwan R.O.C.	CHUNG, HSING- PO	Male	2004/6/1	256,202	0.20%	0	0	0	0	Graduate School of Communications Management, Shih Hsin University Department of Statistics, National Cheng Kung University V.P. of Barits Securities Corporation	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 of ezPay Co., Ltd. (Institutional representative 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. Supervisor of Joy Children Technology Co., Ltd.	None	None	None	None

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)
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relation	
Vice President of Overseas Business	Taiwan R.O.C.	Kai Le Yuan	Female	2021/01/01	620	0	0	0	0	0	Department of Business Administration, Tungnan University	None	None	None	None	None
Vice President of Commercial	Korea	Shih Chen Li	Male	2021/01/01	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/ Assistant Vice President	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) Director of ezPay Co., Ltd. (Institutional representative of Neweb Technologies Co., Ltd.)	None	None	None	None
Assistant VP of Accounting Officer	Taiwan R.O.C.	HUANG, YA- CHUAN	Female	2000/01/01	112,944	0.09%	0	0	0	0	Accounting Department of Tung Hai University KPMG	Supervisor of We Can Financial Technology Co., Ltd. Supervisor of ezPay Co., Ltd. (Institutional representative of Neweb Technologies Co., Ltd.)	None	None	None	None
V.P. of Audit Division	Taiwan R.O.C.	Ming-Fen Huang	Male	2000/07/01	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: Information on the President, Vice Presidents, Assistant Vice Presidents, and heads of departments and branches as well as those whose positions are equivalent to the President, Vice Presidents, Assistant Vice Presidents shall be disclosed, regardless of the title.

Note 2: 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 3: 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: The Chairman of the company also serves as the President of the company to improve operating efficiency and decision-making ability. In addition, the Chairman closely communicates the company's current operations, plans, and policies to the directors in order to substantiate corporate governance. The company intends to have additional independent directors appointed to enhance the function of the Board of Directors and the effectiveness of supervision. We have the following specific measures:

1. The current directors are experts in financial accounting and operational management, respectively. They can perform supervision effectively.
2. Every year we arrange directors 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.

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

#### (I) The remuneration of the general and individual director

Unit: NTD thousands

Title	Name	Remuneration to Directors								% of the sum of A to D in the net profit after tax (Note 10)		Remuneration in the capacity as employees								% of the sum of A to G in the net profit after tax (Note 10)		Collect the remuneration from the reinvestment except the subsidiary or the remuneration from the parent company (Note 11).	
		Director fees (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	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		
Chairman	WANG, CHIN-PO	0	0	0	0	1,199	1,221	60	162	1,259 /0.15%	1,383 /0.16%	2,643	4,256	43	43	1,336	0	1,336	0	5,281 /0.63%	7,018 /0.83%	None	
Director	WANG, CHIUNG-FEN	0	0	0	0	1,199	1,199	60	60	1,259 /0.15%	1,259 /0.15%	0	0	0	0	0	0	0	0	1,259 /0.15%	1,259 /0.15%	None	
Director	SHIH, MING-HAO	0	0	0	0	1,200	1,200	60	60	1,260 /0.15%	1,260 /0.15%	0	0	0	0	0	0	0	0	1,260 /0.15%	1,260 /0.15%	None	
Director	WU, AI-YUN	0	0	0	0	1,200	1,200	60	60	1,260 /0.15%	1,260 /0.15%	0	0	0	0	0	0	0	0	1,260 /0.15%	1,260 /0.15%	None	
Director	CHANG, HUNG-YUAN	0	0	0	0	1,200	1,200	60	60	1,260 /0.15%	1,260 /0.15%	0	0	0	0	0	0	0	0	1,260 /0.15%	1,260 /0.15%	None	
Director	CHIEN, CHIN-CHENG	0	0	0	0	1,200	1,200	60	60	1,260 /0.15%	1,260 /0.15%	0	0	0	0	0	0	0	0	1,260 /0.15%	1,260 /0.15%	None	
Independent director	LIN, HSUAN-CHU	0	0	0	0	1,200	1,200	120	120	1,320 /0.16%	1,320 /0.16%	0	0	0	0	0	0	0	0	1,320 /0.16%	1,320 /0.16%	None	
Independent director	SHYU, SO-DE	0	0	0	0	1,200	1,200	120	120	1,320 /0.16%	1,320 /0.16%	0	0	0	0	0	0	0	0	1,320 /0.16%	1,320 /0.16%	None	
Independent director	CHUANG, PI-HUA	0	0	0	0	1,200	1,200	110	110	1,310 /0.16%	1,310 /0.16%	0	0	0	0	0	0	0	0	1,310 /0.16%	1,310 /0.16%	None	

- 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 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.
- In addition to the aforementioned disclosures, the remuneration received by the Company's directors for providing services (such as, serving as a consultant not an employees of the parent company / all companies included in the financial report / transfer invested enterprises, etc.) in the most recent year: 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 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 driver, 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, managers, 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 driver, 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.



## (III) President's and Vice Presidents' remuneration

Unit: NTD thousands

(II) Presidents and Vice Presidents' Remuneration														
Title	Name	Salary (A) (Note 2)		Pension (B)		Bonuses and allowances etc (C) (Note 3)		Remuneration to the employees (D) (Note 4)				% of the sum of A to D in the net profit after tax (%) (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 shown in the financial report (note 5)	The Company	All companies shown in the financial report (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	14,224	15,837	542	542	0	0	4,567	0	4,567	0	19,333 /2.31%	20,946 /2.50%	None
President, Financial Management Center	CHUNG, HSING- PO													
Vice President of Commercial	Shih Chen Li													
Vice President of Overseas Business	Kai Le Yuan													

Note 1: Disregarding position titles. All such job positions including general manager, vice general managers (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)	None	None
3,500,000(inclusive)~5,000,000 (exclusive)	WANG, CHIN-PO; Kai Le Yuan	Kai Le Yuan
5,000,000(inclusive)~10,000,000 (exclusive)	CHUNG, HSING- PO; Li, Shih-Chen	WANG, CHIN-PO; CHUNG, HSING- PO; Li, Shih-Chen
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	4 persons	4 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 (1-1) or (1-2).

Note 2: Refers to salaries, work subsidies, and severance pay made to the General manager 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 footnote disclosure of the salaries made to these driver, 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: The net profits after tax refer to the net profits after tax of the most recent year for stand-alone or unconsolidated 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, 2022; 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	5,443	5,443	0.65
	President, Financial Management Center	CHUNG, HSING- PO				
	Vice President of Commercial	Shih Chen Li				
	Vice President of Overseas Business	Kai Le Yuan				
	Chief accountant	HUANG, YA-CHUAN				
	Corporate Governance Officer	Su Mei Huang				

- Note 1: The name and job title of each individual 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 27 March 2003, the following managerial roles are subject to reporting:
- (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 too.

(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 ratio of the total remuneration paid to the Company's directors, supervisors, President, and Vice President in the last two years to the net income on the standalone or individual financial report

Item	2022		2021	
	The Company (%)	All companies mentioned in the financial statements (%)	The Company (%)	All companies mentioned in the financial statements (%)
Remuneration to Directors and Supervisors	1.86%	2.06%	1.78%	2.06%
President's and Vice Presidents' remuneration	2.31%	2.50%	2.18%	2.38%
Reason for difference	The amount of remuneration to directors and supervisors in 2022 and the remuneration to the President and Vice President in 2022 were increased in amount and in ratio due to the higher profits generated in 2022 than in 2021.			

2. Remuneration policy, standard, and combination

- (1) An amount not more than or less than 2% of the earnings, if any, should be appropriated as compensation to employees and directors, respectively. Such appropriation is based on the profit of the Company; therefore, it is closely related to operating performance. Also, the Company's Remuneration Committee will have the remuneration reviewed annually to determine its reasonableness, and then have it submitted to the Board of Directors for discussion.

- (2) 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 remuneration to employees was assessed carefully in accordance with the actual status of our operational performance.
3. Procedures for determining remuneration and its correlation with the operating performance and future risks
- The company has the procedures for determining the remuneration to directors, President, Vice President formulated in accordance with the company's "Performance Evaluation Standards and Remuneration Policies, Systems, Standards, and Structures for Directors and Managerial Officers," which is for reference in evaluation. The company, in addition to referring to the company's overall operating performance, future operating risks, and development trends of the industry, takes into account the personal performance, achievement rate, and contribution to the company's performance, including moral hazard incidents of directors and managerial officers or other negative impacts on the company's image and goodwill, risk of internal mismanagement and personnel malpractice, and directors' and managerial officers' operating efficiency, profit rate, contribution, and other comprehensive considerations to calculate and pay reasonable remuneration. The relevant performance evaluation and remuneration rationality are reviewed by the Remuneration Committee and the Board of Directors; also, the remuneration system is reviewed at any time depending on the actual operations and relevant laws and regulations in order to achieve a balance between the company's sustainable operation and risk control.

#### IV. Corporate governance:

##### (I) The operation of the Board of Directors

The Board called 4 (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	4	0	100%	
Director	WANG, CHIUNG-FE N	4	0	100%	
Director	SHIH, MING-HAO	3	1	75%	
Director	WU, AI-YUN	4	0	100%	
Director	CHIEN, CHIN-CHEN G	3	1	75%	
Director	CHANG, HUNG-YUA N	4	0	100%	
Independent director	SHYU, SO-DE	4	0	100%	
Independent director	LIN, HSUAN-CHU	4	0	100%	
Independent director	CHUANG, PI- HUA	4	0	100%	

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	Handling of opinions
4 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board of Directors 2022/03/16	1. The assessment of the effectiveness of the company's 2021 internal control system and the statement of the internal control system 2. We amended the "Internal Control System and "Enforcement Rules of Internal Audit."	No objection	Not applicable
5 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board of Directors 2022/05/11	1. We endorse and guarantee the contract renewal for our subsidiary "Neweb Technologies Co., Ltd."	No objection	Not applicable
6 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board of Directors 2022/08/10	1. We amended the "Internal Control System and "Enforcement Rules of Internal Audit."	No objection	Not applicable

(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:

Board meeting time	The name of the director who have themselves recused due to a conflict of interest	Agenda	Nature of conflicting interests	Voting decision
7 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board of Directors 2022/11/09	Chairman: WANG, CHIN-PO	The appointment of the company's Chief Information Security Officer.	Directors who have a conflict of interest in certain proposals shall have themselves recused	The aforementioned recused directors did not participate in the proposal discussion and voting, and the remaining directors present had the proposals passed unanimously.

- 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) Evaluation interval and period: 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) Scope of evaluation: Board performance evaluation Board director performance evaluation Functional committee member performance evaluation
- (III) Evaluation method: 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) Evaluation content: The indicators shall be established based on the corporate operations and business needs that determine the appropriate operational objectives suitable for the performance evaluation.
- (V) Implementation status of board evaluation

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Evaluation performed once a year	January 1 to December 31, 2022	Board of Directors	Self-evaluation of Executive unit of the Board meetings	Level of participation in the corporate operations, quality of decision-making, structural constituent, member appointment and continuous learning, and internal control.
Evaluation performed once a year		Self-evaluation of individual Board members	Self-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.
Evaluation performed		Self-evaluation of	Self-evaluation of	Participation in the Company's operations, recognition of functional

once a year		Functional Committees	members	committee's responsibilities, improving the decision-making quality of the functional committee, the composition of the functional committee and the selection of members, and internal control.
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The evaluation result was submitted to the Board of Directors on March 15, 2023. The 2022 performance evaluation results of the Board of Directors and functional committees were rated "Excellent."

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

1. Enhance BOD operating efficiency: On Nov 9, 2022, 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, supervisors and manager 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. Operation of the Audit Committee:

The Auditing Committee has convened for 4 times in the most recent year (A). The attendance of the independent directors is shown below:

Title	Name	Actual number of attendance (B)	Attend through proxy	Attendance rate (%) (B/A) (Note)	Remarks
Independent director (convener)	SHYU, SO-DE	4	0	100%	
Independent director	LIN, HSUAN-CHU	4	0	100%	
Independent director	CHUANG, PI-HUA	4	0	100%	

Other notes:

- I. If any of the following is applicable to the operation of the Audit Committee, specify the date, the series of the session, the content of the motions, the resolutions of the Audit Committee and the response of the Company to the opinions of the Audit Committee:

(I) On issues stated in Article 14-5 of the Securities and Exchange Act.

Date and session of the Audit Committee	Agenda	Committee members' opinions	Handling of opinions
3 <sup>rd</sup> Meeting of the 1 <sup>st</sup> Audit Committee 2022/03/16	1. The assessment of the effectiveness of the company's 2021 internal control system and the statement of the internal control system 2. We amended the "Internal Control System and "Enforcement Rules of Internal Audit." 3. Amendments to the Regulations Governing the Acquisition and Disposal of Assets.	No objection	Not applicable
4 <sup>th</sup> Meeting of the 1 <sup>st</sup> Audit Committee 2022/05/11	1. We endorse and guarantee the contract renewal for our subsidiary "Neweb Technologies Co., Ltd."	No objection	Not applicable
5 <sup>th</sup> Meeting of the 1 <sup>st</sup> Audit Committee 2022/08/10	2. We amended the "Internal Control System and "Enforcement Rules of Internal Audit."	No objection	Not applicable

- II. If any of the following is applicable to the operation of the Audit Committee, specify the date, the series of the session, the content of the motions, the resolutions of the Audit Committee and the response of the Company to the opinions of the Audit Committee:

(I) On issues stated in Article 14-5 of the Securities and Exchange Act.

(II) In addition to the aforementioned motions, other motions without the approval of the Audit Committee but with the resolution of more than 2/3 of the Board of Directors.

Notes: Not applicable.

- III. The avoidance of the conflict of interest by the independent directors on related motions, specify the names of the independent directors, the content of the motions, the principle of the avoidance of the conflict of interest, and the participation in casting the ballots:

Notes: Not applicable.

- IV. The communication between the Independent Directors and the Chief Internal Auditor and the certified public accountants (including the communications related to the financial position and state of operation of the Company, in materiality, the means of communications, and the result).

**(I) Policies for the communication between independent directors, chief internal auditor, and CPAs**

Independent directors 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 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 and 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.



Present the certified financial report, earnings distribution proposal, and business report at the end of each fiscal year to the Audit Committee for review with a review report issued.

**(II) Summary of communication between independent directors and the internal audit chief:**

Date	Main points of communication	Opinions and results
2022/03/16	Internal control report on the defects audited between October 2021 and January 2022 and their improvements.	Acknowledged
2022/05/11	Internal control report on the defects audited between February 2022 and March 2022 and their improvements.	Acknowledged
2022/08/10	Internal control report on the defects audited between April 2022 and June 2022 and their improvements.	Acknowledged
2022/11/09	Internal control report on the defects audited between July 2022 and September 2022 and their improvements.	Acknowledged
2022/11/09	I. Effectiveness of the 2022 internal audit program II. Issues for audit plans in 2023.	I. Acknowledged II. Submitted to the Board of Directors for resolution

**(III) Summary of the communication conducted between independent directors and CPAs:**

Date	Main points of communication	Opinions and results
2022/06/21	Attend the shareholders' meeting.	CPA Zhen-Li Chen presented at the meeting:
2022/11/09	I. The responsibilities of the Governance Unit II. Audit scope and approach III. The 2022 Risk Assessment (including key audit matters) IV. Independence V. Explanation of Audit Quality Index (AQI)	Acknowledged

2. Supervisors participating in the operation of the Board of Directors: The company's supervisors have been replaced by the Audit Committee that was organized by three independent directors since July 30, 2021; therefore, it is not applicable.

(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 deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary	
I. 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
II. Shareholding structure and shareholders' equity				No significant difference
(I) Will the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly?	✓		(I) 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.	
(II) Will the Company possess the list of the Company's major shareholders and the list of the ultimate controllers of the major shareholders?	✓		(II) 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.	
(III) Will the Company establish and implement the risk control and firewall mechanisms with the related parties?	✓		(III) 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.	
(IV) Will the Company set up internal norms to prohibit insiders from utilizing the undisclosed information to trade	✓		(IV) The company has formulated the "Ethical Corporate Management Best-Practice Principles" and "Code of Ethical Conduct" to prohibit insiders such as board directors or employees from buying and selling securities by taking advantage of the	

Items for evaluation	Actual governance (Note)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary	
securities?			<p>unpublished information. Please visit the company's website for the relevant regulations.</p> <p>The company at the time of filing insider trades every month reminds the directors of the annual board meeting date and reminds insiders not to commit an insider trade during the closed period before the announcement of each quarterly financial report. In addition, the company sends a board meeting notice to the board directors and reminds them to exercise due diligence in keeping the meeting information in confidence.</p>	
<p>III. The constitution and obligations of the board of directors</p> <p>(I) Has the Board of Directors established a diversity policy, set goals, and implemented them accordingly?</p>	✓		<p>(I) Our "Procedures for Election of Directors" 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:</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>董事成員年齡分布</p> <p>■ 45-55歲 ■ 56-65歲 ■ 66-75歲</p> </div> <div style="text-align: center;"> <p>董事專業能力分布</p> <p>— 專業能力</p> </div> </div>	No significant difference

Items for evaluation	Actual governance (Note)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary	
<p>(II) Will the Company, in addition to setting the Remuneration Committee and Audit Committee lawfully, have other functional committee set up voluntarily?</p> <p>(III) 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?</p> <p>(IV) Will the Company have the</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>There are 9 directors in the Company’s Board of Directors (including 3 independent directors). There are 2 female directors in the 10<sup>th</sup> term of the Board of Directors; also, all board directors are all citizens of the Republic of China. 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.</p> <p>(II) We have established the Remuneration Committee and Audit Committee as required by law. We will establish other kinds of functional committees based on business needs.</p> <p>(III) The “Rules for Performance Evaluation of Board Directors” was formulated with the approval of the company’s Board of Directors. The company regularly conducts self-evaluation on the Board of Directors, board directors, and functional committee members. The 2022 evaluation report was submitted to the Board of Directors on March 15, 2023. The performance evaluation results will be used as a reference in selecting or nominating board directors; also, the evaluation results will be submitted to the Board of Directors.</p> <p>(IV) The CPA Firm that the independent accountants of the company</p>	

Items for evaluation	Actual governance (Note)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary	
independence of the public accountant evaluated regularly?			belong to is one of the four major international accounting firms in Taiwan. The company's Board of Directors regularly evaluates the independence of the attesting CPAs by referring to the audit quality indicators (AQIs) every year with the "Statement of Independence" collected from the attesting CPAs. Currently, all CPAs in service are independent. Please see the CPA Independence Assessment Sheet in Note 1.	
IV. 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 producing minutes for board meetings and general meetings of shareholders)?	✓		<p>(I) The Board of Directors agrees to appoint Su-Mei Huang, the Junior VP of the Finance &amp; Administration Department, as the Corporate Governance Officer in order to substantiate corporate governance and enhance the function of directors. The Corporate Governance Officer is responsible for the company's corporate governance related affairs. Su-Mei Huang has more than three years of work experience in finance, stock affairs, and meeting agenda.</p> <p>(II) The corporate governance officer is primarily responsible for corporate governance matters and serves 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' Meeting," "assisting directors and supervisors with taking office and continuing education," "providing information directors needed for operation," "helping directors with compliance," and "other tasks stipulated according to the articles of incorporation or contract."</p> <p>(III) The following describes the implementation of company governance matters in 2022:</p> <p>1. Assist directors in carrying out their duties, provide them with</p>	No significant difference

Items for evaluation	Actual governance (Note)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/ GTSM Listed Companies
	Yes	No	Summary	
			<p>the required data, and arrange further education for them.</p> <p>2. We provide information directors needed for operation and assist them with compliance.</p> <p>3. Assist with the procedure of board meetings, audit committee and meetings of shareholders and the legal compliance of resolutions.</p> <p>(1) Report the effectiveness of governance to the BOD, confirm the legal compliance and compliance with the governance best practice principles of the convening of meetings of shareholders and board meetings.</p> <p>(2) Assist directors in legal compliance while carrying out their duty and making board resolutions, and remind directors of illegitimate resolutions.</p> <p>(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.</p> <p>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.</p> <p>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</p>	

Items for evaluation	Actual governance (Note)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary	
			<p>minutes within 20 days after the board meeting.</p> <p>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.</p> <p>7. We open continuing education courses</p> <p>(IV) Corporate governance executive's training The continuing education for a total of 13 hours was completed in 2022, please refer to Note 2 for details.</p>	
V. 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?	✓		The company has established a spokesperson system to handle relevant affairs, set up a "stakeholder" section on the company's website, and instructed relevant departments to establish communication channels with different entities (including stakeholders). The communications conducted with stakeholders in 2022 were reported to the Board of Directors on November 9, 2022.	No significant difference
VI. 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
VII. Disclosure of information (I) Does the Company have a website setup and the financial business and	✓		(I) We have established a corporate website to fully disclose information in relation of finance, sales, and governance. Website:	No significant difference

Items for evaluation	Actual governance (Note)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary	
<p>corporate governance information disclosed?</p> <p>(II) 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.)?</p> <p>(III) 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?</p>	✓	✓	<p><a href="https://www.soft-world.com">https://www.soft-world.com</a></p> <p>(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.</p> <p>(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.</p>	
<p>VIII. Is there any other material information (including, without limitation, the following) that will help stakeholders understand governance practices at the company?</p> <p>1. Employees' rights</p> <p>2. Care for the employees</p>	✓		<p>1. We have established an employee welfare system to maintain the rights and interests of employees.</p> <p>2. We abide by the law and maintain employee safety: e.g. workplace safety and employee bodily safety.</p>	No significant difference



Items for evaluation	Actual governance (Note)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary	
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  8. Implementation of customer policies  9. The liability insurance obtained for directors and supervisors by the Company			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. Please see details in Note 3. 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 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.	
IX. 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 2022, 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)	As hired by this company work at this company two years before engagement or within one year after retirement?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
(2)	Do CPAs hired by this company recommend the stocks or other securities issued by this company?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
(3)	Are CPAs hired by this company financed or guaranteed by this company?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
(4)	Do CPAs hired by this company co-invest or share profit with this company?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
(6)	Are CPAs hired by this company involved with the management with decision-making power of this company?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
(7)	Are 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
(8)	Do CPAs hired by this company solicit business with direct or indirect suggestion of relationship of a specific kind or with interest?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
(9)	Do CPAs hired by this company take commission from external companies or individuals in relation to the business of this company?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
(10)	The Statement of Independence obtained from CPAs every year.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Note 2: 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					
2022/02/23	2022/02/23	Securities and Futures Institute	Employee and Director Remuneration Issues - From the Amendment of Article 14 of the Securities and Exchange Act	3.0	13	Yes
2022/05/11	2022/05/11	Securities and Futures Institute	Principles, practices and tools for group taxation	3.0		
2022/05/12	2022/05/12	Taiwan Stock Exchange, Alliance Advisors, and Taiwan Corporate Governance Association	International Twin Summit Online Forum	2.0		
2022/07/27	2022/07/27	Co-hosted by Taiwan Stock Exchange and Taipei Exchange	Sustainable Development Roadmap Industry Theme Promotion Conference	2.0		
2022/08/10	2022/08/10	Securities and Futures Institute	External innovation and sustainable operation	3.0		

Note 3: 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	2022/08/10	2022/08/10	Securities and Futures Institute	External innovation and sustainable operation	3.0	6.0	Yes
		2022/05/11	2022/05/11		Principles, practices and tools for group taxation	3.0		
Director	WANG, CHIUNG-FEN	2022/08/10	2022/08/10	Securities and Futures Institute	External innovation and sustainable operation	3.0	12.0	Yes
		2022/08/04	2022/08/04	Taiwan Corporate Governance Association	What Investors are Thinking – Talking about Enterprise Sustainable Transformation from ESG Investment and Financing	3.0		
		2022/05/11	2022/05/11	Securities and Futures Institute	Principles, practices and tools for group taxation	3.0		
		2022/05/05	2022/05/05	Taiwan Corporate Governance Association	Analyze the impact of Taiwan's anti-tax avoidance system on wealth inheritance and the response measures	3.0		
Director	SHIH, MING-HAO	2022/08/25	2022/08/25	Taipei Exchange	Insider Seminar for GTSM and Emerging Stock Market-Listed Companies	3.0	6.0	Yes
		2022/08/10	2022/08/10	Securities and Futures Institute	External innovation and sustainable operation	3.0		
Director	CHIEN, CHIN-CHENG	2022/08/10	2022/08/10	Securities and Futures Institute	External innovation and sustainable operation	3.0	9.0	Yes
		2022/05/11	2022/05/11	Securities and Futures Institute	Principles, practices and tools for group taxation	3.0		
		2022/05/05	2022/05/05	Taiwan Corporate Governance Association	Analyze the impact of Taiwan's anti-tax avoidance system on wealth inheritance and the response measures	3.0		
Director	CHANG, HUNG-YUAN	2022/08/10	2022/08/10	Securities and Futures Institute	External innovation and sustainable operation	3.0	9.0	Yes
		2022/05/11	2022/05/11	Securities and Futures Institute	Principles, practices and tools for group taxation	3.0		
		2022/05/09	2022/05/09	Taiwan Investor Relations Institute	Global Net Zero Carbon Emissions Trend and Industry's Response Measures	3.0		
Director	WU, AI-YUN	2022/08/11	2022/08/11	Securities and Futures Institute	The latest practical development of insider trading in Taiwan and the countermeasures of enterprise	3.0	9.0	Yes
		2022/08/10	2022/08/10		External innovation and sustainable operation	3.0		
		2022/05/11	2022/05/11		Principles, practices and tools for group taxation	3.0		
Independent	SHYU, SO-DE	2022/08/10	2022/08/10	Securities and Futures	External innovation and sustainable operation	3.0	9.0	Yes

Director				Institute				
		2022/06/10	2022/06/10	Securities and Futures Institute	The 2022 Anti-Insider Trading Promotion Conference	3.0		
		2022/05/11	2022/05/11	Securities and Futures Institute	Principles, practices and tools for group taxation	3.0		
Independent Director	LIN, HSUAN-CHU	2022/08/10	2022/08/10	Securities and Futures Institute	External innovation and sustainable operation	3.0	12.0	Yes
		2022/06/22	2022/06/22	Taiwan Corporate Governance Association	ESG-related legal issues to be considered by the Board of Directors	3.0		
		2022/06/22	2022/06/22	Taiwan Corporate Governance Association	The 2022 Global Trends and Business Opportunities of Low Carbon Economy and Enterprise Low Carbon Innovation	3.0		
		2022/05/11	2022/05/11	Securities and Futures Institute	Principles, practices and tools for group taxation	3.0		
Independent Director	CHUANG, PI-HUA	2022/08/11	2022/08/11	Securities and Futures Institute	External innovation and sustainable operation	3.0	6.0	Yes
		2022/05/10	2022/05/10	Securities and Futures Institute	Principles, practices and tools for group taxation	3.0		

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

Information on the members of the Remuneration Committee

**December 31, 2022**

By identity (Note 1) Name		Condition	Professional qualification and experience (Note 2)	Independence Criteria (Note 3)	Number of public companies where the members of the Remuneration Committee are also the members of the remuneration committees of these companies
Independent director Convener	SHYU, SO-DE		Audit Committee members with accounting or financial expertise More than five years of sales experience related to the Company's business operation Former Professor, Department of Finance, Vice Dean, College of Management, National Sun Yat-sen University; President of Takming University of Science and Technology Not under any of the categories stated in Article 30 of the Company Act.	<ol style="list-style-type: none"> <li>1. The principal, spouse, and relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or the Company's affiliated enterprises;</li> <li>2. The principal, spouse, and relatives within the second degree of kinship (or held in the name of others) do not hold any shares or have any shareholding ratio of the Company;</li> <li>3. Not serving as a director, supervisor, or employee of a company that has a specific relationship with the Company (please refer to Article 6, Paragraph 1, Subparagraphs 5~8 of the "Regulations Governing the Appointment and Exercise of Power by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange");</li> <li>4. No remuneration received for providing business, legal, financial, accounting, and other services to the Company or the Company's affiliated enterprises in the last two years.</li> </ol>	3

Independent directors	LIN, HSUAN-CHU	<p>Audit Committee members with accounting or financial expertise More than five years of sales experience related to the Company's business operation Current the Professor, Department of Accountancy and Graduate Institute of Finance, National Cheng Kung University Not under any of the categories stated in Article 30 of the Company Act.</p>	<ol style="list-style-type: none"> <li>1. The principal, spouse, and relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or the Company's affiliated enterprises;</li> <li>2. The principal, spouse, and relatives within the second degree of kinship (or held in the name of others) do not hold any shares or have any shareholding ratio of the Company;</li> <li>3. Not serving as a director, supervisor, or employee of a company that has a specific relationship with the Company (please refer to Article 6, Paragraph 1, Subparagraphs 5~8 of the "Regulations Governing the Appointment and Exercise of Power by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange");</li> <li>4. No remuneration received for providing business, legal, financial, accounting, and other services to the Company or the Company's affiliated enterprises in the last two years.</li> </ol>	1
Independent directors	CHUANG, PI-HUA	<p>Audit Committee members with accounting or financial expertise A certified public accountant with more than five years of work experience related to the Company's business operation Current Principal CPA, Haps Consulting Ltd. &amp; CPAs Not under any of the categories stated in Article 30 of the Company Act.</p>	<ol style="list-style-type: none"> <li>1 The principal, spouse, and relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or the Company's affiliated enterprises;</li> <li>2. The principal, spouse, and relatives within the second degree of kinship (or held in the name of others) do not hold any shares or have any shareholding ratio of the Company;</li> <li>3. Not serving as a director, supervisor, or employee of a company that has a specific relationship with the Company (please refer to Article 6, Paragraph 1, Subparagraphs 5~8 of the "Regulations Governing the Appointment and Exercise of Power by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange");</li> <li>4. No remuneration received for providing business, legal, financial, accounting, and other services to the Company or the Company's affiliated enterprises in the last two years.</li> </ol>	2

Note 1: **Professional qualification and experience:** Describe the professional qualification and experience of each individual Remuneration Committee member.

Note 2: **Compliance with the requirement of independence:** Please state the independence of Remuneration Committee members, including but not limited to whether they, their spouse, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliates; the number of Company's shares and shareholdings held by the Remuneration Committee members, their spouses, and relative in the second degree of kinship (or in the name of others); whether they are directors, supervisors, or employees of other companies that have a specific relationship with the Company (please refer to Article 6, Paragraph 1, Subparagraphs 5~8 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange"), and whether they provide commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company within the last 2 years.

Note 3: Please refer to the website of Corporate Governance Center, Taiwan Stock Exchange for best practices for the disclosure method.

## 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 11, 2021 to July 30, 2024. The committee has held 2 sessions lately (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
Independent director	SHYU, SO-DE	2	0	100%	Convener
Independent director	LIN, HSUAN-CHU	2	0	100%	
Independent director	CHUANG, PI-HUA	2	0	100%	

## 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 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. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the date, term of office, proposal content, resolutions of the Board of Directors, and the Company's handling of the opinions of the Remuneration Committee (for example, when the remuneration approved by the Board of Directors is superior to the recommendations of the Remuneration Committee, the differences and reasons should be detailed) shall be stated: Not applicable to the Company this year.
2. If there is any member expressing a dissent or observation in writing or documented against the matters resolved by the Remuneration Committee, the date, term of office, proposal content, the opinions of all members, and the handling of the said opinions by the Remuneration Committee shall be stated: Not applicable to the Company this year.
3. Important Remuneration Committee resolutions:

Date	RE:	Resolution
2 <sup>nd</sup> meeting of the 5 <sup>th</sup> Remuneration Committee 2022/03/16	1. Review of the proposal on the 2021 earnings distribution for directors, supervisors, and employees.	All members attended the meeting passed the proposal as is.
3 <sup>rd</sup> meeting of the 5 <sup>th</sup> Remuneration Committee 2022/11/09	1. Assessing the case of "Performance evaluation for directors, and the policy, system, standard and structure of remuneration." 2. Assess the policy, system, standard, and structure of the performance evaluation and remuneration of officers. 3. Discussion the 2023 work plan of the Remuneration Committee.	
4 <sup>th</sup> meeting of the 5 <sup>th</sup> Remuneration Committee 2023/03/15	1. Review of the proposal on the 2022 earnings distribution for employees and directors.	

- 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.



(V) The promotion and operation of the sustainable development and its differences from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:

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.

Promotion item	Status of implementation (Note 1)			Deviation and causes of deviation from the Corporate Sustainable Development Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary	
I. Has the Company <u>established a governance structure to promote sustainable development</u> , and set up a dedicated (part-time) unit to promote <u>sustainable development</u> , which is authorized by the Board of Directors to be handled by senior management, and the supervision situation of the Board of Directors?	✓		<ol style="list-style-type: none"> <li>1. The company’s Financial Management Center is the responsible for promoting sustainable development. It summons relevant departments to form an ESG team. The ESG team discusses issues of concern to stakeholders every year; also, it responds and proposes the sustainable development policies and specific promotion plans.</li> <li>2. The Company’s implementation: <ol style="list-style-type: none"> <li>(1) The Company’s “Corporate Social Responsibility Best Practice Principles” was resolved by the Board of Directors on March 22, 2017; also, it was renamed as “Sustainable Development Best Practice Principles” on March 16, 2022.</li> <li>(2) The Company’s ESG team formulates strategic goals and develops specific and feasible work targets for implementation based on the major issues screening procedures and results every year. The ESG team selected and identified the major issue for consideration one by one in 2022, and confirmed the impact and importance of the issues according to the influence of stakeholders, and then disclosed the contents.</li> <li>(3) The Financial Management Center shall report the promotion results to the Board of Directors at least once a year.</li> </ol> </li> <li>3. The Company’s Board of Directors actively supervises the sustainable development and corporate governance results.</li> </ol>	No significant difference

II.	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 2)	✓		<p>1. The Company's risk assessment boundary includes all the subsidiaries in the Company's consolidated financial statements.</p> <p>2. The Company reviews the characteristics of business and operations to have risks classified as financial risks, operational risks, human resources risks, information security risks (personal information risks), regulatory compliance risks, climate change risks, etc. in accordance with the principle of materiality. The Company formulates corresponding measures in response to relevant possible risks by regularly assessing the risks of various business activities in order to prevent risks from emerging, and to monitor, adjust, and optimize continuously, so to minimize the frequency and impact of risks, to protect the interests of stakeholders, to increase the Company's value, and to optimize the Company's resource allocation. Please refer to Note 3 for related information.</p>	No significant difference
III.	Environmental Issues				
(I)	Does the Company have an appropriate environmental management system established in accordance with its industrial character?	✓		<p>1. The company complies with the environmental laws and regulations, protects the natural environment, and fulfills social responsibilities. The company is committed to improving the utilization efficiency of resources, reducing the impact on the environment, minimizing the impact of rising electricity bills and carbon neutral policies, and responding to the trends and relevant regulations actively. Climate change risks have no physical and disastrous impact on the company.</p>	No significant difference
(II)	Is the Company committed to improving the efficiency of resource utilization and using recycled materials with low impact on the environment?	✓		<p>There is no harmful pollutant resulted from the business operation directly due to the characteristics of the industry. However, in terms of the electricity consumed in the information equipment room and by the employees in performing their routine work, although no contribution can be made in carbon reduction, the Company fully supports the government's carbon reduction policy.</p>	No significant difference
(III)	Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future, and take countermeasures to respond to climate related issues?	✓		<p>The company's main business operation includes the application of MyCard digital points and integrated marketing services. The company faces potential risks of environmental and operational concerns. The changes to be made by the company to mitigate and adapt to climate change include adopting more efficient equipment to reduce operating cost as a countermeasure.</p>	No significant difference

(IV) 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 GHG reduction, water conservation, and waste management?	✓	<table><tr><td colspan="3">1. Statistics for the last two years</td></tr><tr><td rowspan="2">Item</td><td colspan="2">Year</td></tr><tr><td>2022</td><td>2021</td></tr><tr><td>Electricity consumption unit in KWH</td><td>2,946,613 degrees</td><td>2,050,010 degrees</td></tr><tr><td>CO2/kg resulted from the use of</td><td>1,492,180 kg</td><td>1,029,105 kg</td></tr><tr><td>Tap water consumption unit in degree</td><td>15,116 degrees</td><td>11,983 degrees</td></tr><tr><td>CO2/kg resulted from the use of water</td><td>1,511 kg</td><td>1,821 kg</td></tr><tr><td>Consumption of paper / sheet</td><td>987,500 board lots</td><td>1,070,000 board lots</td></tr><tr><td>Number of trees cut / tree</td><td>118.5 trees</td><td>128.4 trees</td></tr></table> <p>Calculation reference: © About 0.00012 tree is cut for the production of 1 sheet of paper.</p> <p>2. The Company has formulated the “Energy saving and carbon reduction, greenhouse gas reduction, water consumption reduction, or other waste management policies.”</p> <p>(1) Environmental and sustainable management goals: The Company is engaged in a low-pollution business. Although the Company cannot contribute to carbon reduction, the Company fully supports the government’s carbon reduction policy. The Company controls electricity and water consumption and reviews the efforts annually with a target set to reduce the electricity and water consumption by 1% after 3 years. The Company enhances the green energy environment and improves the concept of energy saving and sustainable development.</p> <p>(2) Promoting measures and achievements: Arrange employee training courses to promote the Company’s effort in energy saving. The light fixture in the office area is changed to LED lamps, and eliminates unnecessary lamps and reduces such use according to the brightness needed at the workplace. Substantiate the practice of turning off the lights when leaving the office area/meeting room. The colleague who is the last one to leave the office shall check to make sure that all lights and air conditioners are off. Reduce unnecessary power consumption. Post a water saving slogan on the side of the sink. Issue notices to employees by</p>	1. Statistics for the last two years			Item	Year		2022	2021	Electricity consumption unit in KWH	2,946,613 degrees	2,050,010 degrees	CO2/kg resulted from the use of	1,492,180 kg	1,029,105 kg	Tap water consumption unit in degree	15,116 degrees	11,983 degrees	CO2/kg resulted from the use of water	1,511 kg	1,821 kg	Consumption of paper / sheet	987,500 board lots	1,070,000 board lots	Number of trees cut / tree	118.5 trees	128.4 trees	No significant difference
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			<p>email. Use electronic invoices and substantiate environmental sustainability. New Year's Card is replaced with E-cards. Paper is recycled and reused. Internal documents are photocopied with the use of recycled paper to reduce paper consumption. Reduce unnecessary meetings or switch to video conferences. The meeting information is presented with projectors instead of a hardcopy. The document delivery between the head office and branch office (subsidiary) is made together with the cargo delivered by the freight Company collectively on a daily basis in order to reduce the carbon footprint of transportation. Smoking is prohibited in offices and all spaces in the building to reduce air pollution. Colleagues are encouraged to bring their own utensils and to reduce the use of disposable utensils. Garbage sorting is mandatory so to enhance resource recovery efficiency.</p> <p>3. The relevant calculation data is based on the calculation reference published by the Bureau of Energy, Ministry of Economic Affairs. Although the information has not been verified by a third party, the Company has made the "Greenhouse Gas Reduction and Management Act" the indicator to move towards a green environment and to fulfill the Company's corporate responsibility.</p>	
<p>IV. Social issues</p> <p>(I) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?</p>	✓		<p>In order to fulfill corporate social responsibilities and safeguard the basic human rights of all employees, the Company agrees to follow voluntarily the "United Nation's Universal Declaration of Human Rights (UDHR)," "The United Nations Global Compact," "United Nations Guiding Principles on Business and Human Rights," "International Labour Organization (ILO)," and other internationally recognized Human rights standards, to cease all violations and breaches of human rights, and to comply with labor-related laws and regulations where the Company operated.</p> <p>The Company actively performs specific improvement plans to mitigate human rights risks, creates an excellent working environment, and takes the following measures: 1. Human rights due diligence investigation process 2. Human rights protection training practices: The Company promotes relevant laws and regulations for compliance at the Company's orientations, provides sexual harassment prevention courses, substantiates workplace bullying prevention briefing, and offers a complete series of occupational safety training.</p>	No significant difference

(II) 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?	✓		<div>1. Employee welfare measures: The salary, vacation, and other benefits for the Company’s employees at all levels are not different due to gender and race; also, a working environment with equal pay for equal work is provided.</div> <div>2. Operating performance or results are reflected in the employee remuneration policy and its implementation: The Company distributes year-end bonuses, performance incentives, spring party, New Year gifts, etc., depending on the operating performance of the Company taking as a whole. The Company appropriated 5% of the net income before tax as compensation to employees in 2022 for a total amount of NT\$53,992,000.</div>	No significant difference						
(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	✓		<div>1. Measures for employee safety and health at workplace, and the education policy for employees and its implementation: The Company actively cares for the physical and mental health of employees with a professional medical and health institution entrusted to give employee a health checkup every year in accordance with the frequency and budget superior to the requirements of the “Regulations of the Labor Health Protection.”</div> <div>2. The Company regularly arranges contracted occupational physicians to provide in-patient services and to provide employees with timely assistance and health advice.</div> <div>3. The number of employee occupational accidents, the number of employees involved in such occupational accidents, the ratio to the total number of employees in the current year, and the related improvement measures: There is not any employee occupational accident occurred in this year.</div>	No significant difference						
(IV) Does the Company have an effective career capacity development training program established for the employees?	✓		<div>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.</div> <table><tr><th>Type</th><th>Training development content</th></tr><tr><td>Education and training of new recruits</td><td>Training programs are arranged to help new recruits understand the Company’s systems and regulations promptly.</td></tr><tr><td>Occupational safety and health education and training</td><td>The health management, occupational disease prevention, health promotion, and other labor health protection measures are arranged to prevent occupational disasters and to ensure the safety and health of workers.</td></tr></table>	Type	Training development content	Education and training of new recruits	Training programs are arranged to help new recruits understand the Company’s systems and regulations promptly.	Occupational safety and health education and training	The health management, occupational disease prevention, health promotion, and other labor health protection measures are arranged to prevent occupational disasters and to ensure the safety and health of workers.	No significant difference
Type	Training development content									
Education and training of new recruits	Training programs are arranged to help new recruits understand the Company’s systems and regulations promptly.									
Occupational safety and health education and training	The health management, occupational disease prevention, health promotion, and other labor health protection measures are arranged to prevent occupational disasters and to ensure the safety and health of workers.									

			<div>External training</div> <div>The Company selects personnel to participate in the training seminars on government regulations or the training programs arranged by external training institutions.</div>		
			<div>On-job training within the department</div> <div>Learn the skills and knowledge needed for performing the tasks from the guidance of the supervisor or senior colleagues at the workplace.</div>		
(V) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and establish relevant <u>customer</u> rights protection policies and complaint procedures?	✓		The Company has had a customer service unit, the consumer rights and interests protection policy, and grievance procedures in place; also, a “stakeholders” section designated to provide customers with a channel for questions, complaints, and suggestions. The Company bases on the principle of good faith to properly handle and give feedback in order to protect the rights and interests of consumers and customers. The Company continues to improve quality and dedicates to the customer service management and optimization, and treats customer feedback with appreciation and patience. The Company also engages in a 24-hour monitoring mechanism so to cooperate with the police in handling and preventing frauds and to fulfill social responsibilities.	No significant difference	
(VI) 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?	✓		<ol style="list-style-type: none"> <li>1. Supplier management policies and related compliance specifications: The Company cooperates with suppliers to substantiate corporate social responsibility. At the time of signing contracts with suppliers, the attached supplier sustainability statement shall also be signed.</li> <li>2. Describe the implementation of the supplier management policies and related compliance specifications: When signing contracts with the major suppliers, if the Company found that the supplier has violated its own corporate social responsibility policy, which has a significant impact on environmental protection, occupational safety and health, or labor human right, it is proposed to have the business transactions ceased temporarily or permanently.</li> </ol>	No significant difference	

V. Did the company, following internationally recognized guidelines, prepare and publish reports such as its <u>sustainable</u> 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?	✓		Although the Company's report is without the assurance or guarantee of an independent certification unit obtained; however, the "Sustainable Development Best Practice Principles" is formulated. The "2021 Corporate Social Responsibility Report" with reference to the internationally accepted regulations governing the preparation of report is also prepared to disclose the Company's non-financial information; also, the contents are provided and compiled by all departments of the Company. The report information is compiled and disclosed to the public.	No significant difference
VI. If the company has its own code of sustainability based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe the implementation and its discrepancies from the best practice principles: no major discrepancy.				
<p>VII. Other important information to facilitate better understanding of the Company's <u>implementation of sustainable development</u>:</p> <p>(I) 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. 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 ten consecutive years, in order to cultivate technology and art talent, and promote game industry innovation and creative talent.</p> <p>(II) 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 five years in a row, including National Pingtung University, National Yunlin University of Science &amp; Technology, National Kaohsiung Normal University, National Kaohsiung University of Science and Technology, National University of Kaohsiung, National Taitung University, National Chiayi University, National Formosa University, Tainan National University of the Arts, University of Science and Technology of China, 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, Technology and Ling Tung University, Tainan University of Technology and Mingdao High School. There were 36 students recruited for the first class (2018 school year) with a year long "3D Game Art" internship arranged. In addition to passing on professional industry knowledge and practical opportunities to the interns, monthly scholarships, free dormitories, allowances, group insurances, and other benefits are also provided. 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</p>				

for schools, students and corporations. There were 17, 17, and 19 students recruited in the 3<sup>rd</sup>, 4<sup>th</sup>, and 5<sup>th</sup> terms (2020, 2021, and 2022 academic year) despite the impact of COVID-19 pandemic, respectively, who had all completed a 1-year internship. The training program included “3D game art,” “Multimedia Production,” “Music Creation,” “Graphic Design,” and “Recording Production.” The company continues to have them trained despite the raging pandemic worldwide just to make contribution to the cultivation of new blood in the game industry. Also, the company with its outstanding training results was elected as an “Excellent Study Unit” in the “DIGI+ Talent Circulation Alliance” by the Industrial Development Bureau of the Ministry of Economic Affairs and the Administration for Digital Industries, MODA in 2020, 2021, and 2022. The students’ study results of “Witch’s Synthetic Code – Might and Magic” and “Great Hair Wizard” app game in 2021 and 2022 stood out in the “Global Digital Rising Star Award” tournament sponsored by the Industrial Development Bureau of the Ministry of Economic Affairs and the Administration for Digital Industries, MODA and ranked third place for two consecutive years, which is definitely a recognition of the company’s long-term efforts in cultivating industry talents.

(III) 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.

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

Note 1: If a check is placed for “yes” of the implementation status, please specify the major policies, strategies, measures and implementation status that have been taken; If a check is placed for “no,” please explain the differences and reasons under the column for “Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor,” and specify the future plans for related policies, strategies, and measures.

Note 2: 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.

Note 3: The Company should conduct risk assessments on environmental, social and corporate governance issues related to the Company’s operations and formulate relevant risk management policies or strategies based on the principle of materiality.

Evaluation standards	Evaluation process	Evaluation results	Risk management policies
Financial risk	Global financial markets are changing dramatically; also, fluctuations in exchange rates, interest rates, and commodity prices will bring more challenges to the Company’s business operation.	Based on the capital needs and financing conditions needed by the Group at different stages of development, with the attempt of realizing lowest financing risks and costs, and comprehensively considering capital raising and capital investment, the Company does not operate exchange rate instrument; therefore, the Company is not affected by the drastic changes in exchange rates and interest rate taking place in the global financial market recently.	Control cash flow through the budget management system, added with various financial strategies, to avoid risk of losses.
Operational risk	The game market is changing rapidly. The Company faces challenges in business operation, such as, the quality of the game, the content and entertainment of the game, the stability of the system services, the game industry’s service	<ul style="list-style-type: none"> <li>Observe the development of related industries constantly, understand and grasp the needs of customers and terminal application users, collect relevant information to grasp market trends, and regularly report in business meetings for discussion.</li> <li>Take appropriate measures, properly manage operational risks, reduce corporate losses in a timely manner, and minimize damage to maintain the stability of corporate operations.</li> </ul>	Respond to the continuous technological innovation, upgrade technical capabilities, adapt to industrial changes, and adjust operating strategies.



	attitude and speed to players, the protection of consumers' personal data, etc.		
Human Resources risks	The cultivation and recruitment of information security and software design and development talents is not an easy task; furthermore, the severe competition in the industry and the attempt of recruiting technical personnel from each other can easily lead to a shortage of manpower and a gap in professional ability.	<ul style="list-style-type: none"> <li>• Observe employee business trip and attendance, interactions with colleagues, and manpower inventory and audits.</li> <li>• Optimize recruitment channels and processes, pay attention to compensation and employee welfare measures of the industry, and strengthen employee care measures.</li> <li>• Plan and implement employee education and training to improve essential academic ability; also, employee benefits shall not be inferior to the requirements of labor laws and regulations.</li> </ul>	Establish a talent database, enhance employees' loyalty, recognition, and job satisfaction in order to reduce risks, such as, loss of talents, labor disputes, etc.
Information security risk	The risk of theft, tampering, or plagiarism by unauthorized personnel due to leakage of personal information, business secrets, and malicious programs.	Member information is strictly encrypted and kept. The use of member lists and analysis of requirements are subject to relevant management and control; also, the access to system data is recorded with a backed up regularly made for records.	The key items of relevant knowledge and information are included in the key audit matters and properly audited.
Compliance risk	The relevant internal control systems or management measures must be amended immediately in response to changes in government decrees or regulations; also, the administrative operations are performed in accordance with relevant specifications.	Each department shall have the relevant Operational Rules updated and amended according to the applicable laws and regulations within its business scope. The legal department also downloads the latest laws and regulations from relevant websites occasionally for the reference of the related departments in assessing risks and implementing them.	Formulate business strategies suitable to the Company in accordance with the governing laws and regulations.
Climate change risk	The surrounding environment may be sabotaged along with the global warming, resulting in the destruction of social economy and human activities and habits.	Regularly perform relevant tests, data reporting, announcements, etc. in accordance with laws and regulations, such as, environmental protection and energy management.	Effectively implement energy saving and carbon reduction, reduce carbon dioxide, substantiate the responsibility of a global citizen, and ensure that the green mountains stand tall forever.

## (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	
I. The policy and plan of business integrity				
(I) 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?	✓		(I) 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
(II) 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	✓		(II) 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.	

Items for evaluation	Actual governance (Note)			Difference with other companies listed in TWSE/ GTSM in best-practice principles of business integrity
	Yes	No	Summary	
<p>TWSE/TPEX-Listed Companies?”</p> <p>(III) 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?</p>	✓		<p>(III) 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.”</p>	
<p>II. The Materialization of Business Integrity</p> <p>(I) Does the company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed?</p> <p>(II) 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)?</p> <p>(III) Does the Company have developed policies to prevent</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) 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 activities.</p> <p>(II) The President Office of the company instructed relevant units to promote ethical corporate management and reported the implementation results to the Board of Directors on November 9, 2022. A total of 0 external reporting cases and 0 employee reporting cases were handled in 2022, and there was not any material unethical conduct occurring.</p> <p>(III) We perform all of the operating activities according to law.</p>	No significant difference

Items for evaluation	Actual governance (Note)			Difference with other companies listed in TWSE/ GTSM in best-practice principles of business integrity
	Yes	No	Summary	
<p>conflicts of interest, provided adequate channel for communication, and substantiated the policies?</p> <p>(IV) 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?</p> <p>(V) Has the Company organized corporate management internal and external education and training programs on a regular basis?</p>	<p>✓</p> <p>✓</p>		<p>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.</p> <p>(IV) 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.</p> <p>(V) We establish the employee training plan every year and arrange courses involving governance and ethnical corporate management. In 2022, we arranged up to 474.5 hours of courses involving ethnical corporate management for 146 employees.</p>	
<p>III. The operations of the Company's Report System</p> <p>(1) Does the Company have a specific report and reward system stipulated, a convenient report channel</p>	<p>✓</p>		<p>Punishment is specified in the Work Rules.</p> <p>(I) Employees can report unethical behaviors to the "suggestion box" or the "whistleblowing email" for the responsible</p>	No significant difference

Items for evaluation	Actual governance (Note)			Difference with other companies listed in TWSE/GTSM in best-practice principles of business integrity
	Yes	No	Summary	
<p>established and a responsible staff designated to handle the individual being reported?</p> <p>(II) 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?</p> <p>(III) Has the Company taken proper measures to protect the whistle-blowers from suffering any consequence of reporting an incident?</p>	<p>✓</p> <p>✓</p>		<p>personnel of the Financial Management Center to take over a case.</p> <p>(II) 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.</p> <p>(III) We ensure the anonymity of whistleblowers and that they are not treated improperly.</p>	
<p>IV. Enhancing Information Disclosure</p> <p>Has the company disclose the contents of the integrity management rules and its implementation effectiveness on its website and the Market Observation Post System?</p>	✓		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
<p>V. 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.</p>				
<p>VI. 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 and amended on March 15, 2023. (Such as the review and revision of the Corporate Integrity Code)</p>				

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

(VII) If the company has formulated corporate governance principles and related articles, it shall disclose the way of inquiry: our website and

TWSE.

(VIII) Other important information that is helpful in understanding the operation of corporate governance should also be disclosed.

1. A comprehensive corporate governance is the cornerstone of corporate sustainability. Therefore, the Company, as the first listed game software company and a leading brand in Taiwan, values the importance of ethical corporate management and corporate social responsibility, operates the business openly and transparently, complies with legal specification and requirements, and creates value and reduces risks in order to help establish a good corporate governance system, formulate relevant best practice principles, such as: “Corporate Governance Best Practice Principles,” “Ethical Corporate Management Best Practice Principles,” “Guidelines for the Adoption of Ethical Conduct,” and “Corporate Social Responsibility Best Practice Principles” for the compliance of the Company’s employees. In addition, in the “Corporate Governance Evaluation” announced by the Taiwan Stock Exchange, Soft-World International Corp. was ranked at the top always, which shows how much the Company’s corporate governance is appreciated.

2. Succession plans for the Board of Directors and key management personnel

The company’s Board of Directors adopts a “candidate nomination system.” All director candidates after a qualification review by the Board of Directors are selected from the list of director candidates in the shareholders meeting. There are nine directors (including three independent directors) on the board currently who possess the professional knowledge and skills in finance, accounting, business management, or the industry that the company engages in. The company arranges continuing education for directors for at least 6 hours a year to help them obtain new knowledge continuously and maintain their core values and professional advantages and capabilities. The succession plan for the company’s Board of Directors is with a focus on the external directors currently who have industry-related expertise and experience; therefore, a talent pool for external directors will be established. Independent directors must possess work experience in business, legal affairs, finance, accounting, or those needed for the company’s business operation according to law. The company will appoint independent directors lawfully to enhance corporate governance.

There are several senior management experts in the company’s affiliated enterprises who have professional capabilities and practical experience in various fields; also, they are requested to comply with the business philosophy of Soft-World throughout the process of management and business execution in order to cultivate multi-functional capabilities in organization and planning. In addition to attending the regular business review meetings of the parent company and subsidiaries held every month, they are also encouraged to participate in external courses to increase industrial knowledge, new technological knowledge, and to understand the latest management concept and movement.

Chung, Hsing- Po, the incumbent President of the Group’s Financial Management Center who was the former Vice President of the company’s Financial Management Center was promoted to be the President of the business unit in 2012.

Li, Shih-Chen, the incumbent Vice President of the Group Business in the President Office who was the former Junior VP in the President Office was promoted to be the Vice President in 2020.

Kai-Le Yuan, the incumbent Vice President of the Overseas Sales in the Sales Management Center who was the former Junior VP of the Sales Development Department in the Sales Management Center was promoted to be the Vice President in 2020.

(IX) Internal control:

1. Declaration of Internal Control Policies

Soft-World International Corporation  
Statement of Declaration of Internal Control System

Date: March 15, 2023

The Company's 2022 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, 2022, 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 15, 2023 without any objection from any of the seven (9) 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 2022 annual general meeting of shareholders (AGM) was held at 9.30am on (Tuesday) June 21, 2022 at the Kaohsiung Ambassador Hotel (No. 202, Minsheng 2nd Road, Kaohsiung City).

◎ Important resolutions

- (1) Acknowledging the Company's 2021 Business Report and Financial Statements.
- (2) Passed the amendment to the articles of incorporation.
- (3) Passed the amendment to the Rules of Procedure for Shareholders Meetings.
- (4) Passed the amendment to the Procedures for Acquisition or Disposal of Assets.

◎ Status of implementation:

- (1) Implementation of the important resolutions made at the board meetings were completed.
- (2) Approved the amendments to the company's Articles of Incorporation, which was approved by the Ministry of Economic Affairs for registration on July 22, 2022 and then it was announced on the company's website.
- (3) Approved the amendments to the "Rules of Procedure for Shareholders Meetings," which was announced on the company's website and implemented accordingly thereafter.
- (4) Approved the amendments to the "Procedures for the Acquisition or Disposal of Assets," which was announced on the company's website and implemented accordingly thereafter.
- (5) The 2021 earnings distribution proposal: cash dividend at NT\$5.2 per shares. The base date of distribution was set at April 27, 2022. Cash dividend was distributed on May 20, 2022.

2. Major Board of Directors resolutions:

Time	Important resolutions
4 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board of Directors 2022/03/16	<ol style="list-style-type: none"> <li>1. The 2021 effectiveness evaluation of the internal control system and the Statement of Internal Control System.</li> <li>2. We amended the "Internal Control System and "Enforcement Rules of Internal Audit."</li> <li>3. Review of the proposal on the 2021 earnings distribution for directors, supervisors, and employees.</li> <li>4. The Company's 2021 Business Report and Financial Statements.</li> <li>5. The Company's 2021Q4 earnings distribution and proposed base date</li> <li>6. Reporting on the distribution of 2021 earnings as cash dividends.</li> <li>7. Amendments to the Code of Ethical Conduct.</li> <li>8. Amendments to the "Articles of Incorporation".</li> <li>9. Amendments to Rules of Procedure for Shareholders Meetings.</li> <li>10. Regulations Governing the Acquisition and Disposal of Assets.</li> <li>11. 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.</li> <li>12. Discussion of the date and place of the 2022 AGM</li> <li>13. Operational Plan for year 2023.</li> <li>14. Amended the Corporate Governance Best Practice Principles</li> <li>15. Amendments to Corporate Social Responsibility Best Practice Principles</li> </ol>
5 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board of	<ol style="list-style-type: none"> <li>1. The Company's 2022Q1 Financial Statements.</li> <li>2. The Company's 2022Q1 Earnings Distribution.</li> <li>3. We endorse and guarantee the contract renewal for our subsidiary</li> </ol>

Time	Important resolutions
Directors 2022/05/11	“Neweb Technologies Co., Ltd.” 4. The company’s greenhouse gas inventory and verification schedule planning
6 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board of Directors 2022/08/10	1. We amended the “Internal Control System and “Enforcement Rules of Internal Audit.” 2. The Company’s 2022Q2 Financial Statements. 3. The Company’s 2022Q2 Earnings Distribution.
7 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board of Directors 2022/11/09	1. Assessing the case of “Performance evaluation for directors, and the policy, system, standard and structure of remuneration.” 2. Assess the policy, system, standard, and structure of the performance evaluation and remuneration of officers. 3. The Company’s 2022Q3 Financial Statements. 4. The Company’s 2022Q3 Earnings Distribution. 5. Independence and suitability assessment of CPAs. 6. Establishment of the Company’s 2023 annual audit program 7. The proposal to extend the expired performance bond limit. 8. Amended the Rules and Procedures of Board of Directors Meetings. 9. Amendments to the “Internal Material Information Processing SOP.” 10. The cancellation of Hong Kong branch. 11. The appointment of the company’s Information Security Officer.
8 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board of Directors 2023/03/15	1. The 2022 effectiveness evaluation of the internal control system and the Statement of Internal Control System. 2. Evaluate the independence and competence of the company’s independent accountants by referring to the audit quality indicators (AQIs). 3. Proposal to approve the CPA audit fee for 2023. 4. Discussion of the proposal on the 2022 earnings distribution for employees and directors. 5. The Company's 2022 Business Report and Financial Statements. 6. The company’s 2022 earnings distribution in cash. 7. Reporting on the distribution of 2022 earnings as cash dividends. 8. Amendments to Ethical Corporate Management Best Practice Principles 9. Amendments to the Operational Procedures for Loaning Funds to Others 10. Amendment to the Regulations for Endorsements and Guarantees. 11. Amendments to the Procedure for Derivatives Trading 12. The company’s election of additional independent directors. 13. Motion of cancelling the non-compete restriction on the newly-elected independent directors 14. Acceptance of the proposals and nomination made by shareholders holding 1% of shares. 15. Discussion of the date and place of the 2023 AGM 16. List of candidates nominated for independent directors and reviewed by the Board of Directors 17. Operational Plan for year 2023. 18. Amendments to Corporate Governance Best Practice Principles. 19. Amendments to Sustainable Development Best Practice Principles. 20. The subsidiary’s greenhouse gas inventory and verification schedule planning consolidated into the company’s financial statements.

(XII) If the directors or independent directors 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. Information on independent auditors' fees:

Monetary Unit: NT\$ Thousand

Firm Name	CPA Name	The duration of the audit	Auditing fee	Non-Auditing fee	Total	Remarks
Deloitte & Touche	Chen-li Chen	2022.01.01-2022.12.31	4,580	230	4,810	Other fee is NT\$230,000
	Kai-Ning Hsu					
	CHANG, WEI-CHIEH	2022.01.01-2022.12.31		465	465	Tax attestation fee is NT\$ 250,000 and other service fee is NT\$ 215,000.
	LAI, YUNG-FA			518	518	Transfer pricing service is NT\$510,000 and other service is NT\$8,000.

Note: 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. The contents of non-audit service and fee should be detailed.

VI. Change of CPA: None.

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	2022		By April 27 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	SHIH, MING-HAO	0	0	0	0
Director	WU, AI-YUN	0	0	0	0
Director	CHIEN, CHIN-CHENG	0	0	0	0
Director	CHANG, HUNG-YUAN	0	0	0	0
Independent director	SHYU, SO-DE	0	0	0	0
Independent director	LIN, HSUAN-CHU	0	0	0	0
Independent director	CHUANG, PI-HUA	0	0	0	0
President, 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	0	0
Vice President	Shih Chen Li	0	0	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 27, 2023

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 among the top ten shareholders; state their names and relationships. (Note 3)		Remarks
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Name	Relation	
WANG, CHIN-PO	21,594,350	16.94%	3,083,208	2.42%	0	0	Xiu-yan Ke Jun-xong Wang	Husband and wife Brothers	None
Xingtian Technologies Corporation Investment Account in Custody of KGI Commercial Bank Co., Ltd.	11,501,000	9.02%	0	0	0	0	None	None	None
Zilong Venture Capital Co., Ltd.	9,033,000	7.09%	0	0	0	0	None	None	None
Zilong Venture Capital Co., Ltd. Representative: WANG, LEE-JUNG	281,428	0.22%	0	0	0	0	None	None	None
Taiwan Branch, Belize Yiqiao Development Co., Ltd.	7,027,000	5.51%	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
Xiu-yan Ke	3,083,208	2.42%	21,594,350	16.94%	0	0	WANG, CHIN-PO	Husband and wife	None
Boju Financial Holdings Corporation Investment Account in Custody of Union Bank of Taiwan Co., Ltd.	3,051,000	2.39%	0	0	0	0	None	None	None
Wanin International Co., Ltd.	2,262,000	1.77%	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
Up Controls Co., Ltd.	1,950,000	1.53%	0	0	0	0	None	None	None
Up Controls Co., Ltd. Representative: Cheng, Min-Hsiung	39,350	0.03%	0	0	0	0	None	None	None
Jun-xong Wang	1,629,512	1.28%	0	0	0	0	WANG, CHIN-PO Xiu-yan Ke	Brothers Related by marriage.	None
Discretionary investment service provided by Taishin Securities Investment Trust Co., Ltd. to Taishin Life Insurance Company – Stock Account, Phase I	1,600,000	1.26%	0	0	0	0	None	None	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, 2022

Investee (Note)	Invested by The Company		Held by directors, supervisors, managers, and directly or indirectly controlled enterprises		Combined investment	
	Shares	Ratio of Shareholding	Shares	Ratio of Shareholding	Shares	Ratio of Shareholding
Chinese Gamer International Corporation	41,880,205	48.45%	1,228,037	1.42%	43,108,242	49.87%
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.	11,081,197	13%	0	0	11,081,197	13%
Soft-World Technology Pte. Ltd.	390,000	100%	0	0	390,000	100%
Fast Distributed Cloud Computing (Taiwan) Co., Ltd.	2,745,190	90%	0	0	2,745,190	90%
Interactive Entertainment Technology Co., Ltd.	480,000	80%	0	0	480,000	80%
Dynasty International Information Co., Ltd.	2,190,915	86%	0	0	2,190,915	86%
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%

Investee (Note)	Invested by The Company		Held by directors, supervisors, managers, and directly or indirectly controlled enterprises		Combined investment	
	Shares	Ratio of Shareholding	Shares	Ratio of Shareholding	Shares	Ratio of Shareholding
Celad Taiwan Inc.	477,273	32%	0	0	477,273	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



## 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		
		Shares	Amount	Shares	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
Aug 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. 092010182170 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. 0920127197 on 18 Sep 2003.
- Note 10: Approved by MOEA with Letter Jing-Sho-Shang-Zi No. 0920129394 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. 0930119363 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. 0940121183 on 2 Nov 2005.
- Note 16: Approved by MOEA with Letter Jing-Sho-Shang-Zi No. 09501113330 on July 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. 0990044721 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 company stock

(II) Shareholders structure

**April 27, 2023**

Composition of Shareholders Amount	Government Apparatus	Financial Institution	Other Juridical	Individual	Foreign institutions and foreigners	Total
No. of Person	0	2	176	28,319	168	28,665
Shares	0	1,850,000	17,213,301	69,161,135	39,249,896	127,474,332
Ratio of Shareholding	0%	1.45%	13.51%	54.25%	30.79%	100%

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 27, 2023**

Range of Shares	No. of Shareholders	Shares	Ratio of Shareholding (%)
1 - 999	20,000	575,435	0.45%
1,000 - 5,000	7,511	12,820,297	10.06%
5,001 - 10,000	625	4,562,736	3.58%
10,001 - 15,000	186	2,264,941	1.78%
15,001 - 20,000	92	1,629,654	1.28%
20,001 - 30,000	69	1,719,824	1.35%
30,001 - 40,000	41	1,429,824	1.12%
40,001 - 50,000	12	549,548	0.43%
50,001 - 100,000	45	3,126,182	2.45%
100,001 - 200,000	22	3,120,233	2.45%
200,001 - 400,000	22	6,644,714	5.21%
400,001 - 600,000	10	4,765,535	3.74%
600,001 - 800,000	3	2,174,557	1.71%
800,001 - 1,000,000	7	6,290,178	4.93%
1,000,001 and above	20	75,800,674	59.46%
<b>Total</b>	<b>28,665</b>	<b>127,474,332</b>	<b>100.00%</b>

2. Preference shares: None.

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

**April 27, 2023**

Name of Principle shareholder	Stock 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.	11,501,000	9.02%
Zilong Venture Capital Co., Ltd.	9,033,000	7.09%
Taiwan Branch, Belize Yiqiao Development Co., Ltd.	7,027,000	5.51%
Xiu-yan Ke	3,083,208	2.42%
Boju Financial Holdings Corporation Investment Account in Custody of Union Bank of Taiwan Co., Ltd.	3,051,000	2.39%
Wanin International Co., Ltd.	2,262,000	1.77%
Up Controls Co., Ltd.	1,950,000	1.53%
Jun-xong Wang	1,629,512	1.28%
Discretionary investment service provided by Taishin Securities Investment Trust Co., Ltd. to Taishin Life Insurance Company – Stock Account, Phase I	1,600,000	1.26%

(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**

Information Regarding the Market Price per Share, Total Value, Earnings, and Dividends			Year	2021	2022	As of March 31, 2023
Item						
Market Price Per Share (Note 1)	The Highest			131.5	103	94.4
	The Lowest			86.1	69.8	78.5
	Average			108.34	88.68	85.61
Net Value Per Share (Note 2)	Before Distribution			51.00	53.27	-
	After Distribution			45.8	46.30	Note 9
Earnings per share (Note 3)	Weighted average shares			121,341 thousand shares	121,306 thousand shares	121,341 thousand shares
	Cum-dividend			6.84	6.90	-
	Ex-dividend			6.84	6.90	-
Dividend Per Share	Cash dividends			5.20	7.0	-
	Free- Gratis Dividends	Stock dividends from retained earnings		0	0	-
		Stock dividends from capital surplus		0	0	-
	Cumulative undistributed dividends (Note 4)			0	0	-
	Return on investment Analysis	P/E ratio (Note 5)			15.84	12.85
Price to dividends ratio (Note 6)			20.83	12.67	-	
Cash dividend yield (Note 7)			4.80	7.89	-	

\* 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: Please fill in according to the issued number of shares at the end of the year and resolution for distribution by the Board of Directors or the following year's shareholders meeting.

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 2023Q1 financial statements had not been audited by the independent accountants as of the annual report publication date.



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

1. Dividend Policy:

The company should distribute surplus or compensate loss at the end of each quarter. If there is any surplus after the quarterly settlement, the amount shall be reserved for the estimated tax amount, compensation of loss, employees' compensation and directors' remuneration; then 10% appropriated for legal reserve unless the legal reserve has equaled the company's paid-in capital, in such case, the company shall recognize or reverse special earnings. If there is any amount remaining, the Board of Directors shall prepare the proposal of distributing surplus, where the proposal shall be executed after resolution by the Board of Directors for cash distribution, or by the shareholders meeting for stock distribution.

If there is any surplus after the annual settlement, the amount shall be used to pay the tax, compensate loss, then 10% appropriated for legal reserve unless the legal reserve has equaled the company's paid-in capital, in such case, the company shall recognize or reverse special earnings. Any amount remained shall be deemed as distributable earnings, which may be distributed along with the distributable earnings at the beginning of the period. The Board of Directors shall prepare the earnings distribution plan according to the stock dividend policy, and distribute stock dividends after resolution of the shareholders meeting.

The company authorizes the Board of Directors pursuant to Article 240 of the Company Act to adopt the resolution by a majority of the directors present who represent two-thirds or more of the Board of Directors to distribute the distributable dividends and bonus, or all or part of the legal reserve and capital reserve under Article 241 of the Company Act in the form of cash, and report to the shareholders meeting.

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) The Company's Board of Directors has the Company's 2022 earnings distribution proposal specially resolved as follows (03.15.2023):

Common stock dividend in cash: A cash dividend of NT\$7 per share is distributed for a total amount of NT\$888,393,324.

(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 2022 (Forecast)
Beginning paid-in capital			1,274,743,320
Stock Dividend in the current period	Cash dividend per share		7 (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: It was resolved by the Board of Directors on 03/15/2023.

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 has 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 2022 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 2023 gains/losses.
3. Remuneration to be distributed as resolved in the board of directors:
  - (1) The amount of employee remuneration and director remuneration distributed in the form of cash or stock. In case of a differential gap in recognized expense from the estimated amount in the year, the amount of differential gap, causes and countermeasures shall be disclosed in full:  
The amount of the 2022 profit sharing for employees and directors has been approved by BOD, including NT\$53,992,000 as profit sharing for employees and NT\$10,798,396 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 2022 profit sharing for employees will be distributed in cash, and there will be no stock as profit sharing for employees.
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	9 <sup>th</sup> time
Purpose of re-purchase	Transferred to employees
Re-purchase period	March 26 to May 25, 2020
Re-purchase price range	NT\$5 to NT\$100
Type and volume of shares re-purchased	Common stock / 561,000 shares
Amount of shares re-purchased	NT\$ 43,492,330

<u>Ratio of repurchased shares to shares repurchase planned</u>	37.4%
Number of shares cancelled and transferred	0 share
Accumulated shareholdings of the Company	561,000 shares
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): NA
- VI. Disclosure on new shares issued in exchange of other company shares: None.
- VII. Progress on the use of funds: None.

## V. 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 and Periodical Publication.  
 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	2022		2021	
	Amount of operating revenue	Business weightage	Amount of operating revenue	Business weightage
Revenue from online game software	3,345,050	54.85	3,406,569	51.60
Others	2,753,028	45.15	3,194,809	48.40
Total	6,098,078	100.00	6,601,378	100.00

##### 3. Current products (services):

- We release MyCard points for interfacing with game products and digital content service products.
- We release online games, develop our own mobile games, and serve as operation agencies and distributors.
- 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.
- Interactive video platform advertising push service
- Exhibition design and implementation
- Cloud information service
- Digital marketing and online ad-serving service
- 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. MyCard will accelerate overseas layout expansion in Southeast Asia to be in line with the trend of online game launchings. In addition to accommodating game collaboration
- (2) Research and self-development of games:  
The subsidiary Chinese Gamer International Corp. continues to use its rich IP creation resources to initiate cooperation. The IP-authorized mobile game "TS 3: Idle" was released in Taiwan, Hong Kong, Macau, Singapore, Malaysia, etc., last year. In the future, it will still promote IP authorization, collaborative development, and funding for start-ups. Each new generation of games can keep attracting IP players by implementing flexible and diverse forms of cooperation more in tune with current market trends.
- (3) Distribution and operations of games:  
Subsidiary Game Flier International Corporation has actively sought new products. At present, there are mobile games and PC games from Taiwan, South Korea and China are being actively negotiated. It also pays attention to game info overseas on a daily basis to schedule evaluations and business community analysis upon release of game launch news. The team in touch with the market will have more new product proxy opportunities.
- (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 game products developed by the subsidiaries, the company also cooperates with many domestic and foreign developers for IP authorization, successively develops a variety of mobile games, accelerates mass production and shares profits, and continues to make stable contributions.
- (5) Online advertising and marketing business:  
To go for the continuous growth of global digital advertising, Efun International Corporation, a subsidiary, is heavily involved in the technical application of MarTech (Marketing and Technology), follows the trend of new media on the Internet, develops and expands the most cutting-edge advertising technology and marketing optimization tools, and assists brands in promoting the global market through precision marketing. Efun International Corporation has extensive advertising experience, has worked with over 700 international game developers, e-commerce platforms, 3C brands, and other businesses, and has been certified by Google, Meta, and LINE core partners to provide global online advertising marketing and input planning. The team has been working on increasing the material and conceptual distinctions between services while also promoting cooperation in areas like LINE accounts, KOL collaboration, social media planning, and regional potential media.
- (6) Financial technology business:  
The subsidiary Neweb Technologies Co., Ltd., is committed to developing third-party payment and electronic payment core applications, offering a full spectrum of digital financial services from online to offline. It continued to accelerate the scale of online collection and payment transactions in 2022, increasing the overall volume of transactions by double digits year after year.

The promotion of offline multiple payment application scene setups will be accelerated this year. [NewwebPay] utilizes a comprehensive payment instrument to connect stores and consumer needs, and it continues to improve platform-side application services. In order to provide greater store convenience, logistic services have become increasingly available over the past few years, including store-to-store delivery for four supermarkets and bulk warehouse delivery. In the future, store requirements will remain intertwined, more supermarket logistics will be introduced, and home delivery and international cross-border logistics services will be introduced.

(II) Industry overview:

1. Current situation and development of industry:

The global game industry has benefited from the pandemic outbreak with a growth realized for two consecutive years, resulting in the substantial development of games, audio-visual entertainment, various content streaming, and remote technologies. A large number of first-time players embrace outdoor activities along with the popularization of vaccination and the gradual ease of the pandemic; therefore, the growth of the game industry will return to the normal level.

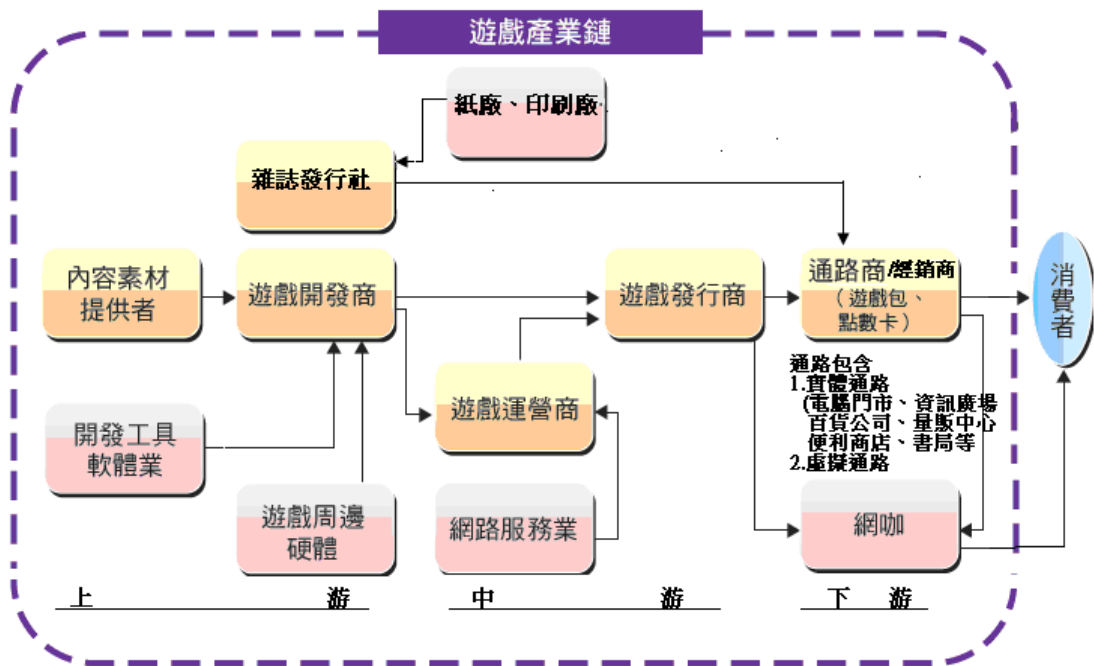
Soft-World will enhance the Group's one-stop service and extend it to application abroad for a global cooperation by taking advantage of Taiwan's flexible and creative characteristic network services in order to grow continuously through the international market and service.

Soft-World has been engaging in the game industry for years with a mature and comprehensive integrated service established. It is not only a one-stop deployment in the game industry, but also an extension to different business fields, such as online marketing, advertising, and financial technology. A diversified business model and service link is created through the comprehensive deployment of the three major business units.

The company while facing the challenge of globalization is to subsequently apply the successful experience of Taiwan abroad. The demand for internet services in Southeast Asia has grown rapidly in recent years, including Hong Kong and Malaysia, and these are targeted for development by the company in the future. The company plans to expand the business territory of MyCard integrated marketing, IP research and development, agency operations, social media customer service, financial payment, online advertising, cloud services, etc., overseas for a successful link with the international market.

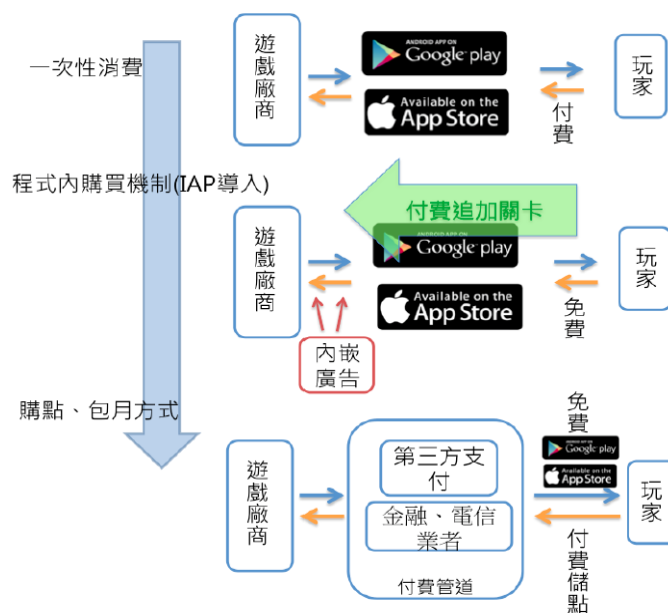
According to a report by survey agency Newzoo, Metaverse will be the next important stage of game development. As far as the game industry is concerned, new business models such as NFT, GameFi, Play-to-Earn, Play-to-Collect, and Pay-to-Socialize will overturn the ecosystem of traditional games. For instance, Play-to-Earn is intended for players to receive rewards from games through block chain. These rewards may be converted into the currency used in everyday life. Play-to-Collect involves is an NFT for earning items and virtual treasures through gameplay, which can also be directly traded in an open third-party market.

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



- 遊戲運營商：負責線上遊戲網路營運，含客服、網管等
- 遊戲發行商：負責遊戲市場行銷

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 has 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 game industry has gained users under the trend of high growth due to the pandemic. How to keep players in the long run and maintain their high degree of involvement and a growth trend have become issues of concern to game developers. Combining the application of IP topics, market differentiation can be created. In addition, it is only by timely acting as a proxy in the domestic and foreign market, engaging in authorization cooperation, issuing a diversified range of products and strengthening local operating characteristics can the local market strength be consolidated and overseas launching markets be expanded.

#### B. Industrial competition

With China's strengthening of game industry policy restrictions, game companies engage in overseas development at an accelerated pace. This affects the acquisition of the product agency while intensifying challenges from highly competitive Chinese market operations. The company adhering by flexible diversification operational strategies provides comprehensive game service support to expand the collaboration territory in various fields. At the same time, the company is also committed to enhancing the company's own and agent product quota, thereby consolidating Taiwan's market and open up overseas businesses. In recent years, online marketing and fintech business groups have established a leading status, generating revenues in time. In the future, the group services will be linked to open up more innovative applications. In view of the new trend of the virtual world, the company will continue to closely monitor the application opportunities of its businesses in the new fields.

### (III) Technology and R&D overview:

#### 1. Technical level and research development

##### (2) 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/perceptual 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.

(5) GameFi innovative issues

Digital games were originally designed as one of entertainments simply for satisfying players' self-challenge and self-realization. However, due to the development of decentralized blockchain technology, cryptocurrency, and other digital assets, as well as the "Metaverse" concept introduced in Steven Spielberg's box office hit "Ready Player One," the economic value of virtual assets in the game overspilled, added with the popular NFT (non-fungible tokens), chain games, Play-to-Earn games, the possibility of making game a life media and even the imagination of environmental structure is magnified, resulting in more opportunities and greater challenges to the game industry. However, the value of Bitcoin and other virtual assets dropped significantly last year, at a drop close to 80% from the historical high; also, the main cryptocurrency trading platform "FTX" filed for bankruptcy on November 11. Taiwan became the 5<sup>th</sup> worst affected area in the world with an estimated exposure amount of NT\$15 billion. The competent authorities are expected to enhance the governance of "decentralized" digital assets and GameFi. Therefore, the questions of how to grasp the opportunity for industrial development, supervise the risks of virtual assets, and comply with laws and regulations are to be answered by the industry in the future to come.

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, 2023.

Unit: NTD thousands

Term:	R&D budget	Proportion in sales
2021	275,973	4%
2022	292,344	5%
March 31, 2023	As of the date on which the annual report was printed, there was not financial data for 2023Q1 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. It has been 40 years since the establishment of the Soft-World International Corporation and subsidiaries. It has many Chinese classic game IPs that have won universal praise. Whether through cooperative development, such as “Pili Heroes,” or self-development, such as “Sakura Scroll,” the PC game adapted from the masterpiece sharing the same name “TS M”, etc. have achieved good market performance. “Legend of Emperors S” incorporates well-known comic master Huang Yu-Lang’s NFT, which set off another wave of nostalgia sweeping gamers. Also, the “TS Multiverse” has been launched with more players attracted to join along with the metaverse topic. In terms of IP authorization, the launch of “Kalpa of Universe” previously that was also a stand-alone masterpiece of martial arts was a great success. The achievement was enhanced last year with the authorized “Devouring the World 3: Screenshot” launched to inject more momentum into the operation. The company intends to promote more than 100 classic game IPs to the Chinese market worldwide in the future in order to create a new wave of growth in Taiwan’s cultural and creative industries.

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

### 1. 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.

## 2. Market and sales overview:

### (I) Market analysis

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

Unit: NTD thousands

Region \ Year	2022		2021	
	Amount	%	Amount	%
Taiwan	4,759,465	78.05	5,471,717	82.89
Mainland China	910,701	14.93	691,091	10.47
Others	427,912	7.02	438,570	6.64
Total	6,098,078	100.00	6,601,378	100.00

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

##### A. Market share

The company's distribution channel operation grew steadily in 2022. The Group has striven to develop three core business units in recent years, which are digital games, online marketing and advertising, and financial technology with a mature and comprehensive integrated service established. In addition to developing domestic market operations in depth, the attempt is to gradually enhance the Group's one-stop service overseas for local application and to expand the market and service aspect.

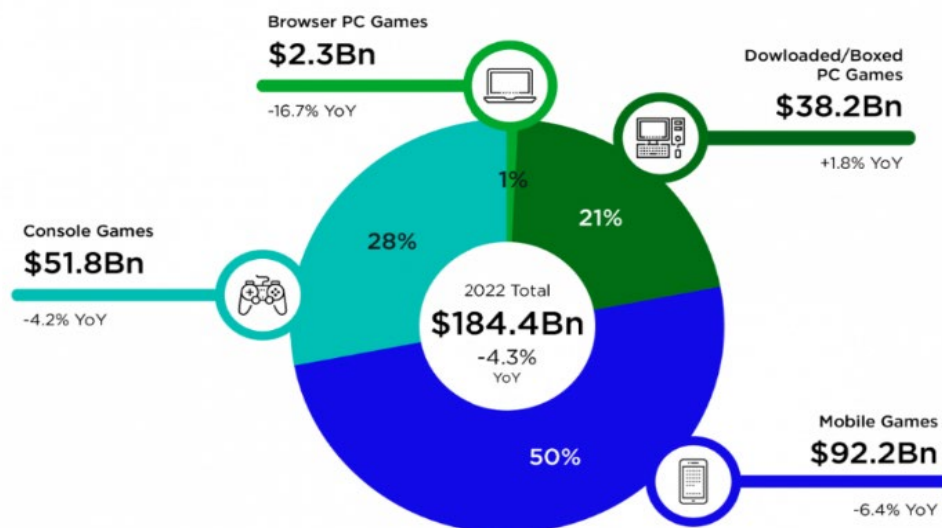
##### B. The supply and demand and growth of market in future

According to the report of Newzoo, a game research institute, the global game market was approximately US\$184.4 billion in 2022, an annual decrease of 4.3%. In particular, the revenues from games sold in Asia Pacific regions totaled US\$87.9 billion, accounting for 48% of revenues from games sold around the world.



## 2022 Global Games Market

Per Segment With Year-on-Year Growth Rates

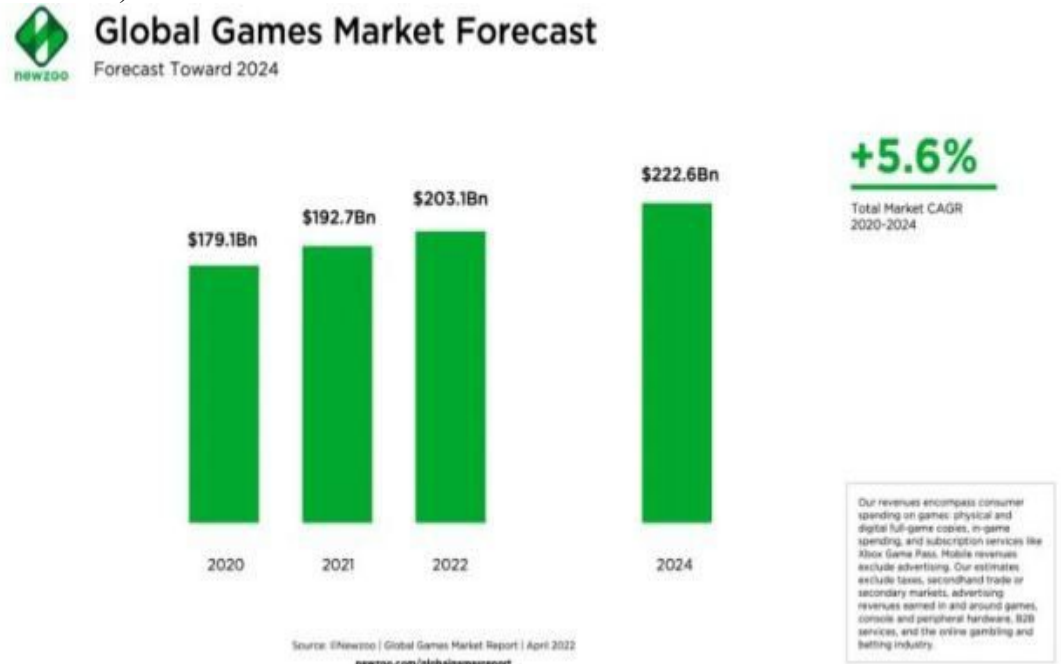


Source: ©Newzoo | Global Games Market Report | November 2022  
newzoo.com/globalgamesreport

Global game market size (Source/Newzoo)

In terms of market forecast, Newzoo expects the game market to grow continuously in the next few years and reach an amount of US\$222.6 billion in

2024 with a compound annual growth rate of 5.6% (2020–2024).



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 MyCard digital points connect to several thousand of games and digital content payment applications, with 6.6 million registered members and tens of millions of users. Soft-World establishes a dense online and offline sales channel in Taiwan and abroad, and combines localized custom-made marketing activities to become the most complete and convenient game payment brand in the Chinese market.

(2) Gaming business: IP authorization, R&D, and distributorship  
 Game research and development: In addition to endeavoring for the research and development of self-developed products, Subsidiary Chinese Gamer International Corp. will also actively extend opportunities to work with wits IP. Through the dual track of self-development and IP authorization, the company will continue to increase market share. 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.

Game customer service, integrated marketing, social network management, and e-sport game services: In recent years, the company has actively developed all-around game integration services. The company has game customer service in multiple languages, integrated marketing, social network management and an e-sport game team in order to assist game companies in promoting global launch strategies. Targeting the characteristics of players in different markets, overall marketing planning is provided.

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: EFUN International Corporation is a marketing expert with the widest coverage of online advertising services in Taiwan and with the highest market share of advertising in the game entertainment industry. EFUN has a team of advertising consultants, art multimedia design, big data research center with abundant experience in advertising to serve; also, it has cooperated with more than 700 international game manufacturers, e-commerce platforms, 3C brands, and other enterprises, and has won Google, Meta, and LINE core partner certification, and provided global online advertising and marketing planning services. EFUN International Corporation follows the market trend to develop and expand the latest advertising technology and marketing optimization tools continuously in order to assist in promoting brands to the global market precisely.
- (4) Financial technology: Neweb Group, the subsidiary, continues to enhance digital financial solutions, and strives to develop the core applications for third-party payments and electronic payments. It also provides a comprehensive online and offline digital financial service through the three services of “NewebPay”, “ezAIO” and “ezPay”. The company continued to increase the scale of online collection and payment transactions and accelerate the promotion of offline multiple payment applications in 2022.

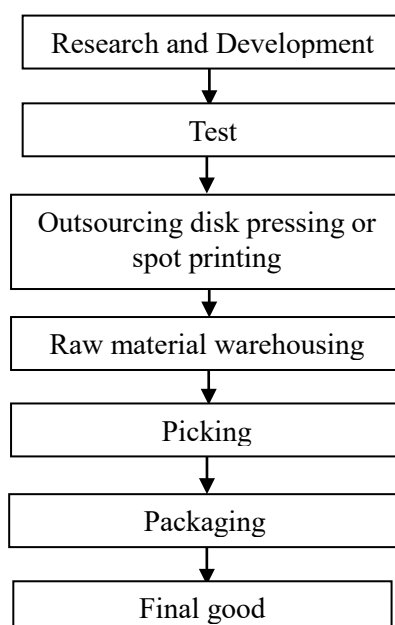
(II) Intended use and production processes of the main products

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; %

	2022				2021			
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	572,092	20.34	None	A	512,842	15.61	None
2	B	343,276	12.20	None	B	330,262	10.05	None
3	C	317,258	11.28	None	C	708,784	21.57	None
	Others	1,580,461	56.18		Others	1,733,863	52.77	
	Purchase - net	2,813,087	100.00		Purchase - net	3,285,751	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 C shall not be disclosed according to the contract and these customers are not our affiliates. Therefore, these customers are indicated by code.

2. Sales: **The main customers for sales within the last two years**

Unit: NTD thousands; %

	2022				2021			
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	2022			2021		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Game software and magazine	-	117	14,067	-	107	13,014
Others	-	46	75	-	106	548
Total	-	163	14,142	-	213	13,562

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	2022				2021			
	Domestic sales		Exports		Domestic sales		Exports	
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Game software and magazine	-	2,137,258	-	1,207,792	-	2,526,659	-	879,910
Others	-	2,622,207	-	130,821	-	2,945,058	-	249,751
Total	-	4,759,465	-	1,338,613	-	5,471,717	-	1,129,661

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		2021	2022	As of March 31, 2023
Employee No.	R&D	249	244	246
	General staff	815	816	802
	Production staff	84	70	69
	Total	1,148	1,130	1,117
Average age		36.06	36.38	36.65
Average seniority		7.02	7.40	7.60
Education distribution (%)	Doctoral Degree	0.24%	0.18%	0.18%
	Master	6.39%	7.52%	7.68%
	College	79.96%	79.67%	79.57%
	Senior High School	12.44%	11.83%	11.83%
	Below Senior High School	0.97%	0.80%	0.74%

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 2022	Number of participants	Total training hours
Orientation organized by the company	171	203.5
Workplace safety and health courses organized by the company	388	133.5
Company commencement: Departmental in-service training	518	39.5
External training courses organized by external institutions	67	257.0

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 of annual report: None.

## VI. Information security management:

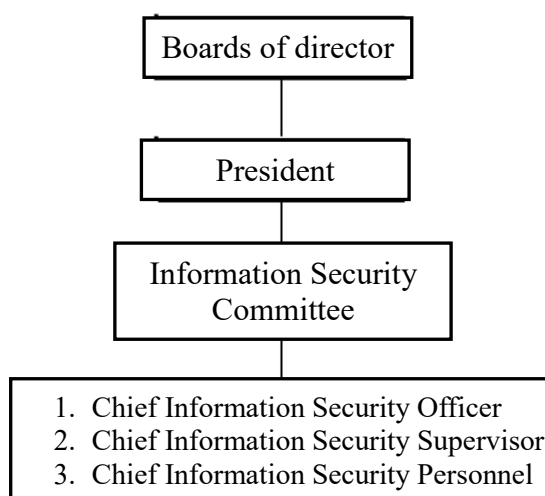
### (I) Information security management strategies and framework:

#### 1. Information and communication security risk management framework

##### (1) Corporate information security governance organization

In terms of the company's corporate information security organization, the members of the Information Security Committee are responsible for coordinating the information security and protection-related policy formulation, implementation, risk management, and compliance. The company's Auditing Department is responsible for auditing corporate information security.

##### (2) Corporate information security organization framework



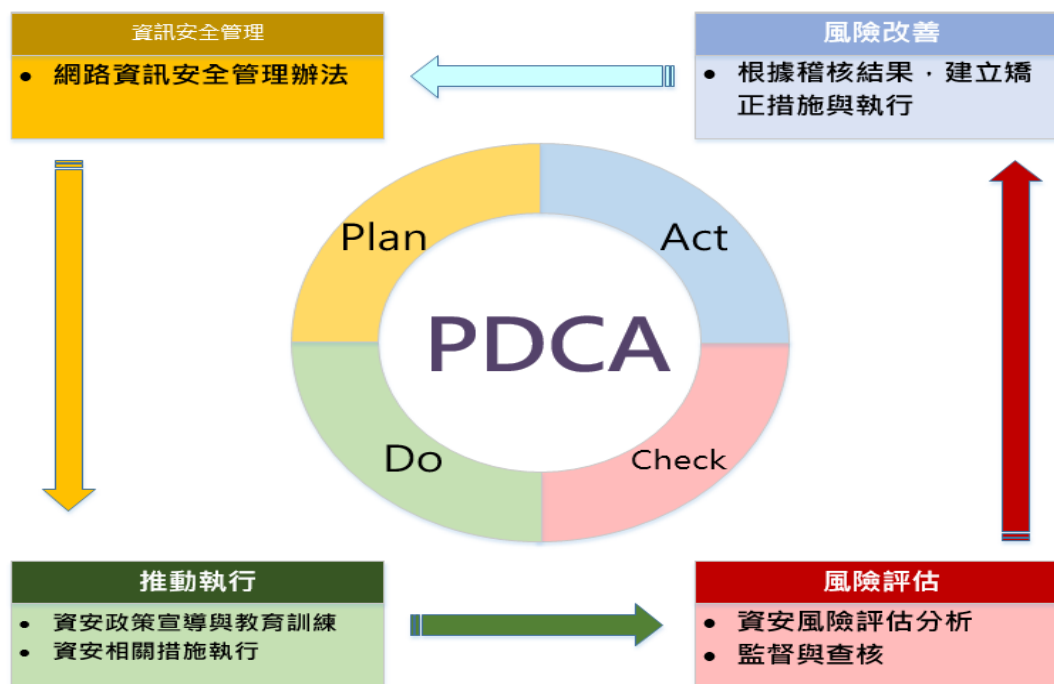
#### 2. Information and communication security policies

##### (1) Corporate information security management strategies

- A. The members of the company's Information Security Committee are responsible for information security, planning internal information security policies, implementing the "Regulations for Cyber Security Management," and promoting and implementing information security policies.
- B. The Company's Audit Division is the inspection unit of information security monitoring. Inspections shall be carried out as scheduled. In case deficiencies or risks are found, the inspected shall conduct a review and propose specific improvement plans and schedules. The improvement progress shall be periodically followed - up in order to reduce information security risks and implement information security policies.
- C. The company's information security operating model is managed

by PDCA(Plan-Do-Check-Act) in order to ensure the objectives are achieved and continue to be improved.

(2) Corporate information security risk management and continuous improvement framework



(3) Information security specific management plans

The company's information security policy includes the following four aspects:

- A. Regulations: set up information security management regulations to regulate the operational conducts of personnel.
- B. Hardware setup: set up complete information security equipment in order to fulfill information security management.
- C. Personnel education: In case of major information security events, notify personnel to ensure the information security awareness of all employees.
- D. Policy review: promote the continuous improvement of information security ensure business continuity.

(II) Information and communication security risks and coping measures:

The risk of information technology security and management measures

The company has established information security related protection measures for important networks and servers. However, there is no 100% guarantee the servers with important corporate functions can completely avoid cyberattacks from third parties that paralyze the system. These cyberattacks may illegally invade the company's internal network systems to destroy the company operations, damage the goodwill or steal important confidential data. Therefore, the company will continue to inspect and evaluate its information security regulations and procedures in order to ensure appropriateness and validity. Security protection will be added whenever deemed appropriate. However, there is no guarantee that the company under varying information security threats will not be affected by ever-changing risks and attacks. The company's coping measures for future information security risks are as follows:

1. Information security regulations and procedures:

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. Timely enhance security protection:

Endpoint detection and response software have been deployed targeting important servers. The strengthening of inadequate protection against Advanced Persistent Threat (APT), the server's last line of defense detection and quick response and disposal can enhance the company's information security.

3. Backup mechanism:

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.

(III) Major information and communication security events: none

VII. Major contracts: None.

## VI. Financial Status

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

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

##### 1. Brief Consolidated Balance Sheet- IAS

Unit: NT thousand

Year  Item		Financial information from the past five years (Note)					Current year financial information up to March 31, 2019
		2014	2015	2016	2017	2018	
Current assets		9,576,930	9,044,015	9,901,376	10,158,265	10,780,940	No related information. (Note 4)
Property, plant, and equipment (Note 2)		266,514	261,531	392,946	390,129	423,285	
Intangible assets		151,374	105,107	38,062	127,709	518,941	
Other assets (Note 2)		743,147	930,593	968,506	631,283	672,527	
Total assets		10,737,965	10,341,246	11,300,890	11,307,386	12,395,693	
Current liabilities	Before Distribution	4,301,838	3,925,882	4,702,424	4,781,359	5,483,499	
	After Distribution	4,008,647	3,734,671	4,447,475	4,526,410	(Note 3)	
Non-current liabilities		110,729	116,487	119,771	107,086	162,472	
Total liabilities	Before Distribution	4,412,567	4,042,369	4,822,195	4,888,445	5,645,971	
	After Distribution	4,119,376	3,851,158	4,567,246	4,633,496	(Note 3)	
Equity of the parent company		5,318,593	5,438,465	5,697,077	5,673,225	5,670,266	
Capital stock		1,274,743	1,274,743	1,274,743	1,274,743	1,274,743	
Capital surplus		1,522,704	1,521,183	1,521,190	1,529,865	1,744,934	
Retained earnings	Before Distribution	2,338,228	2,349,906	2,573,165	2,735,203	2,936,814	
	After Distribution	2,045,037	2,158,695	2,318,216	2,480,254	(Note 3)	
Other equity		182,918	292,633	327,979	133,414	163,078	
Treasury stock		0	0	0	0	(449,303)	
Non-controlling interest		1,006,805	860,412	781,618	745,716	1,079,456	
Total equity	Before Distribution	6,325,398	6,298,877	6,478,695	6,418,941	6,749,722	
	After Distribution	6,032,207	6,107,666	6,223,746	6,163,992	(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 2018 net earnings distribution is pending resolution by AGM.

Note 4: As of the date on which the annual report was printed, there was not financial data for 2019Q1 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)					Current year financial information up to March 31, 2019
	2014	2015	2016	2017	2018	
Operating revenue	14,994,377	14,790,974	15,541,915	15,611,929	5,552,667	No related information. (Note 2)
Gross profit	3,788,842	3,024,774	2,923,359	2,703,321	3,101,350	
Operating gains and losses	483,613	234,590	311,625	411,494	585,826	
Non-operating revenues and expenses	102,077	67,456	155,198	82,053	67,054	
Net profit before taxation	585,690	302,046	466,823	493,547	652,880	
Business units in continuing operation	436,429	153,892	367,573	367,278	472,019	
Net income						
gain(loss) from discontinued operations	0	0	0	0	0	
Net income	436,429	153,892	367,573	367,278	472,019	
Other comprehensive income for the period (post-tax profit or loss)	190,005	105,637	20,415	(190,042)	28,011	
Cumulative Comprehensive Income in current period	626,434	259,529	387,988	177,236	500,030	
Net profit attributable to parent company	520,555	308,724	420,962	417,558	461,322	
Net profit (loss) attributable to non-controlling interest	(84,126)	(154,832)	(53,389)	(50,280)	10,697	
Total comprehensive income attributable to owners of the parent company	707,049	414,584	449,816	222,422	486,224	
Comprehensive income, gross, attributable to non-controlling interest	(80,615)	(155,055)	(61,828)	(45,186)	13,806	
Earnings per share	4.09	2.42	3.30	3.28	3.70	

\* 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 2019Q1 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: NT thousand

Year Item		Financial information from the past five years (Note)					Current year financial information up to March 31, 2019
		2014	2015	2016	2017	2018	
Current assets		5,412,182	5,191,297	5,859,514	5,914,722	6,075,148	We adopt IFRS without producing the individual financial statements for Q1. This indicator is thus not applicable.
Property, plant, and equipment		208,848	208,070	348,327	354,512	351,923	
Intangible assets		6,741	6,142	4,038	3,319	27,151	
Other assets		3,485,918	3,611,984	3,836,632	3,425,263	3,387,784	
Total assets		9,113,689	9,017,493	10,048,511	9,697,816	9,842,006	
Current Liabilities	Before Distribution	3,687,035	3,472,552	4,242,292	6,075,148	4,063,128	
	After Distribution	3,393,844	3,281,341	3,987,343	3,669,637	(Note 2)	
Non-current liabilities		108,061	106,476	109,142	100,005	108,612	
Liabilities	Before Distribution	3,795,096	3,579,028	4,351,434	4,024,591	4,171,740	
	After Distribution	3,501,905	3,387,817	4,096,485	3,769,642	(Note 2)	
Capital stock		1,274,743	1,274,743	1,274,743	1,274,743	1,274,743	
Capital surplus		1,522,704	1,521,183	1,521,190	1,529,865	1,744,934	
Retained earnings	Before Distribution	2,338,228	2,349,906	2,573,165	2,735,203	2,936,814	
	After Distribution	2,045,037	2,158,695	2,318,216	2,480,254	(Note 2)	
Other equity		182,918	292,663	327,979	133,414	163,078	
Treasury stock		0	0	0	0	(449,303)	
Total equity	Before Distribution	5,318,593	5,438,465	5,697,077	5,673,225	5,670,266	
	After Distribution	5,025,402	5,247,254	5,442,128	5,418,276	(Note 2)	

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

Note 2: The proposal on 2018 net earnings distribution is pending resolution by AGM.

## 2. Brief Individual Income Statement- IAS

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

Item \ Year	Financial information for the latest 5 years (Note 1)					Current year financial information up to March 31, 2019
	2014	2015	2016	2017	2018	
Operating revenue	13,659,425	13,229,204	14,123,658	14,425,722	2,402,463	We adopt IFRS without producing the individual financial statements for Q1. This indicator is thus not applicable.
Gross profit	2,414,310	1,976,694	1,979,922	1,927,353	1,993,919	
Operating gains and losses	621,469	566,619	350,231	512,193	522,683	
Non-operating revenues and expenses	3,394	(140,989)	153,766	4,429	65,394	
Net profit before taxation	624,863	425,630	503,997	516,622	588,077	
Current year profit of continuing business units	520,555	308,724	420,962	417,558	461,322	
gain(loss) from discontinued operations	0	0	0	0	0	
Net income	520,555	308,724	420,962	417,558	461,322	
Other comprehensive income for the period (post-tax profit or loss)	186,494	105,860	28,854	(195,136)	24,902	
Current period other comprehensive income (Gross)	707,049	414,584	449,816	222,422	486,224	
Earnings per share	4.09	2.42	3.30	3.28	3.70	

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
2014	Deloitte & Touche	Qiu-yan Wu and Jia-ling Jiang	Unqualified opinion
2015	Deloitte & Touche	Qiu-yan Wu and Jia-ling Jiang	Unqualified 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

## 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, 2019
		2014	2015	2016	2017	2018		
Financial structure (%)	Debt to assets ratio	41.09	39.09	42.67	43.23	45.55	No related information (note 7)	
	Ratio of long-term capital to property, plant and equipment	2,414.93	2,453.00	1,679.23	1,672.79	1,632.99		
Solvency (%)	Current ratio	222.62	230.37	210.56	212.46	196.61		
	Liquid ratio	215.34	223.65	206.81	209.53	191.61		
	Interest coverage ratio	4,841.41	0	0	0	238.00		
Operating ability	Account receivable turnover (times)	6.25	5.97	6.21	6.43	16.44		
	Days sales in account receivable	58	61	59	57	22		
	Inventory turnover (times)	110.26	97.95	118.86	187.03	47.87		
	Account payable turnover (times)	5.96	6.10	5.98	5.45	1.81		
	Average days in sales	3	4	3	2	8		
	Rate of real estate, plant buildings and equipment turnover (times)	53.37	56.02	47.49	39.87	13.65		
	Total assets turnover (times)	1.47	1.40	1.44	1.38	0.47		
Profitability	ROA (%)	4.29	1.46	3.40	3.25	4.00		
	ROE (%)	7.18	2.44	5.75	5.70	7.17		
	Percentage of net profit before tax to the paid-in capital (%)	45.95	23.69	36.62	38.72	51.22		
	Net profit rate (%)	2.91	1.04	2.37	2.35	8.50		
	Earnings per share (NTD)	4.09	2.42	3.30	3.28	3.70		
Cash flow (%)	Cash flow ratio (%)	27.46	4.61	27.61	18.05	18.68		
	Cash flow adequacy ratio (%)	199.36	141.65	167.89	181.56	206.32		
	Cash flow reinvestment ratio (%)	14.72	(1.88)	18.16	9.79	12.54		
Leverage	Operating leverage	1.80	2.35	3.43	2.88	2.08		
	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. The times interest earned: as a result of the interest expense from the loans raised in 2018.								
2. The average collection turnover (times): after recognizing the income of MyCard as net revenue in accordance with IFRS 15 and adjusting the receivables of MyCard produced in accordance to IAS 18 to other receivables in accordance with IFRS 15.								
3. The average collection days increased as the average receivable turnover (times) reduced in accordance with IFRS 15.								
4. The average inventory turnover (times): as the operating cost reduced after recognizing the income of MyCard as net revenue in accordance with IFRS 15.								
5. The average payable turnover (times): as the sales cost and payables reduced after changing the nature of MyCard into an agent.								
6. The average inventory turnover days increased as the average payable turnover reduced.								
7. The PP&E turnover (times): as the operating income reduced after recognizing the income of MyCard as net revenue in accordance with IFRS 15.								
8. The total assets turnover (times): as the operating income reduced after recognizing the income of MyCard as net revenue in accordance with IFRS 15.								
9. ROA (%): as the 2018 net revenue increased.								
10. ROE (%): as the 2018 net revenue increased.								

11. The profit before tax to capital stock (%): as the 2018 net revenue increased.
12. The net profit rate (%): as the 2018 net revenue increased.
13. The cash reinvestment ratio (%): as the net operating cash flow increased.
14. The operation leverage: as the operating income reduced after recognizing the income of MyCard as net revenue in accordance with IFRS 15.

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) 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 2019Q1 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,
		2014	2015	2016	2017	2018	2019	
Financial structure (%)	Debt to assets ratio	41.64	39.69	43.30	41.50	42.39	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	2,598.37	2,664.94	1,666.89	1,628.50	1,640.61		
Solvency (%)	Current ratio	146.79	149.50	138.12	150.71	149.69		
	Liquid ratio	144.52	147.17	136.93	148.46	149		
	Interest coverage ratio	0	0	0	0	0		
Operating ability	Account receivable turnover (times)	6.21	5.89	6.13	6.36	18.33		
	Days sales in account receivable	59	62	59.54	57	20		
	Inventory turnover (times)	129.64	136.95	191.30	310.47	7.69		
	Account payable turnover (times)	5.54	5.46	5.24	4.84	0.29		
	Average days in sales	3	3	2	1	47		
	Rate of real estate, plant buildings and equipment turnover (times)	63.67	63.46	50.81	41.06	7		
	Total assets turnover (times)	1.6	1.46	1.48	1.46	0.25		
Profitability	ROA (%)	6.1	3.41	4.42	4.23	4.72		
	ROE (%)	10.31	5.74	7.56	7.34	8.13		
	Percentage of net profit before tax to the paid-in capital (%)	49.02	33.39	39.54	40.53	46.13		
	Net profit rate (%)	3.81	2.33	2.98	2.89	19.07		
	Earnings per share (NTD)	4.09	2.42	3.30	3.28	3.70		
Cash flow (%)	Cash flow ratio (%)	29.31	16.49	22.66	14.25	17.76		
	Cash flow adequacy ratio (%)	140.92	143.74	151.52	151.98	141.94		
	Cash flow reinvestment ratio (%)	16.52	5.36	14.34	5.53	8.58		
Leverage	Operating leverage	1.8	2.35	3.43	2.88	2.08		
	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. The average collection turnover (times): after recognizing the income of MyCard as net revenue in accordance with IFRS 15 and adjusting the receivables of MyCard produced in accordance to IAS 18 to other receivables in accordance with IFRS 15.								
2. The average collection days: increased as the average receivable turnover (times) reduced in accordance with IFRS 15.								
3. The average inventory turnover (times): as the operating cost reduced after recognizing the income of MyCard as net revenue in accordance with IFRS 15.								
4. The average payable turnover (times): as the sales cost and payables reduced after changing the nature of MyCard into an agent.								
5. The average inventory turnover days increased as the average payable turnover reduced.								
6. The PP&E turnover (times): as the operating income reduced after recognizing the income of MyCard as net revenue in accordance with IFRS 15.								
7. The total assets turnover (times): as the operating income reduced after recognizing the income of MyCard as net revenue in accordance with IFRS 15.								
8. The net profit rate (%): as the 2018 net revenue increased.								
9. The cash reinvestment ratio (%): as the net operating cash flow increased.								
10. The cash reinvestment ratio (%): as the net operating cash flow increased.								
11. The operation leverage: as the operating income reduced after recognizing the income of MyCard as net revenue in accordance with IFRS 15.								

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.
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) 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 dividend (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 dividend 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 2018 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:  
2019 Annual General Meeting

Supervisor: CHIEN, CHIN-CHENG  
Supervisor: CHANG, HUNG-YUAN

March 21, 2019

## Soft-World International Corporation Supervisors' Review Report

The 2018 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:  
2019 Annual General Meeting

Supervisor: CHIEN, CHIN-CHENG  
Supervisor: CHANG, HUNG-YUAN

March 21, 2019



## **DECLARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF AFFILIATES**

The entities that are required to be included in the consolidated financial statements of affiliates of Soft-World International Corporation for the year ended December 31, 2022 under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with International Financial Reporting Standard No. 10, “Consolidated Financial Statements”. In addition, relevant information required to be disclosed in the consolidated financial statements of affiliates has all been included in the consolidated financial statements of parent and subsidiary companies. Consequently, Soft-World International Corporation and its subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Soft-World International Corporation

By

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Wang, Chun - Po  
Chairman

March 15, 2023

## **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, 2022 and 2021, 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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. 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, 2022 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 24 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, 2022 and 2021 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 audit committee, are responsible for overseeing the Group's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient 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, 2022 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 Kai-Ning Hsu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 15, 2023

#### 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, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 5,497,047	33	\$ 5,701,412	37
Contract assets - current (Note 24)	2,264	-	2,831	-
Notes receivable (Notes 4 and 7)	-	-	445	-
Accounts receivable, net (Notes 4, 7 and 30)	357,357	2	413,072	3
Other receivables (Notes 4, 7 and 30)	1,634,405	10	1,940,867	13
Current tax assets (Notes 4 and 26)	6,311	-	699	-
Inventories (Notes 4 and 8)	61,741	-	33,829	-
Other financial assets - current (Notes 9 and 31)	6,915,027	41	5,533,757	36
Other current assets (Note 7)	681,621	4	177,132	1
Total current assets	15,155,773	90	13,804,044	90
<b>NONCURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - noncurrent (Notes 4 and 10)	10,075	-	19,060	-
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4 and 11)	523,152	3	504,999	4
Investments accounted for using the equity method (Notes 4 and 13)	38,324	-	37,600	-
Property, plant and equipment (Notes 4, 14 and 31)	368,011	2	382,135	3
Right-of-use assets (Notes 4 and 15)	56,821	1	27,464	-
Investment properties (Notes 4 and 16)	39,225	-	38,337	-
Goodwill (Note 5)	457,621	3	457,621	3
Other intangible assets (Notes 4 and 17)	46,992	1	12,437	-
Deferred tax assets (Notes 4, 5 and 26)	30,022	-	41,793	-
Prepayment of equipment	884	-	-	-
Refundable deposits	28,884	-	31,245	-
Net defined benefit assets (Notes 4 and 22)	26,679	-	22,565	-
Other financial assets - noncurrent (Note 9)	31,841	-	30,445	-
Other noncurrent assets	526	-	629	-
Total noncurrent assets	1,659,057	10	1,606,330	10
<b>TOTAL</b>	<b>\$ 16,814,830</b>	<b>100</b>	<b>\$ 15,410,374</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Contract liabilities - current (Note 24)	\$ 275,943	2	\$ 229,101	1
Notes payable (Notes 18 and 30)	7,077	-	8,584	-
Accounts payable (Note 18)	359,282	2	327,236	2
Other payables (Notes 19 and 30)	4,364,896	26	3,803,071	25
Current tax liabilities (Notes 4 and 26)	141,435	1	171,056	1
Lease liabilities - current (Notes 4 and 15)	28,021	-	22,053	-
Other financial liabilities - current (Notes 4 and 20)	800,826	5	780,160	5
Other current liabilities (Note 21)	2,566,250	15	2,092,596	14
Total current liabilities	8,543,730	51	7,433,857	48
<b>NONCURRENT LIABILITIES</b>				
Deferred tax liabilities (Notes 4, 5 and 26)	92,076	-	117,878	1
Lease liabilities - noncurrent (Notes 4 and 15)	29,198	-	5,406	-
Net defined benefit liabilities (Notes 4 and 22)	57,179	-	89,038	1
Guarantee deposits received	95,856	1	88,248	-
Total noncurrent liabilities	274,309	1	300,570	2
Total liabilities	8,818,039	52	7,734,427	50
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 23)</b>				
Share capital	1,274,743	8	1,274,743	8
Capital surplus	1,842,281	11	1,816,989	12
Retained earnings				
Legal reserve	1,214,851	8	1,132,078	7
Special reserve	25,117	-	25,117	-
Unappropriated earnings	2,717,604	16	2,608,227	17
Total retained earnings	3,957,572	24	3,765,422	24
Other equity	231,623	1	154,829	1
Treasury shares	(515,770)	(3)	(510,162)	(3)
Total equity attributable to owners of the Corporation	6,790,449	41	6,501,821	42
<b>NON-CONTROLLING INTERESTS (Note 23)</b>	1,206,342	7	1,174,126	8
Total equity	7,996,791	48	7,675,947	50
<b>TOTAL</b>	<b>\$ 16,814,830</b>	<b>100</b>	<b>\$ 15,410,374</b>	<b>100</b>

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, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 24 and 30)	\$ 6,098,078	100	\$ 6,601,378	100
OPERATING COSTS (Notes 4, 25 and 30)	<u>2,811,125</u>	<u>46</u>	<u>3,285,751</u>	<u>50</u>
GROSS PROFIT	<u>3,286,953</u>	<u>54</u>	<u>3,315,627</u>	<u>50</u>
OPERATING EXPENSES (Notes 25 and 30)				
Selling and marketing expenses	1,659,145	27	1,605,000	24
General and administrative expenses	340,795	6	344,176	5
Research and development expenses	292,344	5	275,973	4
Expected credit loss (Notes 7 and 24)	<u>12,900</u>	<u>-</u>	<u>36,822</u>	<u>1</u>
Total operating expenses	<u>2,305,184</u>	<u>38</u>	<u>2,261,971</u>	<u>34</u>
OPERATING INCOME	<u>981,769</u>	<u>16</u>	<u>1,053,656</u>	<u>16</u>
NON-OPERATING INCOME AND EXPENSES (Note 25)				
Interest income	60,447	1	38,794	1
Other income	47,585	1	57,011	1
Other gains and losses	18,206	-	(38,534)	(1)
Finance costs	(1,020)	-	(944)	-
Share of gain (loss) of associates accounted for using the equity method	<u>724</u>	<u>-</u>	<u>(1,041)</u>	<u>-</u>
Total non-operating income and expenses	<u>125,942</u>	<u>2</u>	<u>55,286</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	1,107,711	18	1,108,942	17
INCOME TAX EXPENSE (Notes 4 and 26)	<u>226,004</u>	<u>4</u>	<u>235,613</u>	<u>4</u>
NET PROFIT FOR THE YEAR	<u>881,707</u>	<u>14</u>	<u>873,329</u>	<u>13</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 22)	24,620	1	(4,940)	-
Unrealized income on investments in equity instruments at fair value through other comprehensive income (Note 23)	17,511	-	102,225	1
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 26)	<u>(4,924)</u>	<u>-</u>	<u>996</u>	<u>-</u>
	<u>37,207</u>	<u>1</u>	<u>98,281</u>	<u>1</u>

(Continued)

# SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 23)	\$ 69,759	1	\$ (26,593)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 26)	(13,402)	-	4,167	-
	<u>56,357</u>	<u>1</u>	<u>(22,426)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>93,564</u>	<u>2</u>	<u>75,855</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 975,271</u>	<u>16</u>	<u>\$ 949,184</u>	<u>14</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 836,417	13	\$ 829,934	12
Non-controlling interests	<u>45,290</u>	<u>1</u>	<u>43,395</u>	<u>1</u>
	<u>\$ 881,707</u>	<u>14</u>	<u>\$ 873,329</u>	<u>13</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 928,893	15	\$ 910,874	14
Non-controlling interests	<u>46,378</u>	<u>1</u>	<u>38,310</u>	<u>-</u>
	<u>\$ 975,271</u>	<u>16</u>	<u>\$ 949,184</u>	<u>14</u>
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$ 6.90</u>		<u>\$ 6.84</u>	
Diluted	<u>\$ 6.85</u>		<u>\$ 6.80</u>	

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, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation											
	Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translating Foreign Operations	Other Equity	Subtotal	Treasury shares	Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income					
BALANCE AT JANUARY 1, 2021	\$ 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
Appropriation of 2020 earnings (Note 23)												
Legal reserve	-	-	94,243	-	(94,243)	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(761,480)	-	-	-	-	(761,480)	-	(761,480)
Reversal of special reserve	-	-	-	(5,867)	5,867	-	-	-	-	-	-	-
	-	-	94,243	(5,867)	(849,856)	-	-	-	-	(761,480)	-	(761,480)
Cash dividends distributed by subsidiaries (Note 23)	-	-	-	-	-	-	-	-	-	-	(11,334)	(11,334)
Net profit in 2021	-	-	-	-	829,934	-	-	-	-	829,934	43,395	873,329
Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	(3,840)	(19,460)	104,240	84,780	-	80,940	(5,085)	75,855
Total comprehensive income (loss) in 2021	-	-	-	-	826,094	(19,460)	104,240	84,780	-	910,874	38,310	949,184
Changes in other capital surplus	-	90	-	-	-	-	-	-	-	90	-	90
Adjustments of capital surplus for the Corporation’s cash dividends received by subsidiaries	-	33,436	-	-	-	-	-	-	-	33,436	-	33,436
Changes in percentage of ownership interests in subsidiaries	-	2,435	-	-	-	-	-	-	231	2,666	(2,666)	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	6,656	6,656
Disposal of investment in equity instruments designated as at fair value through other comprehensive income (Note 11)	-	-	-	-	1,634	-	(1,634)	(1,634)	-	-	-	-
BALANCE AT DECEMBER 31, 2021	1,274,743	1,816,989	1,132,078	25,117	2,608,227	(67,490)	222,319	154,829	(510,162)	6,501,821	1,174,126	7,675,947
Appropriation of 2021 earnings (Note 23)												
Legal reserve	-	-	82,773	-	(82,773)	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(659,949)	-	-	-	-	(659,949)	-	(659,949)
	-	-	82,773	-	(742,722)	-	-	-	-	(659,949)	-	(659,949)
Cash dividends distributed by the subsidiaries (Note 23)	-	-	-	-	-	-	-	-	-	-	(14,147)	(14,147)
Net profit in 2022	-	-	-	-	836,417	-	-	-	-	836,417	45,290	881,707
Other comprehensive income in 2022, net of income tax	-	-	-	-	15,682	47,912	28,882	76,794	-	92,476	1,088	93,564
Total comprehensive income in 2022	-	-	-	-	852,099	47,912	28,882	76,794	-	928,893	46,378	975,271
Purchase of the Corporation's shares by subsidiaries	-	-	-	-	-	-	-	-	(5,816)	(5,816)	(3,491)	(9,307)
Adjustments of capital surplus for the Corporation’s cash dividends received by subsidiaries	-	28,976	-	-	-	-	-	-	-	28,976	-	28,976
Changes in percentage of ownership interests in subsidiaries	-	(3,684)	-	-	-	-	-	-	208	(3,476)	3,476	-
BALANCE AT DECEMBER 31, 2022	\$ 1,274,743	\$ 1,842,281	\$ 1,214,851	\$ 25,117	\$ 2,717,604	\$ (19,578)	\$ 251,201	\$ 231,623	\$ (515,770)	\$ 6,790,449	\$ 1,206,342	\$ 7,996,791

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, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,107,711	\$ 1,108,942
Adjustments for:		
Income and expenses		
Depreciation expenses	62,836	63,223
Amortization expenses	23,229	35,967
Expected credit loss recognized on accounts receivable	12,900	36,822
Loss on financial assets at fair value through profit or loss	8,985	32,402
Finance costs	1,020	944
Interest income	(60,447)	(38,794)
Dividend income	(15,260)	(4,405)
Share of (profit) loss of associates accounted for using the equity method	(724)	1,041
Others	(37)	2,367
Changes in operating assets and liabilities		
Contract assets	(304)	(2,831)
Notes receivable	445	3,580
Accounts receivable	55,898	160,097
Other receivables	295,898	(249,943)
Inventories	(27,973)	5,777
Other current assets	(507,850)	25,262
Other financial assets	(229,408)	(1,022,192)
Contract liabilities	46,842	26,808
Notes payable	(1,507)	968
Accounts payable	32,046	(173,658)
Other payables	561,813	1,073,662
Other financial liabilities	20,666	(17,362)
Other current liabilities	473,654	490,134
Net defined benefit liabilities	(11,341)	(485)
Cash generated from operations	1,849,092	1,558,326
Interest received	61,914	37,615
Dividends received	15,260	4,405
Interest paid	(1,020)	(944)
Income tax paid	(293,594)	(133,139)
Net cash generated from operating activities	<u>1,631,652</u>	<u>1,466,263</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(642)	-
Proceeds from disposal of financial assets at fair value through profit or loss	-	51,588
Proceeds from disposal of subsidiaries	-	18,466
Payments for property, plant and equipment	(12,589)	(16,427)
Proceeds from disposal of property, plant and equipment	122	30

(Continued)

# SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Decrease (increase) in refundable deposits	\$ 2,361	\$ (3,026)
Payments for intangible assets	(57,786)	(21,826)
Increase in other financial assets	<u>(1,153,258)</u>	<u>(74,615)</u>
Net cash used in investing activities	<u>(1,221,792)</u>	<u>(45,810)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in guarantee deposits received	7,608	4,105
Repayment of the principal portion of lease liabilities	(35,395)	(39,042)
Cash dividends distributed	(630,973)	(728,044)
Acquisition of the parent company's shares held by subsidiaries	(9,307)	-
Changes in non-controlling interests	(14,147)	(4,678)
Unclaimed overdue dividends	<u>-</u>	<u>90</u>
Net cash used in financing activities	<u>(682,214)</u>	<u>(767,569)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>67,989</u>	<u>(25,808)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(204,365)	627,076
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>5,701,412</u>	<u>5,074,336</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,497,047</u>	<u>\$ 5,701,412</u>
The accompanying notes are an integral part of the consolidated financial statements.		(Concluded)

# SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 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 15, 2023.

### 3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to 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)

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by International Accounting Standards Board (IASB)
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

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

Note 2: The amendments will be 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.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occur on or after January 1, 2022.

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

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

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
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
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of the above 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 Group 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 4 and Table 5.

e. Foreign currencies

In preparing the financial statements of each individual 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 entities in 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).

On the disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Corporation are reclassified to profit or loss.

f. Inventories

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.

g. 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.

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

#### h. 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. 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.

#### i. 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.

For a transfer of classification from property, plant and equipment to investment properties, the deemed cost of the property for subsequent accounting is its carrying amount at the end of owner-occupation.

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.

#### j. 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.

k. Other intangible assets

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.

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.

l. Impairment of property, plant and equipment, right-of-use assets, investment properties 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, investment properties 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.

m. 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

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, including 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, 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.

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 and contract assets

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

The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivable, other receivables and contract assets. 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 internal or external information show that the debtor is unlikely to pay its creditors indicate that a financial asset is in default (without taking into account any collateral held by the Group).

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.

### n. 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. The Group's customary business practices allow customers to return certain goods. To account for the transfer of products with a right of return, the Group recognizes revenue and at the same time recognizes refund liabilities (classified under other current liabilities) rate and rights to recover a product (classified under other current assets). Refund liabilities are estimated based on the historical average return rate.

#### 1) Sale of goods

Revenue from the sale of goods comes from sales of game points and game magazines, which are sold at the contract price through the online platform or different retailers (e.g. brick-and-mortar stores and convenience stores etc.). When game points and game magazines, etc. are transferred to the customer, the customer has the right to use, and assumes the risk of ownership of the goods. The Group recognizes the related revenue and accounts receivable at the point of time the goods are transferred. Advance receipts from selling of merchandise are recognized as contract liabilities.

#### 2) Operation of games

Refers to the revenue from operation of games redeemed by the consumers via the online 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 as contract liabilities.

#### 3) Rendering of services

a) The exclusive card ("MyCard") issued by the Group 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 Group 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 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 performance obligation has been mostly completed.

c) Other revenue from the rendering of services

For other services - advertising design and exhibition marketing projects, etc., revenue is recognized when the project has been completed and transferred to the customer. Advance receipts of services are recognized as contract liabilities.

For other services - art designing projects, etc., the Group measures revenue by the percentage of completion determined on the basis of the proportion of the number of working hours incurred for work performed to date to the estimated total number of working hours, while revenue and contract assets are recognized and are reclassified to accounts receivable at the point the customer is invoiced.

4) Licensing revenue

The Group authorizes other game developers to have access to some intellectual property rights of games for cooperation and development. The non-refundable premiums collected at the time of signing of contracts are recognized as revenue at the date the license is granted when meeting certain criteria which means providing a customer the right to use the intellectual property; subsequent follow-up fees based on the customers' sales are recognized when the sales of the customer occur.

o. 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.

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.

p. 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 related to income 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.

q. 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 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.

r. Taxation

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

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for 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 and associates, 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 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, the tax effect is included in the accounting for business combination.

## 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 possible impact of the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates on cash flow projections, growth rate, profitability, etc. 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, Newweb Technologies, is impaired requires an estimation of the value in use of the cash-generating units to which the 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, 2022 and 2021, the carrying amounts of deferred tax assets in relation to unused tax losses and temporary differences were \$370,302 thousand and \$413,134 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 be realized in profit or loss for the period.

## 6. CASH AND CASH EQUIVALENTS

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Cash on hand	\$ 1,495	\$ 2,498
Bank deposits	3,032,232	3,004,309
Cash equivalents		
Time deposits with original maturities of less than 3 months	<u>2,463,320</u>	<u>2,694,605</u>
	<u>\$ 5,497,047</u>	<u>\$ 5,701,412</u>

## 7. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Notes receivable		
Operating	<u>\$ -</u>	<u>\$ 445</u>
Accounts receivable		
At amortized cost		
Gross carrying amount	\$ 360,847	\$ 416,748
Less: Allowance for impairment loss	<u>(3,490)</u>	<u>(3,676)</u>
	<u>\$ 357,357</u>	<u>\$ 413,072</u>
Other receivables		
Gross carrying amount	\$ 1,693,845	\$ 2,006,706
Less: Allowance for impairment loss	<u>(59,440)</u>	<u>(65,839)</u>
	<u>\$ 1,634,405</u>	<u>\$ 1,940,867</u>

(Continued)

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Receivables for agency transactions (classified under other current assets)		
Gross carrying amount	\$ 515,309	\$ 55,831
Less: Allowance for impairment loss	<u>(34,909)</u>	<u>(31,548)</u>
	<u>\$ 480,400</u>	<u>\$ 24,283</u>
		(Concluded)

a. Notes receivable

At the end of the reporting period, there were no past due notes receivable.

b. Accounts receivable

The main 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.

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, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. 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 aging analysis and the loss allowance of accounts receivable:

December 31, 2022

	<b>Up to 90 Days</b>	<b>91 to 180 Days</b>	<b>181 to 365 Days</b>	<b>More than 1 year</b>	<b>Total</b>
<u>Customer segment A</u>					
Gross carrying amount	\$ 316,105	\$ 2,222	\$ 324	\$ 63	\$ 318,714
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(1,656)</u>	<u>(313)</u>	<u>(63)</u>	<u>(2,032)</u>
Amortized cost	<u>\$ 316,105</u>	<u>\$ 566</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 316,682</u>



	Not past due	Past due 1-90 Days	Past due 91-180 Days	Past due 181-270 Days	Past due Over 270 Days	Total
<u>Customer segment B</u>						
Gross carrying amount	\$ 40,185	\$ 668	\$ 17	\$ 2	\$ 1,261	\$ 42,133
Loss allowance (lifetime ECLs)	<u>(197)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,261)</u>	<u>(1,458)</u>
Amortized cost	<u>\$ 39,988</u>	<u>\$ 668</u>	<u>\$ 17</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 40,675</u>

December 31, 2021

	Up to 90 Days	91 to 180 Days	181 to 365 Days	More than 1 year	Total
<u>Customer segment A</u>					
Gross carrying amount	\$ 370,874	\$ 12,654	\$ 113	\$ 1,971	\$ 385,612
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(81)</u>	<u>(33)</u>	<u>(1,971)</u>	<u>(2,085)</u>
Amortized cost	<u>\$ 370,874</u>	<u>\$ 12,573</u>	<u>\$ 80</u>	<u>\$ -</u>	<u>\$ 383,527</u>

	Not past due	Past due 1-90 Days	Past due 91-180 Days	Past due 181-270 Days	Past due Over 270 Days	Total
<u>Customer segment B</u>						
Gross carrying amount	\$ 27,244	\$ 1,132	\$ 1,359	\$ 3	\$ 1,398	\$ 31,136
Loss allowance (lifetime ECLs)	<u>(195)</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1,395)</u>	<u>(1,591)</u>
Amortized cost	<u>\$ 27,049</u>	<u>\$ 1,132</u>	<u>\$ 1,359</u>	<u>\$ 2</u>	<u>\$ 3</u>	<u>\$ 29,545</u>

c. Other receivables

The Group's other receivables are mainly receipts under custody of cooperative channels from the sale of the Corporation's exclusive card (MyCard). The Corporation sold MyCard to customers via cooperative channels, and the main credit period of receivables from channels was 30 to 120 days.

The following table details the aging analysis and the loss allowance of other receivables:

December 31, 2022

		Up to 90 Days	91 to 180 Days	181 to 365 Days	More than 1 year	Total	
<u>Customer segment A</u>							
Gross carrying amount		\$ 1,593,336	\$ 32,680	\$ 10,404	\$ 32,485	\$ 1,668,905	
Loss allowance (Lifetime ECLs)		<u>-</u>	<u>(1,420)</u>	<u>(7,379)</u>	<u>(32,485)</u>	<u>(41,284)</u>	
Amortized cost		<u>\$ 1,593,336</u>	<u>\$ 31,260</u>	<u>\$ 3,025</u>	<u>\$ -</u>	<u>\$ 1,627,621</u>	
	Not past due	Past due 1-90 Days	Past due 91-180 Days	Past due 181-270 Days	Past due Over 270 Days	Customers With Signs of Default	Total
<u>Customer segment B</u>							
Gross carrying amount	\$ 6,784	\$ -	\$ -	\$ -	\$ 2,721	\$ 15,435	\$ 24,940
Loss allowance (lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,721)</u>	<u>(15,435)</u>	<u>(18,156)</u>
Amortized cost	<u>\$ 6,784</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,784</u>

December 31, 2021

		Up to 90 Days	91 to 180 Days	181 to 365 Days	More than 1 year	Total	
<u>Customer segment A</u>							
Gross carrying amount		\$ 1,868,263	\$ 44,398	\$ 28,767	\$ 38,227	\$ 1,979,655	
Loss allowance (Lifetime ECLs)		<u>-</u>	<u>(1,358)</u>	<u>(9,902)</u>	<u>(38,227)</u>	<u>(49,487)</u>	
Amortized cost		<u>\$ 1,868,263</u>	<u>\$ 43,040</u>	<u>\$ 18,865</u>	<u>\$ -</u>	<u>\$ 1,930,168</u>	
	Not past due	Past due 1-90 Days	Past due 91-180 Days	Past due 181-270 Days	Past due Over 270 Days	Customers With Signs of Default	Total
<u>Customer segment B</u>							
Gross carrying amount	\$ 9,126	\$ -	\$ 58	\$ 94	\$ 2,582	\$ 15,191	\$ 27,051
Loss allowance (lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,161)</u>	<u>(15,191)</u>	<u>(16,352)</u>
Amortized cost	<u>\$ 9,126</u>	<u>\$ -</u>	<u>\$ 58</u>	<u>\$ 94</u>	<u>\$ 1,421</u>	<u>\$ -</u>	<u>\$ 10,699</u>

d. Other current assets

The Group's receivables for agency transactions from operating third-party payments are usually received within 1 to 10 days. The Group assesses the receivables on a case-by-case basis and recognizes impairment losses when there is a higher probability of non-collection or loss due to consumer disputes or disputes related to the payments received.

e. The movements of the loss allowance of accounts receivable, other receivables and other current assets were as follows:

	<b>For the Year Ended December 31, 2022</b>			
	<b>Accounts Receivable</b>	<b>Other Receivables</b>	<b>Other Current Assets</b>	<b>Total</b>
Balance at January 1	\$ 3,676	\$ 65,839	\$ 31,548	\$ 101,063
Recognition (reversal)	(186)	8,854	3,361	12,029
Amounts written off	(3)	(15,496)	-	(15,499)
Foreign exchange gains and losses	<u>3</u>	<u>243</u>	<u>-</u>	<u>246</u>
Balance at December 31	<u>\$ 3,490</u>	<u>\$ 59,440</u>	<u>\$ 34,909</u>	<u>\$ 97,839</u>

	<b>For the Year Ended December 31, 2021</b>			
	<b>Accounts Receivable</b>	<b>Other Receivables</b>	<b>Other Current Assets</b>	<b>Total</b>
Balance at January 1	\$ 3,521	\$ 88,075	\$ 13,587	\$ 105,183
Recognition	1,331	17,530	17,961	36,822
Amounts written off	(1,174)	(39,676)	-	(40,850)
Foreign exchange gains and losses	<u>(2)</u>	<u>(90)</u>	<u>-</u>	<u>(92)</u>
Balance at December 31	<u>\$ 3,676</u>	<u>\$ 65,839</u>	<u>\$ 31,548</u>	<u>\$ 101,063</u>

## 8. INVENTORIES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Finished goods	\$ 134	\$ 141
Merchandise	<u>61,607</u>	<u>33,688</u>
	<u>\$ 61,741</u>	<u>\$ 33,829</u>

## 9. OTHER FINANCIAL ASSETS

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Pledged demand deposits (Note 31)	\$ 11,650	\$ 122
Pledged time deposits (Note 31)	51,000	51,000
Restricted trust deposits	1,912,694	1,684,682
Restricted bank deposits	31,841	30,445
Time deposits with original maturities of more than 3 months	<u>4,939,683</u>	<u>3,797,953</u>
	<u>\$ 6,946,868</u>	<u>\$ 5,564,202</u>

(Continued)

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Current	\$ 6,915,027	\$ 5,533,757
Noncurrent	<u>31,841</u>	<u>30,445</u>
	<u>\$ 6,946,868</u>	<u>\$ 5,564,202</u>
Maturity dates	2023.01-2025.12	2022.01-2024.12
Interest rates intervals (%)	0.16-3.20	0.03-3.20 (Concluded)

The Group's proxy receipts from third-party and electronic payments and stored-values received are deposited in a dedicated bank account as a trust account that was included in "Other financial assets - restricted trust deposits".

#### 10. FINANCIAL ASSETS AT FVTPL - NONCURRENT

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Mandatorily classified as at FVTPL</u>		
Foreign listed shares	<u>\$ 10,075</u>	<u>\$ 19,060</u>

#### 11. FINANCIAL ASSETS AT FVTOCI - NONCURRENT

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Listed shares	\$ 151,618	\$ 176,364
Emerging market shares	-	18,306
Private - placement shares of listed companies	256,498	294,600
Domestic and foreign unlisted shares	<u>115,036</u>	<u>15,729</u>
	<u>\$ 523,152</u>	<u>\$ 504,999</u>

The equity of Mobix Corporation held by the Group was converted into the shares of its parent company, KouBrothers Corporation, and regarded as a disposal in May 2021, and therefore, the unrealized income on financial assets at FVTOCI of \$1,634 thousand was transferred to retained earnings.

#### 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 (%)		Remark
			December 31		
			2022	2021	
The Corporation	Chinese Gamer International Corporation (Chinese Gamer)	Online game service	48	49	Note 1 and 5
	Soft-World Technology Pte. Ltd. (Soft-World (Singapore))	Trading of game software	100	100	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark
			December 31		
			2022	2021	
Chinese Gamer	Game Flier International Corporation (Game Flier)	Online game service	98	98	
	Global Concept Corporation (Global Concept)	Investment related business	100	100	
	Game First International Corporation (Game First)	Online game service	70	70	
	Zealot Digital International Corporation (Zealot Digital)	Development and sales of game software	99	99	
	Soft-World International (Hong Kong) Corporation (Soft-World (Hong Kong))	Trading of game software	100	100	
	Dynasty International Information Co., Ltd. (Dynasty)	Design, development and trading of computer software	86	86	
	Jhih Long Venture Capital Corporation (Jhih Long)	Investment related business	13	13	
	Sofaman Corporation (Sofaman)	Development and sales of game software	-	-	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	90	
	Neweb Technologies Corporation Ltd. (Neweb Technologies)	Information software wholesale and retail and electronic data supply services	50	50	
	Efun International Corporation (Efun)	Information software and data processing services	80	80	
	Long Xiang Investment Co., Ltd. (Long Xiang Investment)	Investment related business	44	44	
	CELAD Game Corporation (CELAD)	Online game service	32	32	
	We Can Financial Technology Co., Ltd. (We Can)	Development of financial system and equipment, etc.	51	51	
	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	68	
	Super Game Corporation (Super Game)	Online game service	88	88	
	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	100		
Game Topia Co., Ltd. (Game Topia)	Online game service	65	65		
Oriental Dragon Digital Co., Ltd. (Oriental Dragon)	Online game service	100	100		
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 (Game Topia Hong Kong)	Information service industry	100	100	
Game Flier	Soft-Orient Corporation (Soft-Orient)	Investment related business	-	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 (Compete ! Games Interactive Entertainment)	Agent and operation of sports type of games	100	100	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark
			December 31		
			2022	2021	
Interactive Entertainment	Interactive Entertainment Technologies Corporation (Interactive Entertainment)	Wholesale and service of information software	100	100	
Neweb Technologies	ezPay Taiwan Co., Ltd. (ezPay Taiwan Co., Ltd.)	Third party payment service	100	100	
	Newebpay Corporation. (Newebpay)	Electronic data supply service	-	-	Note 4
	CService Technology Co., Ltd. (CService)	Information software	100	100	
Efun International Corporation	Re: Ad Media Corporation. (Re: Ad)	General advertising service	100	100	
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 2021.
  - 3) Completed liquidation procedures in 2022.
  - 4) To integrate enterprise resources and enhance operating efficiency, Neweb Technologies merged its subsidiary Newebpay on September 1, 2021, and Neweb Technologies is the surviving company while Newebpay is the dissolving company.
  - 5) The Corporation's shareholding ratio decreased from 49% to 48% due to the conversion of common stock upon exercise of employee stock options issued by Chinese Gamer.
- b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests (%)	
	December 31	
	2022	2021
Chinese Gamer (%)	52	51

For information on the main operating locations and countries of incorporation of the subsidiaries, refer to Table 4.

Name of Subsidiary	Loss Allocated to Non-controlling Interests For the Year Ended December 31		Non-controlling Interests December 31	
	2022	2021	2022	2021
Chinese Gamer	\$ (11,698)	\$ (20,269)	\$ 573,292	\$ 574,168

The summarized financial information below represents amounts before intragroup eliminations.

Chinese Gamer and Chinese Gamer's subsidiaries

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Current assets	\$ 894,424	\$ 903,794
Noncurrent assets	471,294	451,971
Current liabilities	(121,516)	(114,883)
Noncurrent liabilities	<u>(15,387)</u>	<u>(9,477)</u>
Equity	<u>\$ 1,228,815</u>	<u>\$ 1,231,405</u>
Equity attributable to:		
The Corporation	\$ 626,399	\$ 628,956
Non-controlling interests of Chinese Gamer International Corporation	573,292	574,168
Non-controlling interests of Chinese Gamer International Corporation's subsidiaries	<u>29,124</u>	<u>28,281</u>
	<u>\$ 1,228,815</u>	<u>\$ 1,231,405</u>
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Revenue	<u>\$ 366,361</u>	<u>\$ 341,914</u>
Loss for the year	\$ (22,692)	\$ (38,530)
Other comprehensive income (loss) for the year	<u>15,372</u>	<u>(7,889)</u>
Total comprehensive loss for the year	<u>\$ (7,320)</u>	<u>\$ (46,419)</u>
Profit (loss) attributable to:		
The Corporation	\$ (11,020)	\$ (19,157)
Non-controlling interests of Chinese Gamer International Corporation	(11,698)	(20,269)
Non-controlling interests of Chinese Gamer International Corporation's subsidiaries	<u>26</u>	<u>896</u>
	<u>\$ (22,692)</u>	<u>\$ (38,530)</u>
Comprehensive (loss) income attributable to:		
The Corporation	\$ (4,326)	\$ (22,754)
Non-controlling interests of Chinese Gamer International Corporation	(4,644)	(24,132)
Non-controlling interests of Chinese Gamer International Corporation's subsidiaries	<u>1,650</u>	<u>467</u>
	<u>\$ (7,320)</u>	<u>\$ (46,419)</u>
Cash flow		
Operating activities	\$ (17,655)	\$ 25,599
Investing activities	26,887	(35,663)
Financing activities	<u>(8,893)</u>	<u>(12,829)</u>
Net cash inflow (outflow)	<u>\$ 339</u>	<u>\$ (22,893)</u>

### 13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Investments in associates - not individually material	<u>\$ 38,324</u>	<u>\$ 37,600</u>
Aggregate information of associates that are not individually material:		
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
The Group's share of:		
Total profit (loss) and other comprehensive (loss) income for the year	<u>\$ 724</u>	<u>\$ (1,041)</u>

### 14. PROPERTY, PLANT AND EQUIPMENT

#### For the year ended December 31, 2022

	<b>Land</b>	<b>Buildings</b>	<b>Equipment</b>	<b>Miscellaneous Equipment</b>	<b>Others</b>	<b>Total</b>
<u>Cost</u>						
Balance at January 1, 2022	\$ 215,321	\$ 200,268	\$ 215,406	\$ 29,893	\$ 22,701	\$ 683,589
Additions	-	-	7,825	3,250	630	11,705
Disposals	-	-	(27,626)	(522)	(1,128)	(29,276)
Transfers from investment property	-	301	-	-	-	301
Transfers to investment property	-	(5,237)	-	-	-	(5,237)
Effect of foreign currency exchange differences	-	456	2,056	22	386	2,920
Balance at December 31, 2022	<u>\$ 215,321</u>	<u>\$ 195,788</u>	<u>\$ 197,661</u>	<u>\$ 32,643</u>	<u>\$ 22,589</u>	<u>\$ 664,002</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2022	\$ -	\$ 74,051	\$ 195,683	\$ 14,788	\$ 16,932	\$ 301,454
Disposals	-	-	(27,582)	(507)	(1,128)	(29,217)
Depreciation expense	-	4,964	7,978	8,591	1,916	23,449
Transfers from investment property	-	245	-	-	-	245
Transfers to investment property	-	(2,361)	-	-	-	(2,361)
Effect of foreign currency exchange differences	-	277	1,929	(118)	333	2,421
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 77,176</u>	<u>\$ 178,008</u>	<u>\$ 22,754</u>	<u>\$ 18,053</u>	<u>\$ 295,991</u>
Carrying amounts at December 31, 2022	<u>\$ 215,321</u>	<u>\$ 118,612</u>	<u>\$ 19,653</u>	<u>\$ 9,889</u>	<u>\$ 4,536</u>	<u>\$ 368,011</u>

#### For the year ended December 31, 2021

	<b>Land</b>	<b>Buildings</b>	<b>Equipment</b>	<b>Miscellaneous Equipment</b>	<b>Others</b>	<b>Total</b>
<u>Cost</u>						
Balance at January 1, 2021	\$ 215,321	\$ 200,433	\$ 251,322	\$ 27,243	\$ 23,091	\$ 717,410
Additions	-	-	7,826	7,350	1,251	16,427
Disposals	-	-	(42,797)	(4,688)	(1,520)	(49,005)
Effect of foreign currency exchange differences	-	(165)	(945)	(12)	(121)	(1,243)
Balance at December 31, 2021	<u>\$ 215,321</u>	<u>\$ 200,268</u>	<u>\$ 215,406</u>	<u>\$ 29,893</u>	<u>\$ 22,701</u>	<u>\$ 683,589</u>

(Continued)



	Land	Buildings	Equipment	Miscellaneous Equipment	Others	Total
<u>Accumulated depreciation</u>						
Balance at January 1, 2021	\$ -	\$ 69,187	\$ 231,842	\$ 13,101	\$ 16,445	\$ 330,575
Disposals	-	-	(42,768)	(4,688)	(1,520)	(48,976)
Depreciation expense	-	4,965	7,488	6,524	2,106	21,083
Effect of foreign currency exchange differences	-	(101)	(879)	(149)	(99)	(1,228)
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 74,051</u>	<u>\$ 195,683</u>	<u>\$ 14,788</u>	<u>\$ 16,932</u>	<u>\$ 301,454</u>
Carrying amounts at December 31, 2021	<u>\$ 215,321</u>	<u>\$ 126,217</u>	<u>\$ 19,723</u>	<u>\$ 15,105</u>	<u>\$ 5,769</u>	<u>\$ 382,135</u>

(Concluded)

- a. The reconciliation of additions to property, plant and equipment and the cash payments stated in the statements of cash flows is as follows:

	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Additions to property, plant and equipment	\$ 11,705	\$ 16,427
Increase in prepayments for equipment	<u>884</u>	<u>-</u>
Cash payments	<u>\$ 12,589</u>	<u>\$ 16,427</u>

- b. Property, plant and equipment are depreciated on a straight-line basis over their useful lives as follows:

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

- c. For the amount of property, plant and equipment that the Company pledged or mortgaged as collateral, refer to Note 31.

## 15. LEASE ARRANGEMENTS

- a. Right-of-use assets

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Carrying amount		
Buildings	<u>\$ 56,821</u>	<u>\$ 27,464</u>
<u>For the Year Ended December 31</u>		
	<u>2022</u>	<u>2021</u>
Additions to right-of-use assets	<u>\$ 65,155</u>	<u>\$ 14,048</u>
Depreciation of right-of-use assets		
Buildings	<u>\$ 35,899</u>	<u>\$ 38,771</u>

b. Lease liabilities

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Carrying amount		
Current	<u>\$ 28,021</u>	<u>\$ 22,053</u>
Noncurrent	<u>\$ 29,198</u>	<u>\$ 5,406</u>

Range of discount rate (%) for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Buildings	1.95-2.81	1.95-2.63

c. Material leasing activities and terms

The Group leases buildings with lease terms which will expire before December 2026 in a row. The Group does not have bargain purchase options to acquire the buildings at the expiry of the lease term.

d. Other lease information

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Expenses relating to short-term leases	<u>\$ 8,538</u>	<u>\$ 7,518</u>
Expenses relating to low-value asset leases	<u>\$ 650</u>	<u>\$ 1,986</u>
Total cash outflow for leases	<u>\$ 45,595</u>	<u>\$ 49,485</u>

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, 2022

	<b>Buildings</b>
<b>Cost</b>	
Balance at January 1, 2022	\$ 98,156
Transfers from property, plant and equipment	5,237
Transfers to property, plant and equipment	(301)
Effect of foreign currency exchange differences	<u>4,200</u>
Balance at December 31, 2022	<u>\$ 107,292</u>
<b>Accumulated depreciation</b>	
Balance at January 1, 2022	\$ 59,819
Depreciation expenses	3,488
Transfers from property, plant and equipment	2,361
	(Continued)

	<b>Buildings</b>
Transfers to property, plant and equipment	\$ (245)
Effect of foreign currency exchange differences	<u>2,644</u>
Balance at December 31, 2022	<u>\$ 68,067</u>
Carrying amount at December 31, 2022	<u>\$ 39,225</u> (Concluded)

For the year ended December 31, 2021

	<b>Buildings</b>
<hr/>	
Cost	
Balance at January 1, 2021	\$ 99,483
Effect of foreign currency exchange differences	<u>(1,327)</u>
Balance at December 31, 2021	<u>\$ 98,156</u>
<hr/>	
Accumulated depreciation	
Balance at January 1, 2021	\$ 57,264
Depreciation expenses	3,369
Effect of foreign currency exchange differences	<u>(814)</u>
Balance at December 31, 2021	<u>\$ 59,819</u>
Carrying amount at December 31, 2021	<u>\$ 38,337</u>

The investment properties were leased out for 1 to 3 years and 3 months. The lessees do not have bargain purchase options to acquire the investment properties but have extension options under the same terms at the expiry of the lease periods.

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Year 1	\$ 19,059	\$ 18,787
Year 2	10,870	8,807
Year 3	<u>2,038</u>	<u>1,451</u>
	<u>\$ 31,967</u>	<u>\$ 29,045</u>

Investment properties are depreciated on a straight-line basis over their useful lives of 20 to 30 years.

The fair values of investment properties as of December 31, 2022 and 2021 were \$570,000 thousand and \$670,000 thousand, respectively, which were assessed by the Group's management based on the market prices of similar properties in the vicinity.

## 17. OTHER INTANGIBLE ASSETS

For the year ended December 31, 2022

	<b>Computer Software</b>	<b>Copyright and Royalty for Game Software</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2022	\$ 15,066	\$ 17,113	\$ 32,179
Additions	13,150	44,636	57,786
Write-off	(7,648)	(2,797)	(10,445)
Effect of foreign currency exchange differences	<u>17</u>	<u>-</u>	<u>17</u>
Balance at December 31, 2022	<u>\$ 20,585</u>	<u>\$ 58,952</u>	<u>\$ 79,537</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2022	\$ 8,877	\$ 10,865	\$ 19,742
Amortization expenses	10,172	13,057	23,229
Write-off	(7,648)	(2,797)	(10,445)
Effect of foreign currency exchange differences	<u>18</u>	<u>1</u>	<u>19</u>
Balance at December 31, 2022	<u>\$ 11,419</u>	<u>\$ 21,126</u>	<u>\$ 32,545</u>
Carrying amount at December 31, 2022	<u>\$ 9,166</u>	<u>\$ 37,826</u>	<u>\$ 46,992</u>

For the year ended December 31, 2021

	<b>Computer Software</b>	<b>Copyright and Royalty for Game Software</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2021	\$ 51,196	\$ 20,908	\$ 72,104
Additions	10,620	11,206	21,826
Write-off	(46,741)	(15,001)	(61,742)
Effect of foreign currency exchange differences	<u>(9)</u>	<u>-</u>	<u>(9)</u>
Balance at December 31, 2021	<u>\$ 15,066</u>	<u>\$ 17,113</u>	<u>\$ 32,179</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2021	\$ 37,108	\$ 8,418	\$ 45,526
Amortization expenses	18,519	17,448	35,967
Write-off	(46,741)	(15,001)	(61,742)
Effect of foreign currency exchange differences	<u>(9)</u>	<u>-</u>	<u>(9)</u>
Balance at December 31, 2021	<u>\$ 8,877</u>	<u>\$ 10,865</u>	<u>\$ 19,742</u>
Carrying amount at December 31, 2021	<u>\$ 6,189</u>	<u>\$ 6,248</u>	<u>\$ 12,437</u>

The Group's intangible assets are amortized on a straight-line basis over the following useful lives:

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 and services 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 no interest was charged on the outstanding balance.

## 19. OTHER PAYABLES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Payables for receipts under custody	\$ 3,736,220	\$ 3,194,553
Payables for salaries or bonuses	189,349	187,691
Payables for circulation	134,035	127,326
Payables for compensation of employees, board of directors and supervisors	67,651	68,912
Payables for annual leave	24,736	24,532
Payables for royalty	11,492	15,549
Others	<u>201,413</u>	<u>184,508</u>
	<u>\$ 4,364,896</u>	<u>\$ 3,803,071</u>

Payables for receipts under custody are receipts from MyCard online platform service and points sales provided by the Group, which should to be transferred to the game operators.

## 20. OTHER FINANCIAL LIABILITIES - CURRENT

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Temporary receipts from the sale of MyCard	<u>\$ 800,826</u>	<u>\$ 780,160</u>

## 21. OTHER CURRENT LIABILITIES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Payables for agency transactions	\$ 2,539,242	\$ 2,049,571
Others	<u>27,008</u>	<u>43,025</u>
	<u>\$ 2,566,250</u>	<u>\$ 2,092,596</u>

The Group's payables for agency transactions are the proxy receipts from third-party and electronic payments and stored values received, and the uncollected amounts from users are classified under other current liabilities.

## 22. 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 which is 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 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:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Present value of defined benefit obligation	\$ 151,657	\$ 167,830
Fair value of plan assets	<u>(121,028)</u>	<u>(101,240)</u>
Deficit	30,629	66,590
Net defined benefit assets	26,679	22,565
Other payables	<u>(129)</u>	<u>(117)</u>
Net defined benefit liabilities	<u>\$ 57,179</u>	<u>\$ 89,038</u>

Movements in net defined benefit liabilities were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities</b>
Balance at January 1, 2021	<u>\$ 161,325</u>	<u>\$ (99,190)</u>	<u>\$ 62,135</u>
Service cost			
Current service cost	848	-	848
Interest expense (income)	<u>804</u>	<u>(498)</u>	<u>306</u>
Recognized in profit or loss	<u>1,652</u>	<u>(498)</u>	<u>1,154</u>

(Continued)

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities</b>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	\$ (1,288)	\$ (1,288)
Actuarial loss - changes in demographic assumptions	4,516	-	4,516
Actuarial gain - changes in financial assumptions	(139)	-	(139)
Actuarial loss - experience adjustments	<u>1,851</u>	<u>-</u>	<u>1,851</u>
Recognized in other comprehensive income (loss)	<u>6,228</u>	<u>(1,288)</u>	<u>4,940</u>
Contributions from the employer	<u>-</u>	<u>(1,639)</u>	<u>(1,639)</u>
Benefits paid	<u>(1,375)</u>	<u>1,375</u>	<u>-</u>
Balance at December 31, 2021	<u>167,830</u>	<u>(101,240)</u>	<u>66,590</u>
Service cost			
Current service cost	761	-	761
Interest expense (income)	<u>847</u>	<u>(552)</u>	<u>295</u>
Recognized in profit or loss	<u>1,608</u>	<u>(552)</u>	<u>1,056</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(8,039)	(8,039)
Actuarial loss - changes in demographic assumptions	33	-	33
Actuarial gain - changes in financial assumptions	(11,995)	-	(11,995)
Actuarial gain - experience adjustments	<u>(4,619)</u>	<u>-</u>	<u>(4,619)</u>
Recognized in other comprehensive loss	<u>(16,581)</u>	<u>(8,039)</u>	<u>(24,620)</u>
Contributions from the employer	<u>-</u>	<u>(12,397)</u>	<u>(12,397)</u>
Benefits paid	<u>(1,200)</u>	<u>1,200</u>	<u>-</u>
Balance at December 31, 2022	<u>\$ 151,657</u>	<u>\$ (121,028)</u>	<u>\$ 30,629</u> (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 and 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:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Discount rate(s)	1.375-1.750	0.500-0.625
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:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Discount rate(s)		
Increase 0.25%	<u>\$ (4,524)</u>	<u>\$ (4,807)</u>
Decrease 0.25%	<u>\$ 3,127</u>	<u>\$ 4,634</u>
Expected rate(s) of salary increase/decrease		
Increase 0.25%	<u>\$ 3,013</u>	<u>\$ 4,464</u>
Decrease 0.25%	<u>\$ (4,433)</u>	<u>\$ (4,669)</u>

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.

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Expected contributions to the plans for the next year	<u>\$ 12,747</u>	<u>\$ 1,638</u>
Average duration of the defined benefit obligation (in years)	8.40-20.20	8.67-18.20



## 23. EQUITY

### a. Ordinary share capital

	December 31	
	2022	2021
Number of shares authorized (in thousands)	<u>180,000</u>	<u>180,000</u>
Shares authorized	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>
Number of shares issued and fully paid (in thousands)	<u>127,474</u>	<u>127,474</u>
Shares issued	<u>\$ 1,274,743</u>	<u>\$ 1,274,743</u>

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	
	2022	2021
<u>May be used to offset deficits, distributed as cash dividends or transferred to share capital (Note)</u>		
Issuance of ordinary shares	\$ 1,229,758	\$ 1,229,758
Conversion of bonds	245,975	245,975
Treasury share transactions	144,182	115,206
Difference between the consideration and carrying amount of subsidiaries acquired or disposed	59,180	59,180
<u>May be used to offset deficits only</u>		
Changes in percentage of ownership interests in subsidiaries	156,141	159,825
Changes in percentage of ownership interests in associates	6,955	6,955
Unclaimed dividends	<u>90</u>	<u>90</u>
	<u>\$ 1,842,281</u>	<u>\$ 1,816,989</u>

Note: 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).

### c. Retained earnings and dividends policy

The Corporation's Articles of Incorporation (the "Articles") provide that, earnings distribution or offsetting of losses should be made on a quarterly basis after the close of each quarter. Where the Corporation made a profit in each quarter, the Corporation shall first estimate and reserve for the taxes to be paid, offset losses, estimate and reserve for the compensation of employees and remuneration of directors, set aside for legal reserve 10% of the remaining earnings, until the legal reserve equals the Corporation's share capital, then set aside or reverse a special reserve in accordance with the laws or regulations. 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 by the board of directors if distributed by way of cash dividend, or should be approved in the shareholders' meeting if distributed by way of stock dividend.

Where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, set aside as a legal reserve 10% of the remaining earnings until the legal reserve equals the Corporation's share capital, setting aside or reverse a special reserve in accordance with the laws or regulations or depending on the demand by the Corporation. 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 stock dividends and bonuses to shareholders.

In addition, as stipulated in the Articles, the board of directors is authorized under Article 240 of the Company Act to resolve the distribution of dividends and bonuses in cash or under Article 241 of the Company Act to resolve the distribution as dividends and bonuses in whole or in part of the legal reserve and capital surplus, and a report of such distribution shall be submitted to the shareholders in their meeting.

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.

The appropriations of earnings for 2021 and 2020, were as follows:

	<b>Appropriation of Earnings</b>		<b>Dividends Per Share (NT\$)</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Legal reserve	\$ 82,773	\$ 94,243		
Reversal of special reserve	-	(5,867)		
Cash dividends	<u>659,949</u>	<u>761,480</u>	<u>\$ 5.20</u>	<u>\$ 6.00</u>
	<u>\$ 742,722</u>	<u>\$ 849,856</u>		

The above cash dividends in 2021, were approved by the board of directors on March 16, 2022, and the remaining earnings distribution items cash dividends in 2020 were approved in the shareholders' meeting on June 21, 2022 and July 30, 2021, respectively.

The appropriations of earnings for 2022 was as follows:

	<b>Appropriation of Earnings</b>	<b>Dividends Per Share (NT\$)</b>
Legal reserve	\$ 85,210	
Special reserve	21,799	
Cash dividends	<u>888,393</u>	<u>\$ 7.00</u>
	<u>\$ 995,402</u>	

The above cash dividends were approved by the board of directors on March 15, 2023, and the remaining earnings distribution items will be resolved in the shareholders' meeting in June 2023.

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.

e. Other equity items

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance, beginning of year	\$ (67,490)	\$ (48,030)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	61,314	(23,627)
Related income tax arising from exchange differences	<u>(13,402)</u>	<u>4,167</u>
Balance, end of year	<u>\$ (19,578)</u>	<u>\$ (67,490)</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance, beginning of year	\$ 222,319	\$ 119,713
Recognized for the year		
Unrealized gain - equity instruments	28,882	104,240
Cumulative unrealized gain of equity instruments transferred earnings due to disposal	<u>-</u>	<u>(1,634)</u>
Balance, end of year	<u>\$ 251,201</u>	<u>\$ 222,319</u>

f. Non-controlling interests

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance, beginning of year	\$ 1,174,126	\$ 1,143,160
Share in profit for the period	45,290	43,395
Other comprehensive income (loss) for the year		
Exchange differences on translating the financial statements of foreign operations	8,445	(2,966)
Unrealized loss on financial assets at FVTOCI	(11,371)	(2,015)
Actuarial gain (loss) on defined benefit plans	4,014	(104)
Cash dividends distributed by subsidiaries	(14,147)	(11,334)
Shares held by the subsidiaries considered as treasury shares	(3,491)	-
Employees of subsidiaries exercise share options	3,558	4,275
Increase in non-controlling interests	<u>(82)</u>	<u>(285)</u>
Balance, end of year	<u>\$ 1,206,342</u>	<u>\$ 1,174,126</u>

g. Treasury shares

Purpose of Treasury Shares	Thousand Shares			December 31	
	Beginning of the Year	Addition	Reduction	Thousand Shares	Book Value
For the year ended December 31, 2022					
Shares of the Corporation held by subsidiaries	<u>5,573</u>	<u>72</u>	<u>-</u>	<u>5,645</u>	<u>\$ 472,278</u>
Transfer shares to employees	<u>561</u>	<u>-</u>	<u>-</u>	<u>561</u>	<u>\$ 43,492</u>
For the year ended December 31, 2021					
Shares of the Corporation held by subsidiaries	<u>5,575</u>	<u>-</u>	<u>2</u>	<u>5,573</u>	<u>\$ 466,670</u>
Transfer shares to employees	<u>561</u>	<u>-</u>	<u>-</u>	<u>561</u>	<u>\$ 43,492</u>

The Corporation's shares acquired and held by the subsidiaries for the purpose of making the medium to long-term profits are accounted for as treasury shares.

As of December 31, 2022 and 2021, the market values of the treasury shares calculated based on the consolidated shareholding percentage were \$450,478 thousand and \$548,900 thousand, respectively.

## 24. REVENUE

a. Revenue from contracts with customers

	For the Year Ended December 31	
	2022	2021
Rendering of services	\$ 4,819,775	\$ 4,955,871
Sale of goods	585,234	834,129
Operation of games	534,527	605,602
Licensing revenue	<u>158,542</u>	<u>205,776</u>
	<u>\$ 6,098,078</u>	<u>\$ 6,601,378</u>

b. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable, accounts receivable, and other receivables (included classified under other current assets)	<u>\$ 2,472,162</u>	<u>\$ 2,378,667</u>	<u>\$ 2,121,833</u>
Contract assets	\$ 3,135	\$ 2,831	\$ -
Less: Allowance for impairment loss	<u>(871)</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,264</u>	<u>\$ 2,831</u>	<u>\$ -</u>

(Continued)

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities			
Advance receipts of services	\$ 34,456	\$ 29,422	\$ 20,358
Royalty fee for games	75,723	74,254	114,847
Others	<u>165,764</u>	<u>125,425</u>	<u>67,088</u>
	<u>\$ 275,943</u>	<u>\$ 229,101</u>	<u>\$ 202,293</u> (Concluded)

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

Movements of the loss allowance of contract assets were as follows:

	For the Year Ended December 31, 2022
Balance, beginning of year	\$ -
Recognition	<u>871</u>
Balance, end of year	<u>\$ 871</u>

c. Disaggregation of revenue

Refer to Note 34 for information about the disaggregation of revenue.

## 25. PROFIT BEFORE INCOME TAX

a. Interest income

	For the Year Ended December 31	
	2022	2021
Bank deposits	\$ 60,409	\$ 38,771
Others	<u>38</u>	<u>23</u>
	<u>\$ 60,447</u>	<u>\$ 38,794</u>

b. Other income

	For the Year Ended December 31	
	2022	2021
Rental income	\$ 23,374	\$ 25,033
Others	<u>24,211</u>	<u>31,978</u>
	<u>\$ 47,585</u>	<u>\$ 57,011</u>

c. Other gains and losses

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Net foreign exchange gain (loss)	\$ 16,900	\$ (941)
Gain on disposal of property, plant and equipment	63	1
Loss on financial assets at FVTPL	(8,985)	(32,402)
Others expense	<u>10,228</u>	<u>(5,192)</u>
	<u>\$ 18,206</u>	<u>\$ (38,534)</u>

d. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Property, plant and equipment	\$ 23,449	\$ 21,083
Right-of-use assets	35,899	38,771
Investment properties	3,488	3,369
Other intangible assets	<u>23,229</u>	<u>35,967</u>
	<u>\$ 86,065</u>	<u>\$ 99,190</u>
An analysis of depreciation by function		
Operating costs	\$ 404	\$ 411
Operating expenses	58,944	59,443
Non-operating expenses	<u>3,488</u>	<u>3,369</u>
	<u>\$ 62,836</u>	<u>\$ 63,223</u>
An analysis of amortization by function		
Operating costs	\$ 14,537	\$ 18,680
Operating expenses	<u>8,692</u>	<u>17,287</u>
	<u>\$ 23,229</u>	<u>\$ 35,967</u>

e. Employee benefits

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Short-term employee benefits	<u>\$ 1,075,103</u>	<u>\$ 1,044,781</u>
Post-employment benefits		
Defined contribution plans	43,151	41,260
Defined benefit plans (Note 22)	<u>1,056</u>	<u>1,154</u>
	<u>44,207</u>	<u>42,414</u>
Employee benefits expense	<u>\$ 1,119,310</u>	<u>\$ 1,087,195</u>
An analysis by function		
Operating costs	\$ 57,216	\$ 59,862
Operating expenses	<u>1,062,094</u>	<u>1,027,333</u>
	<u>\$ 1,119,310</u>	<u>\$ 1,087,195</u>

f. Compensation of employees and remuneration of directors and supervisors

According to the Articles of the Corporation, the Corporation accrued compensation of employees 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, compensation of employees, and remuneration of directors and supervisors. The compensation of employees and the remuneration of directors and supervisors for the years ended December 31, 2022 and 2021, which were resolved to be paid in cash by the Corporation's board of directors on March 15, 2023 and March 16, 2022, respectively, are as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<b>Accrual rate</b>		
Compensation of employees (%)	5	5
Remuneration of directors and supervisors (%)	1	1
<b>Amount</b>		
Compensation of employees	\$ 53,992	\$ 52,187
Remuneration of directors and supervisors	10,798	10,437

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, 2021 and 2020, there is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 26. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Current tax		
In respect of the current year	\$ 251,550	\$ 233,356
Income tax on unappropriated earnings	8,590	10,411
Adjustments for prior years	(1,779)	(1,622)
Deferred tax		
In respect of the current year	(32,365)	(6,532)
Adjustments for prior years	<u>8</u>	<u>-</u>
Income tax expense recognized in profit or loss	<u>\$ 226,004</u>	<u>\$ 235,613</u>

A reconciliation of accounting profit and income tax expense is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Profit before income tax	<u>\$ 1,107,711</u>	<u>\$ 1,108,942</u>
Income tax expense calculated at the statutory rate	\$ 262,197	\$ 289,675
Deductible income and expenses in determining taxable income	(21,509)	(36,408)
Tax-exempt income	(18,310)	(12,563)
Realized investment losses	-	(6,632)
Income tax on unappropriated earnings	8,590	10,411
Unrecognized loss carryforwards	(5,751)	(14,798)
Unrecognized temporary differences	10	2,424
Adjustments for prior years' tax	(1,771)	(1,622)
Nondeductible withholding tax	-	5,317
Others	<u>2,548</u>	<u>(191)</u>
Income tax expense recognized in profit or loss	<u>\$ 226,004</u>	<u>\$ 235,613</u>

The applicable tax rate used by the entities in the Group in the ROC is 20%; the applicable tax rate used by subsidiaries in China is 25%; and the 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)

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
In respect of the current period		
Remeasurement of defined benefit plans	\$ (4,924)	\$ 996
Translation of foreign operations	<u>(13,402)</u>	<u>4,167</u>
	<u>\$ (18,326)</u>	<u>\$ 5,163</u>

c. Current tax assets and liabilities

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Tax refund receivable	<u>\$ 6,311</u>	<u>\$ 699</u>
Income tax payable	<u>\$ 141,435</u>	<u>\$ 171,056</u>

d. Deferred tax assets and liabilities

Movements of deferred tax assets and liabilities were as follows:



For the year ended December 31, 2022

	<b>Balance, Beginning of Year</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Balance, End of Year</b>
<u>Deferred tax assets</u>				
Temporary differences				
Defined benefit obligations	\$ 18,980	\$ (3,386)	\$ (4,194)	\$ 11,400
Loss on inventories	7,683	(1,725)	-	5,958
Exchange differences on translation of foreign operations	4,398	-	(4,398)	-
Others	<u>10,732</u>	<u>1,932</u>	<u>-</u>	<u>12,664</u>
	<u>\$ 41,793</u>	<u>\$ (3,179)</u>	<u>\$ (8,592)</u>	<u>\$ 30,022</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Unrealized gain from foreign investments	\$ 102,506	\$ (28,457)	\$ -	\$ 74,049
Exchange differences on translation of foreign operations	-	-	9,004	9,004
Defined benefit obligation	5,725	(1,118)	730	5,337
Others	<u>9,647</u>	<u>(5,961)</u>	<u>-</u>	<u>3,686</u>
	<u>\$ 117,878</u>	<u>\$ (35,536)</u>	<u>\$ 9,734</u>	<u>\$ 92,076</u>

For the year ended December 31, 2021

	<b>Balance, Beginning of Year</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Balance, End of Year</b>
<u>Deferred tax assets</u>				
Temporary differences				
Defined benefit obligations	\$ 17,902	\$ (31)	\$ 1,109	\$ 18,980
Loss on inventories	9,252	(1,569)	-	7,683
Exchange differences on translation of foreign operations	231	-	4,167	4,398
Others	<u>8,655</u>	<u>2,077</u>	<u>-</u>	<u>10,732</u>
	<u>\$ 36,040</u>	<u>\$ 477</u>	<u>\$ 5,276</u>	<u>\$ 41,793</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Unrealized gain from foreign investments	\$ 94,047	\$ 8,459	\$ -	\$ 102,506
Defined benefit obligation	5,533	79	113	5,725
Financial assets at FVTPL	8,838	(8,838)	-	-
Others	<u>15,402</u>	<u>(5,755)</u>	<u>-</u>	<u>9,647</u>
	<u>\$ 123,820</u>	<u>\$ (6,055)</u>	<u>\$ 113</u>	<u>\$ 117,878</u>

- e. Deferred tax assets that have not been recognized in the consolidated balance sheets

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Loss carryforwards		
Expiry in 2022	\$ -	\$ 103,224
Expiry in 2023	234,530	234,530
Expiry in 2024	171,771	171,771
Expiry in 2025	285,748	285,748
Expiry in 2026	220,138	221,517
Expiry in 2027	244,195	244,408
Expiry in 2028	122,437	122,472
Expiry in 2029	115,260	110,308
Expiry in 2030	139,295	144,500
Expiry in 2031	85,920	81,916
Expiry in 2032	107,811	-
Without deduction time limit	<u>2,567</u>	<u>7,306</u>
	<u>\$ 1,729,672</u>	<u>\$ 1,727,700</u>
Deductible temporary differences	<u>\$ 122,224</u>	<u>\$ 339,071</u>

- f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2022 comprised:

<b>Unused Amount</b>	<b>Expiry Year</b>
\$ 234,530	2023
171,771	2024
285,748	2025
220,138	2026
244,195	2027
122,437	2028
115,260	2029
139,295	2030
85,920	2031
107,811	2032
<u>2,567</u>	Without deduction time limit
<u>\$ 1,729,672</u>	

- g. Income tax assessments

The income tax returns of the Corporation through 2020 and of its domestic subsidiaries from 2019-2021 have been assessed by the tax authorities.

## 27. 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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Net profit attributable to owners of the Corporation	<u>\$ 836,417</u>	<u>\$ 829,934</u>

- b. Weighted average number of ordinary shares outstanding (in thousands of shares)

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Weighted average number of ordinary shares used in the computation of basic earnings per share	121,306	121,341
Add: Employees' compensation issued	<u>796</u>	<u>647</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>122,102</u>	<u>121,988</u>

Since the Corporation offered to settle the compensation paid to employees in cash or shares, 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.

## 28. 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 and equity of the Group.

## 29. 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, 2022

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTPL</u>				
Foreign listed shares	<u>\$ 10,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,075</u>

(Continued)

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Domestic and foreign listed marketable securities - investments in equity instruments	\$ 151,618	\$ -	\$ -	\$ 151,618
Private - placement shares of domestic listed companies	-	256,498	-	256,498
Domestic and foreign unlisted shares	-	-	115,036	115,036
	<u>\$ 151,618</u>	<u>\$ 256,498</u>	<u>\$ 115,036</u>	<u>\$ 523,152</u> (Concluded)

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Foreign listed shares	<u>\$ 19,060</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,060</u>
<u>Financial assets at FVTOCI</u>				
Domestic and foreign listed marketable securities - investments in equity instruments	\$ 176,364	\$ -	\$ -	\$ 176,364
Domestic emerging market shares	-	18,306	-	18,306
Private - placement shares of domestic listed companies	-	294,600	-	294,600
Domestic unlisted shares	-	-	15,729	15,729
	<u>\$ 176,364</u>	<u>\$ 312,906</u>	<u>\$ 15,729</u>	<u>\$ 504,999</u>

The equity of Mobix Corporation held by the Group was transferred from the level 2 to the level 1 in 2021 since it was converted into the shares of its parent company, KuoBrothers Corporation.

2) Reconciliation of Level 3 fair value measurements of financial instruments

	<u>For the Year Ended December 31</u>	
	2022	2021
Balance at January 1	\$ 15,729	\$ 16,116
Recognized in other comprehensive income (loss)	<u>99,307</u>	<u>(387)</u>
Balance at December 31	<u>\$ 115,036</u>	<u>\$ 15,729</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

<b>Financial Instruments</b>	<b>Valuation Techniques and Inputs</b>
Domestic emerging market shares	Refers to the transaction price supported by observable market prices or the price-earnings ratio of the comparable companies.
Private-placement shares of domestic listed companies	Refers to the transaction price supported by observable market prices and the liquidity discounts.

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 latest net value and liquidity discounts.

c. Categories of financial instruments

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<b>Financial assets</b>		
Financial assets at amortized cost (1)	\$ 14,944,961	\$ 13,675,526
Financial assets at FVTPL	10,075	19,060
Financial assets at FVTOCI	523,152	504,999
<b>Financial liabilities</b>		
Amortized cost (2)	8,167,179	7,056,870

- 1) The balances comprise cash and cash equivalents, notes and accounts receivable, other receivables, receivables for agency transactions (classified under other current assets), other financial assets and refundable deposits.
- 2) The balances comprise notes and accounts payable, other payables, other financial liabilities, payables for agency transactions (classified under other current liabilities), and guarantee deposits received.

d. Financial risk management objectives and policies

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, credit risk and liquidity risk.

The corporate treasury function reports regularly to the Group's management.

1) Market risk

The Group's activities exposed it primarily to the market risks are as follows:

a) Foreign currency risk

There was no material impacts on the Group's foreign currency denominated monetary assets and monetary liabilities.

b) Interest rate risk

The carrying amounts of the Group's financial assets with exposure to cash flow interest rate risk at the end of the reporting period were as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Cash flow interest rate risk		
Financial assets	\$ 9,689,008	\$ 6,831,289

In addition, the Group assessed that the time deposits and lease liabilities at fixed-rate did not have material fair value risks.

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, the analysis was prepared assuming the amount of each asset outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 1% points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$96,890 thousand and \$68,313 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 equity instruments.

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 years ended December 31, 2022 and 2021 would have increased/decreased by \$101 thousand and \$191 thousand, respectively, 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 years ended December 31, 2022 and 2021 would have increased/decreased by \$5,232 thousand and \$5,050 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, 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:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Group A	\$ 443,985	\$ 471,503
Group B	207,185	190,847
Group C	<u>189,333</u>	<u>172,075</u>
	<u>\$ 840,503</u>	<u>\$ 834,425</u>

The Group's concentration of credit risk accounted for 33% and 34% of total accounts receivable and other receivables and receivables for agency transactions (classified under other current assets) from the above-mentioned groups as of December 31, 2022 and 2021, respectively.

### 3) Liquidity risk

The Group 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.

	<b>Within 4 Months</b>	<b>At least 5 Months</b>	<b>More than 1 year</b>	<b>Total</b>
<u>December 31, 2022</u>				
Non-interest bearing liabilities	\$ 7,972,490	\$ 98,833	\$ 95,856	\$ 8,167,179
Lease liabilities	<u>10,624</u>	<u>18,448</u>	<u>29,684</u>	<u>58,756</u>
	<u>\$ 7,983,114</u>	<u>\$ 117,281</u>	<u>\$ 125,540</u>	<u>\$ 8,225,935</u>
<u>December 31, 2021</u>				
Non-interest bearing liabilities	\$ 6,860,544	\$ 108,078	\$ 88,248	\$ 7,056,870
Lease liabilities	<u>11,995</u>	<u>10,337</u>	<u>5,568</u>	<u>27,900</u>
	<u>\$ 6,872,539</u>	<u>\$ 118,415</u>	<u>\$ 93,816</u>	<u>\$ 7,084,770</u>

### 30. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Group and related parties were as follows:

#### a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Taiwan Taomee Co., Ltd.	Associates
Fun Yours Technology Co., Ltd.	Other related parties (The Corporation as legal directors of investee companies)
Asure Corporation	Other related parties (The person in charge is the second-degree relative of the Corporation's chairman)
Ko, Hsiu-Yen	Other related parties (Spouse of the Corporation's chairman)
Wang, Li-Chuan	Other related parties (Second-degree relative of the Corporation's chairman)
Wang, Chun-Hsiung	Other related parties (Second-degree relative of the Corporation's chairman)
Soft-world Arts and Culture Foundation	Other related parties (The person in charge is the Corporation's chairman)

#### b. Operating Revenue

<u>Line Item</u>	<u>Related Party Category</u>	<u>For the Year Ended December 31</u>	
		<u>2022</u>	<u>2021</u>
Sale of goods	Other related parties	<u>\$ 87,657</u>	<u>\$ 41,977</u>
Rendering of services	Associates	\$ 8,592	\$ 6,134
	Other related parties	<u>1,016</u>	<u>4,313</u>
		<u>\$ 9,608</u>	<u>\$ 10,447</u>

The selling price for the sale of goods to related parties was not significantly different from that of normal customers. The rendering of services are mainly from MyCard services was recognized according to the terms in each agreement. The payment terms to related parties was similar to those for third parties.

#### c. Purchase of goods

<u>Related party type</u>	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Other related parties	<u>\$ 7,988</u>	<u>\$ 6,704</u>

The Group purchases goods from the related parties, as the Group did not purchase similar products from third parties, the purchase prices cannot be compared. The payment terms are not significantly different from those for general suppliers.



d. Receivables from related parties

Line Item	Related Party Category	December 31	
		2022	2021
Accounts receivable	Associates	\$ 1,823	\$ 1,247
	Other related parties	<u>101</u>	<u>584</u>
		<u>\$ 1,924</u>	<u>\$ 1,831</u>
Other receivables	Other related parties	<u>\$ 15,370</u>	<u>\$ 52,517</u>

Other receivables are mainly from the Corporation's sale of its exclusive MyCard through its related parties.

The outstanding receivables from related parties were unsecured, with no impairment loss recognized.

e. Payables to related parties

Line Item	Related Party Category	December 31	
		2022	2021
Notes payable	Other related parties	<u>\$ 780</u>	<u>\$ 780</u>
Other payables	Associates	\$ 11,898	\$ 7,642
	Other related parties	<u>29</u>	<u>135</u>
		<u>\$ 11,927</u>	<u>\$ 7,777</u>

Other payables are mainly from the Group provides MyCard platform and point sales services and has received payments from game operators, etc.

The outstanding payables to related parties were unsecured.

f. Others

Fees such as commission, rent 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	
	2022	2021
Other related parties	<u>\$ 183,410</u>	<u>\$ 164,926</u>

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	
	2022	2021
Short-term employee benefits	\$ 78,347	\$ 72,753
Post-employment benefits	<u>628</u>	<u>150</u>
	<u>\$ 78,975</u>	<u>\$ 72,903</u>

### 31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

Except as stated in other notes, the following assets of the Group were provided as collateral for various service performance guarantees:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Other financial assets - current		
Pledged demand deposits	\$ 11,650	\$ 122
Pledged time deposits	<u>51,000</u>	<u>51,000</u>
	<u>62,650</u>	<u>51,122</u>
Property, plant and equipment		
Land	109,463	109,463
Buildings	<u>74,682</u>	<u>79,896</u>
	<u>184,145</u>	<u>189,359</u>
	<u>\$ 246,795</u>	<u>\$ 240,481</u>

### 32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of December 31, 2022 and 2021, the credit line committed for Mycard by banks was both \$800,000 thousand, respectively.

### 33. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others: None
- 2) Endorsements/guarantees provided: Table 1
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Table 2
- 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: None
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None
- 9) Trading in derivative instruments: None

- 10) Intercompany relationships and significant intercompany transactions: Table 3
- b. Information on investees: Table 4
- c. 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 5
  - 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 6

### 34. 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 - 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, 2022

	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	\$ 3,046,752	\$ 343,717	\$ 314,317	\$ 1,154,978	\$ 863,715	\$ 374,599	\$ -	\$ 6,098,078
Inter-segment revenue	64,456	22,644	17,975	11,369	53,839	82,637	(252,920)	-
Total revenue	<u>\$ 3,111,208</u>	<u>\$ 366,361</u>	<u>\$ 332,292</u>	<u>\$ 1,166,347</u>	<u>\$ 917,554</u>	<u>\$ 457,236</u>	<u>\$ (252,920)</u>	<u>\$ 6,098,078</u>
Segment profit (loss)	<u>\$ 815,047</u>	<u>\$ (54,864)</u>	<u>\$ 21,221</u>	<u>\$ 66,426</u>	<u>\$ 34,736</u>	<u>\$ 113,335</u>	<u>\$ (14,132)</u>	\$ 981,769
Interest income								60,447
Other income								47,585
Other gain and loss								18,206
Finance costs								(1,020)
Share of gain of associates accounted for using the equity method								724
Segment profit before tax								<u>\$ 1,107,711</u>
Segment assets	<u>\$ 9,413,900</u>	<u>\$ 972,769</u>	<u>\$ 1,295,526</u>	<u>\$ 3,715,167</u>	<u>\$ 575,946</u>	<u>\$ 908,303</u>	<u>\$ (66,781)</u>	<u>\$ 16,814,830</u>
Segment liabilities	<u>\$ 5,674,508</u>	<u>\$ 136,903</u>	<u>\$ 166,939</u>	<u>\$ 2,694,877</u>	<u>\$ 215,762</u>	<u>\$ 82,981</u>	<u>\$ (153,931)</u>	<u>\$ 8,818,039</u>

#### For the year ended December 31, 2021

	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	\$ 2,633,961	\$ 333,730	\$ 781,461	\$ 1,064,254	\$ 1,318,144	\$ 469,828	\$ -	\$ 6,601,378
Inter-segment revenue	131,006	8,184	(499)	10,371	30,664	109,781	(289,507)	-
Total revenue	<u>\$ 2,764,967</u>	<u>\$ 341,914</u>	<u>\$ 780,962</u>	<u>\$ 1,074,625</u>	<u>\$ 1,348,808</u>	<u>\$ 579,609</u>	<u>\$ (289,507)</u>	<u>\$ 6,601,378</u>
Segment profit (loss)	<u>\$ 723,361</u>	<u>\$ (63,082)</u>	<u>\$ 105,075</u>	<u>\$ 52,040</u>	<u>\$ 104,253</u>	<u>\$ 152,052</u>	<u>\$ (20,043)</u>	\$ 1,053,656
Interest income								38,794
Other income								57,011
Other gain and loss								(38,534)
Finance costs								(944)
Share of loss of associates accounted for using the equity method								(1,041)
Segment profit before tax								<u>\$ 1,108,942</u>
Segment assets	<u>\$ 8,316,225</u>	<u>\$ 972,467</u>	<u>\$ 1,374,385</u>	<u>\$ 3,137,272</u>	<u>\$ 972,529</u>	<u>\$ 749,045</u>	<u>\$ (111,549)</u>	<u>\$ 15,410,374</u>
Segment liabilities	<u>\$ 4,752,216</u>	<u>\$ 125,561</u>	<u>\$ 176,514</u>	<u>\$ 2,186,143</u>	<u>\$ 591,173</u>	<u>\$ 101,519</u>	<u>\$ (198,699)</u>	<u>\$ 7,734,427</u>

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 24
- 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:

	<b>Revenue from External Customers</b>		<b>Noncurrent Assets</b>	
	<b>For the Year Ended December 31</b>		<b>December 31</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Taiwan (ROC)	\$ 4,759,465	\$ 5,471,717	\$ 458,530	\$ 405,939
China	910,701	691,091	43,228	44,704
Others	<u>427,912</u>	<u>438,570</u>	<u>10,701</u>	<u>10,359</u>
	<u>\$ 6,098,078</u>	<u>\$ 6,601,378</u>	<u>\$ 512,459</u>	<u>\$ 461,002</u>

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 2022 and 2021.

**TABLE 1**

**SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES**

**ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

No.	Endorsement/Guarantee Provider	Endorsee/Guarantee		Limit on Amount Provided to Each Guaranteed Party	Maximum Amount During 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 Limit on (Note 1)											
0	The Corporation	Neweb Technologies Co., Ltd.	Subsidiary	\$ 1,358,090	\$ 360,000	\$ 80,000	\$ -	\$ -	1.00	\$ 3,395,225	Y	N	N	Note

Note: The ceiling on the amounts for any single entity shall not exceed 20% of the equity of the Corporation. The ceiling on the amounts for the aggregate amounts to the entities shall not exceed 50% of the equity of the Corporation.

TABLE 2

## SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD  
DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)

Held Company Name	Type and Name of Marketable Securities	Relationship with The Company	Financial Statement Account	December 31, 2022				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	535,698	\$ 41,302	1	\$ 41,302	
	Softstar Entertainment Inc.	-	Financial assets at fair value through other comprehensive income - noncurrent	3,461,506	162,690	4	162,690	
	China Communications Media Group Co.,Ltd	-	Financial assets at fair value through other comprehensive income - noncurrent	103,949	1,965	1	1,965	
	Fun Yours Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	2,249,902	93,821	12	93,821	
	Kuobrothers Corporation	-	Financial assets at fair value through other comprehensive income - noncurrent	625,207	11,003	2	11,003	
	Gameone Holdings Limited.	-	Financial assets at fair value through other comprehensive income - noncurrent	1,800,000	1,517	1	1,517	
	Archosaur Games Inc.	-	Financial assets at fair value through profit or loss - noncurrent	668,000	10,075	-	10,075	
					<u>\$ 322,373</u>		<u>\$ 322,373</u>	
Game Flier International Corporation	Stock							
	Softstar Entertainment Inc.	-	Financial assets at fair value through other comprehensive income - noncurrent	1,990,367	<u>\$ 93,808</u>	2	<u>\$ 93,808</u>	
Jhih Long Venture Capital Corporation	Stock							
	9Splay Entertainment Technology Co., LTD	-	Financial assets at fair value through other comprehensive income - noncurrent	956,919	\$ -	3	\$ -	
	Soft-World International Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - noncurrent	9,033,000	755,715	7	755,715	Note
					<u>\$ 755,715</u>		<u>\$ 755,715</u>	

(Continued)

Held Company Name	Type and Name of Marketable Securities	Relationship with The Company	Financial Statement Account	December 31, 2022				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	\$ 2,010	-	\$ 2,010	
	Taiwan Smart Card Co.	-	Financial assets at fair value through other comprehensive income - noncurrent	3,140,671	8,036	20	8,036	
Global Concept Corporation	Stock							
	Ever Master Holding Limited	-	Financial assets at fair value through other comprehensive income - noncurrent	25,000,000	<u>\$ 107,000</u>	33	<u>\$ 107,000</u>	

(Concluded)

Note: The Corporation's shares held by its subsidiaries were considered treasury shares. For related information, refer to Note 23.



TABLE 3

## SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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	\$ 19,648	There were no significant difference between related parties and other clients	-
0	The Corporation	Chinese Gamer International Corporation	Parent to subsidiary	Accounts receivable	4,123	There were no significant difference between related parties and other clients	-
0	The Corporation	Game Flier International Corporation	Parent to subsidiary	Operating revenue	42,774	There were no significant difference between related parties and other clients	1.00
0	The Corporation	Game Flier International Corporation	Parent to subsidiary	Accounts receivable	17,603	There were no significant difference between related parties and other clients	-
0	The Corporation	Game Flier International Corporation	Parent to subsidiary	Other receivables	1,217	There were no significant difference between related parties and other clients	-
0	The Corporation	Game Topia. Co. Ltd.	Parent to subsidiary	Operating revenue	1,122	There were no significant difference between related parties and other clients	-
0	The Corporation	Soft-World International (Hong Kong) Corporation	Parent to subsidiary	Other receivables	34,599	There were no significant difference between related parties and other clients	-
1	Chinese Gamer International Corporation	The Corporation	Subsidiary to parent	Accounts receivable	23,104	There were no significant difference between related parties and other clients	-
2	Game Flier International Corporation	The Corporation	Subsidiary to parent	Accounts receivable	38,042	There were no significant difference between related parties and other clients	-
2	Game Flier International Corporation	Game Flier (Beijing) Sdn. Bhd.	Subsidiary to subsidiary	Operating revenue	16,697	There were no significant difference between related parties and other clients	-
2	Game Flier International Corporation	Game Flier (Beijing) Sdn. Bhd.	Subsidiary to subsidiary	Accounts receivable	3,077	There were no significant difference between related parties and other clients	-
3	Zealot Digital International Corporation	The Corporation	Subsidiary to parent	Operating revenue	30,277	There were no significant difference between related parties and other clients	-
3	Zealot Digital International Corporation	The Corporation	Subsidiary to parent	Contract assets	31,867	There were no significant difference between related parties and other clients	-

(Continued)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Operating Revenues (Assets)
3	Zealot Digital International Corporation	Chinese Gamer International Corporation	Subsidiary to subsidiary	Operating revenue	\$ 3,131	There were no significant difference between related parties and other clients	-
4	Fast Distributed Cloud Computing Co., Ltd.	The Corporation	Subsidiary to parent	Accounts receivable	2,431	There were no significant difference between related parties and other clients	-
4	Fast Distributed Cloud Computing Co., Ltd.	Game Flier International Corporation	Subsidiary to subsidiary	Operating revenue	4,242	There were no significant difference between related parties and other clients	-
4	Fast Distributed Cloud Computing Co., Ltd.	Game Flier International Corporation	Subsidiary to subsidiary	Accounts receivable	1,199	There were no significant difference between related parties and other clients	-
5	Efun International Corporation	The Corporation	Subsidiary to parent	Operating revenue	2,449	There were no significant difference between related parties and other clients	-
5	Efun International Corporation	Game Flier International Corporation	Subsidiary to subsidiary	Operating revenue	15,488	There were no significant difference between related parties and other clients	-
5	Efun International Corporation	Game Flier International Corporation	Subsidiary to subsidiary	Accounts receivable	5,464	There were no significant difference between related parties and other clients	-
5	Efun International Corporation	Chinese Gamer International Corporation	Subsidiary to subsidiary	Operating revenue	8,083	There were no significant difference between related parties and other clients	-
6	Neweb Technologies Co., Ltd.	The Corporation	Subsidiary to parent	Operating revenue	4,923	There were no significant difference between related parties and other clients	-
6	Neweb Technologies Co., Ltd.	We Can Financial Technology Co., Ltd.	Subsidiary to subsidiary	Operating revenue	6,426	There were no significant difference between related parties and other clients	-
6	Neweb Technologies Co., Ltd.	We Can Financial Technology Co., Ltd.	Subsidiary to subsidiary	Accounts receivable	1,047	There were no significant difference between related parties and other clients	-
7	Re:Ad Media (Taiwan) Corporation	Chinese Gamer International Corporation	Subsidiary to subsidiary	Operating revenue	6,938	There were no significant difference between related parties and other clients	-
7	Re:Ad Media (Taiwan) Corporation	Game Flier International Corporation	Subsidiary to subsidiary	Operating revenue	20,295	There were no significant difference between related parties and other clients	-
7	Re:Ad Media (Taiwan) Corporation	Game Flier International Corporation	Subsidiary to subsidiary	Accounts receivable	6,390	There were no significant difference between related parties and other clients	-
8	Dynasty International Information Corporation	The Corporation	Subsidiary to parent	Operating revenue	11,345	There were no significant difference between related parties and other clients	-

(Continued)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Operating Revenues (Assets)
9	You Long Online (Beijing) Technology Corporation	Game Flier (Beijing) Sdn. Bhd.	Subsidiary to subsidiary	Operating revenue	\$ 22,644	There were no significant difference between related parties and other clients	-
10	We Can Financial Technology Co., Ltd.	ezPay Co., Ltd.	Subsidiary to subsidiary	Operating revenue	1,516	There were no significant difference between related parties and other clients	-
10	We Can Financial Technology Co., Ltd.	ezPay Co., Ltd.	Subsidiary to subsidiary	Accounts receivable	1,554	There were no significant difference between related parties and other clients	-

(Concluded)

**TABLE 4**

**SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES**

**INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	January 1, 2022	Number of shares	(%)	Carrying Amount			
The Corporation	Chinese Gamer International Corporation	Taiwan	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	48	\$ 498,527	\$ (22,718)	\$ (18,874)	Subsidiary (Note 3)
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	14,229	161	161	Subsidiary (Note 3)
The Corporation	Game Flier International Corporation	Taiwan	Electronic data information providing service, etc.	218,017	218,017	28,332,800	98	784,889	57,735	56,882	Subsidiary (Note 3)
The Corporation	Global Concept Corporation	Samoa	Investment company	295,068	295,068	9,631,253	100	414,960	15,606	15,606	Subsidiary (Note 3)
The Corporation	Game First International Corporation	Taiwan	Online game service	27,813	27,813	16,684,063	70	232,335	(8,380)	(5,866)	Subsidiary (Note 3)
The Corporation	Zealot Digital International Corporation	Taiwan	Electronic data information providing service, etc.	50,874	50,874	8,904,162	99	85,985	(4,394)	(4,347)	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	453,020	39,723	39,723	Subsidiary (Note 3)
The Corporation	Dynasty International Information Corporation	Taiwan	Development, design, trading of computer software,	14,667	14,667	2,190,915	86	33,609	8,497	7,300	Subsidiary (Note 3)
The Corporation	Jhih Long Venture Capital Corporation	Taiwan	Investment company	100,000	100,000	11,081,197	13	15,159	45,732	(80)	Subsidiary (Note 3)
The Corporation	Interactive Entertainment Technology Co., Ltd.	Samoa	Investment company	15,485	15,485	480,000	80	17,542	(25)	(20)	Subsidiary (Note 3)
The Corporation	Fast Distributed Cloud Computing Co., Ltd.	Taiwan	Retail sale, wholesale and service for information software, etc.	13,812	13,812	2,745,190	90	106,011	45,075	40,567	Subsidiary (Note 3)
The Corporation	Neweb Technologies Co., Ltd.	Taiwan	Wholesale and retail sale of information software and electronic information providing service	510,567	510,567	38,104,043	50	514,634	76,561	38,613	Subsidiary (Note 3)
The Corporation	Efun International Corporation	Taiwan	Information software, data processing service and general advertising service, etc.	91,364	91,364	16,016,347	80	288,255	28,861	23,096	Subsidiary (Note 3)
The Corporation	Long Xiang Investment Corporation	Taiwan	Investment company	250,000	250,000	25,000,000	44	39,956	31,955	(1,011)	Subsidiary (Note 3)
The Corporation	CELAD Incorporated	Taiwan	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	17,500	17,500	477,273	32	225	(342)	(109)	Subsidiary (Note 3)

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	January 1, 2022	Number of shares	(%)	Carrying Amount			
The Corporation	We Can Financial Technology Co., Ltd.	Taiwan	Development of financial system and equipment, etc.	\$ 27,824	\$ 27,824	5,106,000	51	\$ 4,742	\$ 1,466	\$ 749	Subsidiary (Note 3) Note 1
The Corporation	Joy Children Technology Co., Ltd.	Taiwan	Wholesale and retail sale of stationery articles, musical instruments and educational entertainment article, etc.	20,512	20,512	2,051,153	32	11,558	1,302	175	
Chinese Gamer International Corporation	Taichigamer (B.V.I.) Co., Ltd.	British Virgin Islands	Investment company	96,942	96,942	3,041,698	100	241,681	11,036	11,036	Subsidiary (Note 3)
Chinese Gamer International Corporation	Walkfun International Corporation	Taiwan	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	16,731	77	77	Subsidiary (Note 3)
Chinese Gamer International Corporation	CELAD Incorporated	Taiwan	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	27,620	27,620	1,022,727	68	482	(342)	(232)	Subsidiary (Note 3)
Chinese Gamer International Corporation	Super Game Corporation	Taiwan	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	5,771	5,771	880,000	88	1,696	(28)	(25)	Subsidiary (Note 3)
Chinese Gamer International Corporation	Jhih Long Venture Capital Corporation	Taiwan	Investment company	100,000	100,000	11,081,197	13	109,228	45,732	5,968	Subsidiary (Note 3)
Chinese Gamer International Corporation	Star Diamond Universal Corporation	British Virgin Islands	Business related investee	82,772	82,772	52,000	100	33,124	(19,368)	(19,368)	Subsidiary (Note 3)
Chinese Gamer International Corporation	Fun Bear Corporation	Taiwan	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	16,552	16,552	1,600,000	100	16,613	84	84	Subsidiary (Note 3)
Chinese Gamer International Corporation	Game Topia Co.	Taiwan	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	30,994	30,994	3,784,063	65	40,997	397	259	Subsidiary (Note 3)
Chinese Gamer International Corporation	Oriental Dragon Digital Co., Ltd.	Taiwan	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	19,369	19,369	1,520,000	100	16,883	207	207	Subsidiary (Note 3)
Chinese Gamer International Corporation	Long Xiang Investment Corporation	Taiwan	Investment company	168,000	168,000	16,800,000	30	184,427	31,955	9,452	Subsidiary (Note 3)
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	235,277	11,148	11,148	Subsidiary (Note 3)
Transasiagamer Co., Ltd.	You Long Online (Beijing) Technology Corporation	China - 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	210,783	11,868	11,868	Subsidiary (Note 3)

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	January 1, 2022	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	\$ 33,124	\$ (19,368)	\$ (19,368)	Subsidiary (Note 3)
Game Topia. Co. Ltd.	Game Topia (Hong Kong) Technology Corporation	Hong Kong	Information software service	987	987	3,300	100	51,942	6,856	6,856	Subsidiary (Note 3)
Game Flier International Corporation	Soft-Orient Corporation	Samoa	Business related investee	-	254,872	-	-	-	(11)	(11)	Subsidiary (Note 4)
Global Concept Corporation	Value Central Corporation	Samoa	Investment company	45,452	45,452	1,450,000	100	19,171	(124)	(124)	Subsidiary (Note 3)
Global Concept Corporation	Gamers Grande Corporation	Malaysia	Business related investee	179,788	179,788	6,453,621	100	218,606	10,607	10,607	Subsidiary (Note 3)
Global Concept Corporation	Playgame Sdn. Bhd.	Malaysia	Investment company	56,074	56,074	30,250	30	25,112	3,740	521	Note 1
Value Central Corporation	Picked United Development	Hong Kong	Acquisition and royalty for game software	20,255	20,255	4,700,000	100	15,467	(468)	(468)	Subsidiary (Note 3)
Game First International Corporation	Compete ! Games Interactive Entertainment Corporation	Taiwan	Agent and operation of sports games	21,342	21,342	2,941,520	100	8,384	4	4	Subsidiary (Note 3)
Jhih Long Venture Capital Corporation	SkyTouch Co., Ltd.	Taiwan	Manufacture of computers and accessories	20,002	20,002	673,915	31	1,654	90	28	Note 1
Interactive Entertainment Technology Co., Ltd.	Interactive Entertainment Technologies Corporation	Taiwan	Wholesale and service of information software	18,000	18,000	1,800,000	100	20,773	(106)	(106)	Subsidiary (Note 3)
Neweb Technologies Co., Ltd.	ezPay Co., Ltd.	Taiwan	Third party payment service	966,748	966,748	61,400,000	100	378,655	(56,046)	(55,503)	Subsidiary (Note 3)
Neweb Technologies Co., Ltd.	CSERVICE Technology Co., Ltd.	Taiwan	Information software	5,000	5,000	515,000	100	5,333	147	147	Subsidiary (Note 3)
Efun International Corporation	Re: Ad Media (Taiwan) Corporation	Taiwan	General advertising service	26,000	26,000	5,886,000	100	62,890	(1,254)	(1,254)	Subsidiary (Note 3)
Long Xiang Investment Corporation	Jhih Long Venture Capital Corporation	Taiwan	Investment company	566,000	566,000	62,719,574	74	644,320	45,732	33,795	Subsidiary (Note 3)

(Concluded)

Note 1: Investment accounted for using the equity method.

Note 2: For investees in China, refer to Table 5.

Note 3: Eliminated when preparing the consolidated financial statements.

Note 4: The company had completed liquidation in 2022.

TABLE 5

## SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Note 1)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outward	Inward							
Game Flier International Corporation (Beijing)	Development of techniques, transferring, service, consulting, training; production and sale of computer software and related hardware; internet information service	\$ 214,678	Investment through a holding company were registered in a third region.	\$ 186,300	\$ -	\$ -	\$ 186,300	\$ 10,779	100	\$ 10,779	\$ 211,711	\$ -	Note 2

Investee Company	Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2022	Investment Amount Authorized by the Investment Commission, MOEA (Note 3)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
The Corporation	\$ 186,300	\$ 332,198 (USD10,936 thousand)	\$ 4,074,269

Note 1: Recognized gain/loss on investments based on the audited financial statements.

Note 2: Game Flier International Corporation (Beijing) distributed earnings that amounted to RMB10,719 thousand to Gamers Grande Corporation in August 2010 and December 2022, respectively. As of December 31, 2022, Game Flier International Corporation (Beijing) has not transferred to Taiwan.

Note 3: The difference between the amount of accumulated outward remittance for investments and the investment amount authorized by the Investment Commission was \$145,898 thousand, including investments without significant influence of \$56,965 thousand and investments sold out but not withdrawn of \$88,933 thousand.

**TABLE 6**

## SOFT-WORLD INTERNATIONAL CORPORATION

## INFORMATION OF MAJOR SHAREHOLDERS

**DECEMBER 31, 2022**[illegible]

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.

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, 2022 and 2021, 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, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the 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, 2022. 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, 2022 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 22 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 audit committee, 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 parent company only financial statements for the year ended December 31, 2022 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 Kai-Ning Hsu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 15, 2023

#### 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, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,799,346	23	\$ 2,688,875	24
Notes receivable (Notes 4, 5 and 7)	-	-	55	-
Accounts receivable, net (Notes 4, 5 and 7)	98,691	1	79,412	1
Accounts receivable - related parties (Notes 4, 5, 7 and 28)	23,682	-	19,899	-
Other receivables (Notes 4 and 7)	1,458,362	12	1,370,510	12
Other receivables - related parties (Notes 4, 7 and 28)	53,071	-	86,517	1
Inventories (Notes 4 and 8)	54,095	-	28,611	-
Other financial assets - current (Notes 9 and 29)	3,391,310	28	2,433,282	22
Other current assets	<u>110,329</u>	<u>1</u>	<u>91,863</u>	<u>1</u>
Total current assets	<u>7,988,886</u>	<u>65</u>	<u>6,799,024</u>	<u>61</u>
<b>NONCURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - noncurrent (Notes 4 and 10)	10,075	-	19,060	-
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4 and 11)	312,298	3	360,310	3
Investments accounted for using the equity method (Notes 4 and 12)	3,515,636	29	3,499,339	32
Property, plant and equipment (Notes 4, 13 and 29)	335,629	3	340,099	3
Right-of-use assets (Notes 4 and 14)	13,725	-	12,115	-
Investment properties (Notes 4 and 15)	2,852	-	-	-
Other intangible assets (Notes 4 and 16)	3,227	-	2,511	-
Deferred tax assets (Notes 4 and 24)	24,765	-	31,842	1
Refundable deposits	11,427	-	11,188	-
Other financial assets - noncurrent (Note 9)	<u>18,666</u>	<u>-</u>	<u>7,530</u>	<u>-</u>
Total noncurrent assets	<u>4,248,300</u>	<u>35</u>	<u>4,283,994</u>	<u>39</u>
<b>TOTAL</b>	<u>\$ 12,237,186</u>	<u>100</u>	<u>\$ 11,083,018</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Contract liabilities - current (Note 22)	\$ 87,738	1	\$ 50,406	-
Notes payable (Note 17)	5,765	-	7,054	-
Notes payable - related parties (Notes 17 and 28)	780	-	780	-
Accounts payable (Note 17)	199,766	2	117,308	1
Accounts payable - related parties (Notes 17 and 28)	4,217	-	52,688	1
Other payables (Note 18)	4,046,399	33	3,221,860	29
Other payables - related parties (Note 28)	106,100	1	110,948	1
Current tax liabilities (Notes 4 and 24)	128,223	1	105,483	1
Lease liabilities - current (Notes 4 and 14)	5,050	-	6,861	-
Other financial liabilities - current (Notes 4 and 19)	701,792	6	689,566	6
Other current liabilities	<u>12,811</u>	<u>-</u>	<u>25,559</u>	<u>-</u>
Total current liabilities	<u>5,298,641</u>	<u>44</u>	<u>4,388,513</u>	<u>39</u>
<b>NONCURRENT LIABILITIES</b>				
Deferred tax liabilities (Notes 4 and 24)	83,053	1	102,551	1
Lease liabilities - noncurrent (Notes 4 and 14)	8,765	-	5,372	-
Net defined benefit liabilities (Notes 4 and 20)	55,840	-	78,691	1
Guarantee deposits received	<u>438</u>	<u>-</u>	<u>6,070</u>	<u>-</u>
Total noncurrent liabilities	<u>148,096</u>	<u>1</u>	<u>192,684</u>	<u>2</u>
Total liabilities	<u>5,446,737</u>	<u>45</u>	<u>4,581,197</u>	<u>41</u>
<b>EQUITY (Note 21)</b>				
Share capital	<u>1,274,743</u>	<u>10</u>	<u>1,274,743</u>	<u>12</u>
Capital surplus	<u>1,842,281</u>	<u>15</u>	<u>1,816,989</u>	<u>16</u>
Retained earnings				
Legal reserve	1,214,851	10	1,132,078	10
Special reserve	25,117	-	25,117	-
Unappropriated earnings	<u>2,717,604</u>	<u>22</u>	<u>2,608,227</u>	<u>24</u>
Total retained earnings	<u>3,957,572</u>	<u>32</u>	<u>3,765,422</u>	<u>34</u>
Other equity	<u>231,623</u>	<u>2</u>	<u>154,829</u>	<u>2</u>
Treasury shares	<u>(515,770)</u>	<u>(4)</u>	<u>(510,162)</u>	<u>(5)</u>
Total equity	<u>6,790,449</u>	<u>55</u>	<u>6,501,821</u>	<u>59</u>
<b>TOTAL</b>	<u>\$ 12,237,186</u>	<u>100</u>	<u>\$ 11,083,018</u>	<u>100</u>

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, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 22 and 28)	\$ 2,969,704	100	\$ 2,670,982	100
OPERATING COSTS (Notes 23 and 28)	<u>704,491</u>	<u>24</u>	<u>492,660</u>	<u>18</u>
GROSS PROFIT	<u>2,265,213</u>	<u>76</u>	<u>2,178,322</u>	<u>82</u>
OPERATING EXPENSES (Notes 23 and 28)				
Selling and marketing expenses	1,251,376	42	1,242,528	47
General and administrative expenses	190,000	6	185,832	7
Research and development expenses	49,030	2	39,853	1
Expected credit loss (Note 7)	<u>4,216</u>	<u>-</u>	<u>19,443</u>	<u>1</u>
Total operating expenses	<u>1,494,622</u>	<u>50</u>	<u>1,487,656</u>	<u>56</u>
OPERATING INCOME	<u>770,591</u>	<u>26</u>	<u>690,666</u>	<u>26</u>
NON-OPERATING INCOME AND EXPENSES (Note 23)				
Interest income	30,904	1	19,488	1
Other income	25,973	1	20,753	1
Other gains and losses	(4,781)	-	(29,775)	(1)
Finance costs	(203)	-	(201)	-
Share of profit of subsidiaries and associates accounted for using the equity method	<u>192,565</u>	<u>6</u>	<u>280,187</u>	<u>10</u>
Total non-operating income and expenses	<u>244,458</u>	<u>8</u>	<u>290,452</u>	<u>11</u>
PROFIT BEFORE INCOME TAX	1,015,049	34	981,118	37
INCOME TAX EXPENSE (Notes 4 and 24)	<u>178,632</u>	<u>6</u>	<u>151,184</u>	<u>6</u>
NET PROFIT FOR THE YEAR	<u>836,417</u>	<u>28</u>	<u>829,934</u>	<u>31</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	11,866	-	(5,227)	-
Unrealized (loss) income on investments in equity instruments at fair value through other comprehensive income (Note 21)	(48,654)	(2)	85,260	3
Share of other comprehensive income of subsidiaries and associates accounted for using the equity method	83,725	3	19,322	1

(Continued)

# SOFT-WORLD INTERNATIONAL CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 24)	\$ (2,373)	-	\$ 1,045	-
	<u>44,564</u>	<u>1</u>	<u>100,400</u>	<u>4</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 21)	67,014	2	(20,835)	(1)
Share of other comprehensive loss of subsidiaries and associates accounted for using equity method (Note 21)	(5,700)	-	(2,792)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 24)	(13,402)	-	4,167	-
	<u>47,912</u>	<u>2</u>	<u>(19,460)</u>	<u>(1)</u>
Other comprehensive income for the year, net of income tax	<u>92,476</u>	<u>3</u>	<u>80,940</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 928,893</u>	<u>31</u>	<u>\$ 910,874</u>	<u>34</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 6.90</u>		<u>\$ 6.84</u>	
Diluted	<u>\$ 6.85</u>		<u>\$ 6.80</u>	

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, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

			Retained Earnings			Exchange Differences on Translating Foreign Operations	Other Equity Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Subtotal	Treasury Shares	Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2021	\$ 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
Appropriation of 2020 earnings (Note 21)										
Legal reserve	-	-	94,243	-	(94,243)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(761,480)	-	-	-	-	(761,480)
Reversal of special reserve	-	-	-	(5,867)	5,867	-	-	-	-	-
	-	-	94,243	(5,867)	(849,856)	-	-	-	-	(761,480)
Net profit in 2021	-	-	-	-	829,934	-	-	-	-	829,934
Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	(3,840)	(19,460)	104,240	84,780	-	80,940
Total comprehensive income (loss) in 2021	-	-	-	-	826,094	(19,460)	104,240	84,780	-	910,874
Changes in other capital surplus	-	90	-	-	-	-	-	-	-	90
Adjustments of capital surplus for the Corporation's cash dividends received by subsidiaries	-	33,436	-	-	-	-	-	-	-	33,436
Changes in percentage of ownership interests in subsidiaries	-	2,435	-	-	-	-	-	-	231	2,666
Disposal of investment in equity instruments designated as at fair value through other comprehensive income (Note 11)	-	-	-	-	1,634	-	(1,634)	(1,634)	-	-
BALANCE AT DECEMBER 31, 2021	1,274,743	1,816,989	1,132,078	25,117	2,608,227	(67,490)	222,319	154,829	(510,162)	6,501,821
Appropriation of 2021 earnings (Note 21)										
Legal reserve	-	-	82,773	-	(82,773)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(659,949)	-	-	-	-	(659,949)
	-	-	82,773	-	(742,722)	-	-	-	-	(659,949)
Net profit in 2022	-	-	-	-	836,417	-	-	-	-	836,417
Other comprehensive income in 2022, net of income tax	-	-	-	-	15,682	47,912	28,882	76,794	-	92,476
Total comprehensive income in 2022	-	-	-	-	852,099	47,912	28,882	76,794	-	928,893
Purchase of the Corporation's shares by subsidiaries	-	-	-	-	-	-	-	-	(5,816)	(5,816)
Adjustments of capital surplus for the Corporation's cash dividends received by subsidiaries	-	28,976	-	-	-	-	-	-	-	28,976
Changes in percentage of ownership interests in subsidiaries	-	(3,684)	-	-	-	-	-	-	208	(3,476)
BALANCE AT DECEMBER 31, 2022	\$ 1,274,743	\$ 1,842,281	\$ 1,214,851	\$ 25,117	\$ 2,717,604	\$ (19,578)	\$ 251,201	\$ 231,623	\$ (515,770)	\$ 6,790,449

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, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,015,049	\$ 981,118
Adjustments for:		
Income and expenses		
Depreciation expenses	14,418	14,138
Amortization expenses	4,072	11,053
Expected credit loss recognized on accounts receivable	4,216	19,443
Loss on financial assets at fair value through profit or loss	8,985	32,402
Finance costs	203	201
Interest income	(30,904)	(19,488)
Dividend income	(10,667)	(4,110)
Share of profit of subsidiaries and associates accounted for using the equity method	(192,565)	(280,187)
Others	69	1,706
Changes in operating assets and liabilities		
Notes receivable	55	1,070
Accounts receivable	(17,368)	(30,656)
Accounts receivable - related parties	(3,783)	10,800
Other receivables	(93,305)	71,983
Other receivables - related parties	33,446	(26,168)
Inventories	(25,553)	11,302
Other current assets	(18,466)	(96)
Other financial assets	(11,136)	(3,886)
Contract liabilities	37,332	12,030
Notes payable	(1,289)	1,700
Notes payable - related parties	-	180
Accounts payable	82,458	59,126
Accounts payable - related parties	(48,471)	(5,282)
Other payables	824,527	791,139
Other payables - related parties	(4,848)	(69,027)
Other financial liabilities	12,226	(49,248)
Other current liabilities	(12,748)	18,557
Net defined benefit liabilities	(10,973)	(146)
Cash generated from operations	1,554,980	1,549,654
Interest received	30,230	19,512
Dividends received	351,658	180,165
Interest paid	(203)	(201)
Income tax paid	(184,088)	(81,580)
Net cash generated from operating activities	<u>1,752,577</u>	<u>1,667,550</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(642)	-
Disposal of financial assets at fair value through profit or loss	-	51,588

(Continued)



# SOFT-WORLD INTERNATIONAL CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Proceeds from sale of subsidiaries	\$ -	\$ 425
Payments for property, plant and equipment	(5,771)	(3,077)
Increase in refundable deposits	(239)	(121)
Payments for intangible assets	(4,788)	(3,555)
Increase in other financial assets	<u>(958,028)</u>	<u>(77,642)</u>
Net cash used in investing activities	<u>(969,468)</u>	<u>(32,382)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in guarantee deposits received	-	5,790
Decrease in guarantee deposits received	(5,632)	-
Repayment of the principal portion of lease liabilities	(7,057)	(8,209)
Cash dividends distributed	(659,949)	(761,480)
Other financing activities	<u>-</u>	<u>90</u>
Net cash used in financing activities	<u>(672,638)</u>	<u>(763,809)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	110,471	871,359
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,688,875</u>	<u>1,817,516</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,799,346</u>	<u>\$ 2,688,875</u>

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

(Concluded)

# SOFT-WORLD INTERNATIONAL CORPORATION

## NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 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 15, 2023.

### 3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to 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)

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Corporation’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by International Accounting Standards Board (IASB)
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

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

Note 2: The amendments will be 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.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the parent company only financial statements were authorized for issue, the Corporation assessed the application of the above standards and interpretations would not have a material impact on the Corporation's financial position and financial performance.

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

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
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
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

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 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 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 current year 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.

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 and investments accounted for using the equity method. 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 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. 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. 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.

For a transfer of classification from property, plant and equipment to investment properties, the deemed cost of the property for subsequent accounting is its carrying amount at the end of owner-occupation.

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

i. Other intangible assets

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.

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.

j. Impairment of property, plant and equipment, right-of-use assets, investment properties 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, investment properties 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.

k. 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

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, including 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 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.

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.

## 1. 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. The Corporation's customary business practices allow customers to return certain goods. To account for the transfer of products with a right of return, the Corporation recognizes revenue and at the same time recognizes refund liabilities (classified under other current liabilities) and right to recover a product (classified under other current assets). Refund liabilities are estimated based on the historical average return rate.

### 1) Sale of goods

Revenue from the sale of goods comes from sales of game points and game magazines, which are sold at the contract price through the online platform or different retailers (e.g. brick-and-mortar stores and convenience stores etc.). When game points and game magazines, etc. are transferred to the customer, the customer has the right to use, and assumes the risk of ownership of the goods. The Corporation recognizes the related revenue and accounts receivable at the point of time the goods are transferred. Advance receipts from selling of merchandise are recognized as contract liabilities.

### 2) 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 revenue from the rendering of services

For other services - advertising design and exhibition marketing projects, etc., 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

The Corporation authorizes other game developers to have access to some intellectual property rights of games for cooperation and development. The non-refundable premiums collected at the time of signing of contracts are recognized as revenue at the date the license is granted when meeting certain criteria which means providing a customer the right to use the intellectual property; subsequent follow-up fees based on the customers' sales are recognized when the sales of the customer occur.

m. 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.

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.

n. 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 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 represent the actual deficit in the Corporation's defined benefit plan.

o. Taxation

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

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws in the ROC.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for 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 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. 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.

## 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 possible impact of the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates on cash flow projections, growth rate, profitability, etc. 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; the judgement is 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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Cash on hand	\$ 942	\$ 942
Bank deposits	1,817,484	1,585,473
Cash equivalents		
Time deposits with original maturities of less than 3 months	<u>980,920</u>	<u>1,102,460</u>
	<u>\$ 2,799,346</u>	<u>\$ 2,688,875</u>

## 7. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31	
	2022	2021
Notes receivable		
Operating	\$ <u>-</u>	\$ <u>55</u>
Accounts receivable - unrelated parties		
At amortized cost		
Gross carrying amount	\$ 98,752	\$ 81,384
Less: Allowance for impairment loss	<u>(61)</u>	<u>(1,972)</u>
	\$ <u>98,691</u>	\$ <u>79,412</u>
Accounts receivable - related parties		
At amortized cost	\$ <u>23,682</u>	\$ <u>19,899</u>
Other receivables		
Gross carrying amount	\$ 1,551,988	\$ 1,506,324
Less: Allowance for impairment loss	<u>(40,555)</u>	<u>(49,297)</u>
	\$ <u>1,511,433</u>	\$ <u>1,457,027</u>
Unrelated parties	\$ 1,458,362	\$ 1,370,510
Related parties	<u>53,071</u>	<u>86,517</u>
	\$ <u>1,511,433</u>	\$ <u>1,457,027</u>

### a. Notes receivable

At the end of the reporting period, there were no past due notes receivable.

### b. Accounts receivable

The Corporation's main 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 accounts receivable 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, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. 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 accounts receivable 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 aging analysis and the loss allowance of accounts receivable:

December 31, 2022

	Up to 90 Days	91 to 180 Days	181 to 365 Days	More than 1year	Total
Gross carrying amount	\$ 122,373	\$ -	\$ -	\$ 61	\$ 122,434
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(61)</u>	<u>(61)</u>
Amortized cost	<u>\$ 122,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,373</u>

December 31, 2021

	Up to 90 Days	91 to 180 Days	181 to 365 Days	More than 1year	Total
Gross carrying amount	\$ 95,384	\$ 3,928	\$ -	\$ 1,971	\$ 101,283
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(1,971)</u>	<u>(1,972)</u>
Amortized cost	<u>\$ 95,384</u>	<u>\$ 3,927</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,311</u>

c. Other receivables

The Corporation's other receivables are mainly receipts under custody of cooperative channels from the sale of the Corporation's exclusive card (MyCard). The Corporation sold MyCard to customers via cooperative channels, and the main credit period of receivables from channels was 30 to 120 days.

The following table details the aging analysis and the loss allowance of other receivables:

December 31, 2022

	Up to 90 Days	91 to 180 Days	181 to 365 Days	More than 1year	Total
Gross carrying amount	\$ 1,477,066	\$ 32,392	\$ 10,235	\$ 32,295	\$ 1,551,988
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(1,043)</u>	<u>(7,217)</u>	<u>(32,295)</u>	<u>(40,555)</u>
Amortized cost	<u>\$ 1,477,066</u>	<u>\$ 31,349</u>	<u>\$ 3,018</u>	<u>\$ -</u>	<u>\$ 1,511,433</u>

December 31, 2021

	Up to 90 Days	91 to 180 Days	181 to 365 Days	More than 1year	Total
Gross carrying amount	\$ 1,401,816	\$ 44,638	\$ 21,830	\$ 38,040	\$ 1,506,324
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(1,358)</u>	<u>(9,899)</u>	<u>(38,040)</u>	<u>(49,297)</u>
Amortized cost	<u>\$ 1,401,816</u>	<u>\$ 43,280</u>	<u>\$ 11,931</u>	<u>\$ -</u>	<u>\$ 1,457,027</u>

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

	<b>For the Year Ended December 31, 2022</b>		
	<b>Accounts Receivable</b>	<b>Other Receivables</b>	<b>Total</b>
Balance at January 1	\$ 1,972	\$ 49,297	\$ 51,269
Recognition (reversal)	(1,911)	6,127	4,216
Amounts written off	<u>-</u>	<u>(14,869)</u>	<u>(14,869)</u>
Balance at December 31	<u>\$ 61</u>	<u>\$ 40,555</u>	<u>\$ 40,616</u>

	<b>For the Year Ended December 31, 2021</b>		
	<b>Accounts Receivable</b>	<b>Other Receivables</b>	<b>Total</b>
Balance at January 1	\$ 59	\$ 66,627	\$ 66,686
Recognition	1,913	17,530	19,443
Amounts written off	<u>-</u>	<u>(34,860)</u>	<u>(34,860)</u>
Balance at December 31	<u>\$ 1,972</u>	<u>\$ 49,297</u>	<u>\$ 51,269</u>

## 8. INVENTORIES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Finished goods	\$ 134	\$ 141
Merchandise	<u>53,961</u>	<u>28,470</u>
	<u>\$ 54,095</u>	<u>\$ 28,611</u>

## 9. OTHER FINANCIAL ASSETS

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Pledged demand deposits (Note 29)	\$ 11,650	\$ 122
Pledged time deposits (Note 29)	-	35,000
Restricted bank deposits	18,666	7,530
Time deposits with original maturities of more than 3 months	<u>3,379,660</u>	<u>2,398,160</u>
	<u>\$ 3,409,976</u>	<u>\$ 2,440,812</u>
Current	\$ 3,391,310	\$ 2,433,282
Noncurrent	<u>18,666</u>	<u>7,530</u>
	<u>\$ 3,409,976</u>	<u>\$ 2,440,812</u>

The maturity dates and the annual interest rates of the above time deposits were as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Maturity date	2023.01-2023.12	2022.01-2022.12
Interest rates intervals (%)	0.87-1.45	0.49-0.82



# 10. FINANCIAL ASSETS AT FVTPL - NONCURRENT

	December 31	
	2022	2021
Mandatorily classified as at FVTPL		
Foreign listed shares	\$ 10,075	\$ 19,060

# 11. FINANCIAL ASSETS AT FVTOCI - NONCURRENT

	December 31	
	2022	2021
Listed shares	\$ 149,608	\$ 173,389
Private - placement shares of listed companies	162,690	186,921
	\$ 312,298	\$ 360,310

The equity of Mobix Corporation held by the Corporation was converted into the share of its parent company, KouBrothers Corporation and regarded as a disposal in May 2021, and therefore the unrealized income on financial assets at FVTOCI of \$1,634 thousand was transferred to retained earnings.

# 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Investments in subsidiaries	\$ 3,504,078	\$ 3,487,956
Investments in associates	11,558	11,383
	\$ 3,515,636	\$ 3,499,339

## a. Investments in subsidiaries

	December 31			
	2022		2021	
	Amount	Proportion of Ownership and Voting Rights (%)	Amount	Proportion of Ownership and Voting Rights (%)
Listed company				
Chinese Gamer International Corporation (Chinese Gamer)	\$ 498,527	48	\$ 502,450	49
Unlisted company				
Soft-World Technology Pte. Ltd. (Soft-World (Singapore))	14,229	100	12,576	100
Game Flier International Corporation (Game Flier)	784,889	98	844,891	98

(Continued)

	December 31			
	2022		2021	
	Amount	Proportion of Ownership and Voting Rights (%)	Amount	Proportion of Ownership and Voting Rights (%)
Global Concept Corporation (Global Concept)	\$ 414,960	100	\$ 287,735	100
Game First International Corporation (Game First)	232,335	70	238,201	70
Zealot Digital International Corporation (Zealot Digital)	85,985	99	90,332	99
Soft-World International (Hong Kong) Corporation (Soft-World (Hong Kong))	453,020	100	550,143	100
Dynasty International Information Corporation (Dynasty)	33,609	86	33,612	86
Jhih Long Venture Capital Corporation (Jhih Long)	15,159	13	13,374	13
Interactive Entertainment Technology Co., Ltd. (Interactive Entertainment)	17,542	80	17,563	80
Fast Distributed Cloud Computing Co., Ltd. (Fast Distributed Cloud)	106,011	90	72,931	90
Neweb Technologies Co., Ltd. (Neweb Technologies)	514,634	50	479,750	50
Efun International Corporation (Efun)	288,255	80	305,199	80
Long Xiang Investment Corporation (Long Xiang)	39,956	44	34,873	44
CELAD Incorporated (CELAD)	225	32	333	32
We Can Financial Technology Co., Ltd. (We Can)	<u>4,742</u>	51	<u>3,993</u>	51
	<u>\$ 3,504,078</u>		<u>\$ 3,487,956</u>	(Concluded)

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	
	2022	2021
Chinese Gamer	<u>\$ 2,135,890</u>	<u>\$ 2,517,000</u>

For a brief description of each long-term investment, refer to Table 3. The related main changes were due to the conversion of common stock upon exercise of employee stock options issued by Chinese Gamer, resulting in a decrease in the shareholding ratio from 49% to 48%.

b. Investments in associates

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Investments in associates - are not individually material	<u>\$ 11,558</u>	<u>\$ 11,383</u>
Aggregate information of associates that are not individually material :		
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
The Corporation's share of:		
Total profit (loss) and other comprehensive income (loss) for the year	<u>\$ 175</u>	<u>\$ (211)</u>

### 13. PROPERTY, PLANT AND EQUIPMENT

For the year ended December 31, 2022

	<b>Land</b>	<b>Buildings</b>	<b>Equipment</b>	<b>Miscellaneous Equipment</b>	<b>Others</b>	<b>Total</b>
<u>Cost</u>						
Balance at January 1, 2022	\$ 215,321	\$ 183,407	\$ 3,057	\$ 1,430	\$ 1,102	\$ 404,317
Additions	-	-	1,950	3,250	571	5,771
Disposals	-	-	(1,030)	(147)	-	(1,177)
Transfers to investment properties	-	(5,237)	-	-	-	(5,237)
Balance at December 31, 2022	<u>\$ 215,321</u>	<u>\$ 178,170</u>	<u>\$ 3,977</u>	<u>\$ 4,533</u>	<u>\$ 1,673</u>	<u>\$ 403,674</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2022	\$ -	\$ 62,676	\$ 968	\$ 466	\$ 108	\$ 64,218
Depreciation expenses	-	4,281	1,476	1,302	306	7,365
Disposals	-	-	(1,030)	(147)	-	(1,177)
Transfers to investment properties	-	(2,361)	-	-	-	(2,361)
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 64,596</u>	<u>\$ 1,414</u>	<u>\$ 1,621</u>	<u>\$ 414</u>	<u>\$ 68,045</u>
Carrying amounts at December 31, 2022	<u>\$ 215,321</u>	<u>\$ 113,574</u>	<u>\$ 2,563</u>	<u>\$ 2,912</u>	<u>\$ 1,259</u>	<u>\$ 335,629</u>

For the year ended December 31, 2021

	<b>Land</b>	<b>Buildings</b>	<b>Equipment</b>	<b>Miscellaneous Equipment</b>	<b>Others</b>	<b>Total</b>
<u>Cost</u>						
Balance at January 1, 2021	\$ 215,321	\$ 183,407	\$ 3,649	\$ 1,691	\$ 180	\$ 404,248
Additions	-	-	1,882	93	1,102	3,077
Disposals	-	-	(2,474)	(354)	(180)	(3,008)
Balance at December 31, 2021	<u>\$ 215,321</u>	<u>\$ 183,407</u>	<u>\$ 3,057</u>	<u>\$ 1,430</u>	<u>\$ 1,102</u>	<u>\$ 404,317</u>

(Continued)

	Land	Buildings	Equipment	Miscellaneous Equipment	Others	Total
<u>Accumulated depreciation</u>						
Balance at January 1, 2021	\$ -	\$ 58,372	\$ 2,259	\$ 485	\$ 145	\$ 61,261
Depreciation expenses	-	4,304	1,183	335	143	5,965
Disposals	-	-	(2,474)	(354)	(180)	(3,008)
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 62,676</u>	<u>\$ 968</u>	<u>\$ 466</u>	<u>\$ 108</u>	<u>\$ 64,218</u>
Carrying amounts at December 31, 2021	<u>\$ 215,321</u>	<u>\$ 120,731</u>	<u>\$ 2,089</u>	<u>\$ 964</u>	<u>\$ 994</u>	<u>\$ 340,099</u>

(Concluded)

- a. Property, plant and equipment are depreciated on a straight-line basis over their useful lives as follows:

Buildings	
Main buildings	25-55 years
Equipment	3 years
Miscellaneous Equipment	3-5 years
Others	5 years

- b. For the amount of property, plant and equipment that the Company pledged or mortgaged as collateral, refer to Note 29.

#### 14. LEASE ARRANGEMENTS

- a. Right-of-use assets

For the year ended December 31, 2022

	<b>Buildings</b>
<u>Cost</u>	
Balance at January 1, 2022	\$ 32,948
Additions	<u>8,639</u>
Balance at December 31, 2022	<u>\$ 41,587</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2022	\$ 20,833
Depreciation expenses	<u>7,029</u>
Balance at December 31, 2022	<u>\$ 27,862</u>
Carrying amount at December 31, 2022	<u>\$ 13,725</u>

For the year ended December 31, 2021

	<b>Buildings</b>
<u>Cost</u>	
Balance at January 1, 2021	\$ 23,785
Additions	<u>9,163</u>
Balance at December 31, 2021	<u>\$ 32,948</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2021	\$ 12,660
Depreciation expenses	<u>8,173</u>
Balance at December 31, 2021	<u>\$ 20,833</u>
Carrying amount at December 31, 2021	<u>\$ 12,115</u>

b. Lease liabilities

	<u>December 31</u>	
	<b>2022</b>	<b>2021</b>
Carrying amounts		
Current	<u>\$ 5,050</u>	<u>\$ 6,861</u>
Noncurrent	<u>\$ 8,765</u>	<u>\$ 5,372</u>

Range of discount rate (%) for lease liabilities was as follows:

	<u>December 31</u>	
	<b>2022</b>	<b>2021</b>
Buildings	1.98-2.81	1.98-2.20

c. Material leasing activities and terms

The Corporation's leases buildings with lease terms which will expire before December 2026 in a row. At the expiry of the lease term, the Corporation does not have bargain purchase options to acquire the buildings.

d. Other lease information

	<u>For the Year Ended December 31</u>	
	<b>2022</b>	<b>2021</b>
Expenses relating to short-term leases	<u>\$ 7,022</u>	<u>\$ 7,068</u>
Expenses relating to low-value asset leases	<u>\$ 541</u>	<u>\$ 511</u>
Total cash outflow for leases	<u>\$ 14,823</u>	<u>\$ 15,989</u>

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. INVESTMENT PROPERTIES - ONLY DECEMBER 31,2022**

	<b>Building</b>
<u>Cost</u>	
Balance at January 1, 2022	\$ -
Transfers from property	<u>5,237</u>
Balance at December 31, 2022	<u>\$ 5,237</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2022	\$ -
Transfers from property	2,361
Depreciation	<u>24</u>
Balance at December 31, 2022	<u>\$ 2,385</u>
Carrying amount at December 31, 2022	<u>\$ 2,852</u>

The investment properties were leased out for 3 years and 3 months. The lessees do not have bargain purchase options to acquire the properties at the expiry of the lease periods.

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

	<b>For the Year Ended December 31, 2022</b>
Year 1	\$ 617
Year 2	617
Year 3	<u>618</u>
	<u>\$ 1,852</u>

Investment properties are depreciated on a straight-line basis over their useful lives of 29.75 years.

The fair value of investment properties on the balance sheet date was \$17 thousand, which was assessed by the Corporation's management based on the market prices of similar properties in the vicinity.

## 16. OTHER INTANGIBLE ASSETS

For the year ended December 31, 2022

	<b>Computer Software</b>
Cost	
Balance at January 1, 2022	\$ 4,928
Additions	4,788
Write-off	<u>(3,491)</u>
Balance at December 31, 2022	<u>\$ 6,225</u>
Accumulated amortization	
Balance at January 1, 2022	\$ 2,417
Amortization expenses	4,072
Write-off	<u>(3,491)</u>
Balance at December 31, 2022	<u>\$ 2,998</u>
Carrying amount at December 31, 2022	<u>\$ 3,227</u>

For the year ended December 31, 2021

	<b>Computer Software</b>
Cost	
Balance at January 1, 2021	\$ 30,618
Additions	3,555
Write-off	<u>(29,245)</u>
Balance at December 31, 2021	<u>\$ 4,928</u>
Accumulated amortization	
Balance at January 1, 2021	\$ 20,609
Amortization expenses	11,053
Write-off	<u>(29,245)</u>
Balance at December 31, 2021	<u>\$ 2,417</u>
Carrying amount at December 31, 2021	<u>\$ 2,511</u>

The above intangible assets are amortized on a straight-line basis over the useful lives of 1 to 3 years.

## 17. 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 and services 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, and

therefore no interest was charged on the outstanding balance.

## 18. OTHER PAYABLES

	December 31	
	2022	2021
Payables for receipts under custody	\$ 3,614,196	\$ 2,834,135
Payables for circulation	132,478	126,605
Payables for value-added taxes	96,171	71,273
Payables for salaries or bonuses	91,313	85,025
Payables for compensation of employees, board of director and supervisors	64,790	62,624
Payables for annual leave	12,403	11,427
Others	<u>35,048</u>	<u>30,771</u>
	<u>\$ 4,046,399</u>	<u>\$ 3,221,860</u>

Payables for receipts under custody are receipts from MyCard online platform service and points sales provided by the Corporation, and which should be transferred to the game operators.

## 19. OTHER FINANCIAL LIABILITIES - CURRENT

	December 31	
	2022	2021
Temporary receipts from the sale of MyCard	<u>\$ 701,792</u>	<u>\$ 689,566</u>

## 20. 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. Under the LPA, the Corporation makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

### b. Defined benefit plan

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 6 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 amounts of defined benefit plans included in the parent company only balance sheets were as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Present value of defined benefit obligation	\$ 97,983	\$ 106,337
Fair value of plan assets	<u>(42,014)</u>	<u>(27,529)</u>
Deficit	55,969	78,808
Recognized in other payables	<u>(129)</u>	<u>(117)</u>
Net defined benefit liabilities	<u>\$ 55,840</u>	<u>\$ 78,691</u>

Movements of net defined benefit liabilities were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities</b>
Balance at January 1, 2021	<u>\$ 100,769</u>	<u>\$ (27,042)</u>	<u>\$ 73,727</u>
Service cost			
Current service cost	848	-	848
Interest expense (income)	<u>501</u>	<u>(135)</u>	<u>366</u>
Recognized in profit or loss	<u>1,349</u>	<u>(135)</u>	<u>1,214</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(367)	(367)
Actuarial loss			
changes in demographic assumptions	2,594	-	2,594
experience adjustments	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Recognized in other comprehensive income	<u>5,594</u>	<u>(367)</u>	<u>5,227</u>
Contributions from the employer	-	(1,360)	(1,360)
Benefits paid	<u>(1,375)</u>	<u>1,375</u>	<u>-</u>
	<u>(1,375)</u>	<u>15</u>	<u>(1,360)</u>
Balance at December 31, 2021	<u>106,337</u>	<u>(27,529)</u>	<u>78,808</u>
Service cost			
Current service cost	761	-	761
Interest expense (income)	<u>531</u>	<u>(147)</u>	<u>384</u>
Recognized in profit or loss	<u>1,292</u>	<u>(147)</u>	<u>1,145</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,220)	(2,220)
Actuarial gain			
changes in demographic assumptions	(5,434)	-	(5,434)
experience adjustments	<u>(4,212)</u>	<u>-</u>	<u>(4,212)</u>
Recognized in other comprehensive income	<u>(9,646)</u>	<u>(2,220)</u>	<u>(11,866)</u>

(Continued)

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities</b>
Contributions from the employer	\$ _____ -	\$ (12,118)	\$ (12,118)
Balance at December 31, 2022	<u>\$ 97,983</u>	<u>\$ (42,014)</u>	<u>\$ 55,969</u> (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 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 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:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Discount rate (%)	1.500	0.500
Expected rate of salary increase (%)	3.000	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:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Discount rate		
0.25% increase	<u>\$ (2,489)</u>	<u>\$ (3,005)</u>
0.25% decrease	<u>\$ 2,579</u>	<u>\$ 3,124</u>
Expected rate of salary increase/ decrease		
0.25% increase	<u>\$ 2,498</u>	<u>\$ 3,013</u>
0.25% decrease	<u>\$ (2,423)</u>	<u>\$ (2,915)</u>

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.

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Expected contributions to the plan for the next year	<u>\$ 12,118</u>	<u>\$ 1,360</u>
Average duration of the defined benefit obligation (in years)	10.6	11.6

## 21. EQUITY

### a. Ordinary share capital

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Number of shares authorized (in thousands)	<u>180,000</u>	<u>180,000</u>
Shares authorized	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>
Number of shares issued and fully paid (in thousands)	<u>127,474</u>	<u>127,474</u>
Shares issued	<u>\$ 1,274,743</u>	<u>\$ 1,274,743</u>

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

### b. Capital surplus

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
May be used to offset deficits, distributed as cash dividends or transferred to share capital (Note)		
Issuance of ordinary shares	\$ 1,229,758	\$ 1,229,758
Conversion of bonds	245,975	245,975
Treasury share transactions	144,182	115,206
Difference between the consideration and carrying amount of subsidiaries acquired or disposed	59,180	59,180
May be used to offset deficits only		
Changes in percentage of ownership interests in subsidiaries	156,141	159,825
Changes in percentage of ownership interests in associates	6,955	6,955
Unclaimed dividends	<u>90</u>	<u>90</u>
	<u>\$ 1,842,281</u>	<u>\$ 1,816,989</u>

Note: 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).

c. Retained earnings and dividends policy

The Corporation's Articles of Incorporation (the "Articles") provide that earnings distribution or offsetting of losses should be made on a quarterly basis after the close of each quarter. Where the Corporation made a profit in each quarter, the Corporation shall first estimate and reserve for the taxes to be paid, offset losses, estimate and reserve for the compensation of employees and remuneration of directors, set aside for legal reserve 10% of the remaining earnings until the legal reserve equals the Corporation's share capital, then set aside or reverse a special reserve in accordance with the laws or regulations. 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 by the board of directors if distributed by way of cash dividend, or should be approved in the shareholders' meeting if distributed by way of stock dividend.

Where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, set aside as a legal reserve at 10% of the remaining profit until the legal reserve equals the Corporation's share capital setting aside or reverse a special reserve in accordance with the laws or regulations or depending on the demand by the Corporation. 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 stock dividends and bonuses to shareholders.

In addition, as stipulated in the Articles, the board of directors is authorized under Article 240 of the Company Act to resolve the distribution of dividends and bonuses in cash or under Article 241 of the Company Act to resolve the distribution as dividends and bonuses in whole or in part of the legal reserve and capital surplus, and a report of such distribution shall be submitted to the shareholders in their meeting.

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.

The appropriations of earnings in 2021 and 2020 were as follows:

	<b>Appropriation of Earnings</b>		<b>Dividends Per Share (NT\$)</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Legal reserve	\$ 82,773	\$ 94,243		
Reversal of special reserve	-	(5,867)		
Cash dividends	<u>659,949</u>	<u>761,480</u>	<u>\$ 5.20</u>	<u>\$ 6.00</u>
	<u>\$ 742,722</u>	<u>\$ 849,856</u>		

The above cash dividends in 2021, were resolved by the board of directors on March 16, 2022, and the remaining earnings distribution items will be resolved in the shareholders' meeting on June 21, 2022 and July 30, 2021, respectively.

The appropriation of earnings for 2022 is as follows:

	<b>Appropriation of Earnings</b>	<b>Dividends Per Share (NT\$)</b>
Legal reserve	\$ 85,210	
Special reserve	21,799	
Cash dividends	<u>888,393</u>	<u>\$ 7.00</u>
	<u>\$ 995,402</u>	

The above cash dividends were resolved by the board of directors on March 15, 2023, and the remaining earnings distribution items will be resolved in the shareholders' meeting in June 2023.

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.

e. Other equity items

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

	<b>For the Year Ended December 31 2022</b>	<b>2021</b>
Balance, beginning of year	\$ (67,490)	\$ (48,030)
Recognized for the year		
Exchange differences on translating the net investments in foreign operations	67,014	(20,835)
Related income tax arising from exchange differences	(13,402)	4,167
Share from subsidiaries accounted for using the equity method	<u>(5,700)</u>	<u>(2,792)</u>
Balance, end of year	<u>\$ (19,578)</u>	<u>\$ (67,490)</u>

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

	<b>For the Year Ended December 31 2022</b>	<b>2021</b>
Balance, beginning of year	\$ 222,319	\$ 119,713
Recognized for the year		
Unrealized gain (loss) - equity instruments	(48,654)	85,260
Share from subsidiaries accounted for using the equity method	77,536	18,980
Cumulative unrealized gain of equity instrument transferred earnings due to disposal	<u>-</u>	<u>(1,634)</u>
Balance, end of year	<u>\$ 251,201</u>	<u>\$ 222,319</u>

f. Treasury shares

Purpose of Treasury Shares	Thousand Shares			December 31	
	Beginning of the Year	Addition	Reduction	Thousand Shares	Book Value
For the year ended December 31, 2022					
The Corporation's shares held by its subsidiaries	<u>5,573</u>	<u>72</u>	<u>-</u>	<u>5,645</u>	<u>\$ 472,278</u>
Transfer shares to employees	<u>561</u>	<u>-</u>	<u>-</u>	<u>561</u>	<u>\$ 43,492</u>
For the year ended December 31, 2021					
The Corporation's shares held by its subsidiaries	<u>5,575</u>	<u>-</u>	<u>2</u>	<u>5,573</u>	<u>\$ 466,670</u>
Transfer shares to employees	<u>561</u>	<u>-</u>	<u>-</u>	<u>561</u>	<u>\$ 43,492</u>

The Corporation's shares acquired and held by the subsidiaries for the purpose of making medium to long-term profits are accounted for as treasury shares.

As of December 31, 2022 and 2021, the market values of the treasury shares calculated by the consolidated shareholding percentage were \$450,478 thousand and \$548,900 thousand, respectively.

## 22. REVENUE

a. Revenue from contracts with customers

	For the Year Ended December 31	
	2022	2021
Rendering of services	\$ 2,419,177	\$ 2,201,503
Sale of goods	517,055	384,307
Licensing revenue	<u>33,472</u>	<u>85,172</u>
	<u>\$ 2,969,704</u>	<u>\$ 2,670,982</u>

b. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable, accounts receivable, and other receivables (Note 7)	<u>\$ 1,633,806</u>	<u>\$ 1,556,393</u>	<u>\$ 1,602,889</u>
Contract liabilities			
Advance receipts of services	\$ 86,457	\$ 50,092	\$ 26,279
Royalty fee for games	-	-	10,658
Others	<u>1,281</u>	<u>314</u>	<u>1,439</u>
	<u>\$ 87,738</u>	<u>\$ 50,406</u>	<u>\$ 38,376</u>

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.

## 23. PROFIT BEFORE INCOME TAX

### a. Interest income

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Bank deposits	\$ 30,900	\$ 19,484
Others	<u>4</u>	<u>4</u>
	<u>\$ 30,904</u>	<u>\$ 19,488</u>

### b. Other income

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Rental income	\$ 2,339	\$ 3,269
Dividend income	10,667	4,110
Others	<u>12,967</u>	<u>13,374</u>
	<u>\$ 25,973</u>	<u>\$ 20,753</u>

### c. Other gains and losses

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Net foreign exchange gain	\$ 4,968	\$ 3,230
Loss on financial assets designated as at FVTPL	(8,985)	(32,402)
Others	<u>(764)</u>	<u>(603)</u>
	<u>\$ (4,781)</u>	<u>\$ (29,775)</u>

### d. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Property, plant and equipment	\$ 7,365	\$ 5,965
Right-of-use assets	7,029	8,173
Investment properties	24	-
Other intangible assets	<u>4,072</u>	<u>11,053</u>
	<u>\$ 18,490</u>	<u>\$ 25,191</u>
An analysis of depreciation by function		
Operating costs	\$ 404	\$ 391
Operating expenses	13,990	13,747
Non-operating expenses	<u>24</u>	<u>-</u>
	<u>\$ 14,418</u>	<u>\$ 14,138</u>

(Continued)

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
An analysis of amortization by function		
Operating costs	\$ 34	\$ 29
Operating expenses	<u>4,038</u>	<u>11,024</u>
	<u>\$ 4,072</u>	<u>\$ 11,053</u>
		(Concluded)

e. Employee benefits

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Short-term employee benefits	<u>\$ 453,335</u>	<u>\$ 431,197</u>
Post-employment benefits		
Defined contribution plans	15,448	14,347
Defined benefit plans (Note 20)	<u>1,145</u>	<u>1,214</u>
	<u>16,593</u>	<u>15,561</u>
Employee benefits expense	<u>\$ 469,928</u>	<u>\$ 446,758</u>
An analysis by function		
Operating costs	\$ 10,252	\$ 10,289
Operating expenses	<u>459,676</u>	<u>436,469</u>
	<u>\$ 469,928</u>	<u>\$ 446,758</u>

f. Compensation of employees and remuneration of directors and supervisors

According to the Articles of the Corporation, the Corporation accrued compensation of employees 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, compensation of employees, and remuneration of directors and supervisors. The compensation of employees and the remuneration of directors and supervisors for the years ended December 31, 2022 and 2021, which were resolved to be paid in cash by the Corporation's board of directors on March 15, 2023 and March 16, 2022, respectively, are as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<b>Accrual rate</b>		
Compensation of employees (%)	5	5
Remuneration of directors and supervisors (%)	1	1
<b>Amount</b>		
Compensation of employees	\$ 53,992	\$ 52,187
Remuneration of directors and supervisors	10,798	10,437

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, 2021 and 2020, there is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the parent company only financial statements for the years ended December 31, 2021 and 2020.

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 24. INCOME TAX

### a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Current tax		
In respect of the current year	\$ 202,879	\$ 148,689
Income tax on unappropriated earnings	4,250	4,629
Adjustments for prior years	<u>(301)</u>	<u>212</u>
	<u>206,828</u>	<u>153,530</u>
Deferred tax		
In respect of the current year	<u>(28,196)</u>	<u>(2,346)</u>
Income tax expense recognized in profit or loss	<u>\$ 178,632</u>	<u>\$ 151,184</u>

The reconciliation of accounting profit and income tax expense was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Profit before income tax	<u>\$ 1,015,049</u>	<u>\$ 981,118</u>
Income tax expense calculated at the statutory rate (20%)	\$ 203,010	\$ 196,223
Deductible income and expenses in determining taxable income	(26,194)	(43,503)
Tax-exempt income	(2,133)	(822)
Realized investment losses	-	(6,632)
Income tax on unappropriated earnings	4,250	4,629
Nondeductible withholding tax	-	1,077
Adjustments for prior years' tax	<u>(301)</u>	<u>212</u>
Income tax expense recognized in profit or loss	<u>\$ 178,632</u>	<u>\$ 151,184</u>

### b. Income tax benefit (expense) recognized in other comprehensive income

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Recognized during the period		
Translation of foreign operations	\$ (13,402)	\$ 4,167
Remeasurement of defined benefit plan	<u>(2,373)</u>	<u>1,045</u>
	<u>\$ (15,775)</u>	<u>\$ 5,212</u>

c. Current tax liabilities

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Income tax payable	<u>\$ 128,223</u>	<u>\$ 105,483</u>

d. Deferred tax assets and liabilities

Movements of deferred tax assets and liabilities were as follows:

For the year ended December 31, 2022

	<b>Balance, Beginning of Year</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Balance, End of Year</b>
<u>Deferred tax assets</u>				
Temporary differences				
Defined benefit obligations	\$ 15,738	\$ (2,197)	\$ (2,373)	\$ 11,168
Loss on inventories	2,507	-	-	2,507
Exchange differences on translation of foreign operations	4,398	-	(4,398)	-
Others	<u>9,199</u>	<u>1,891</u>	<u>-</u>	<u>11,090</u>
	<u>\$ 31,842</u>	<u>\$ (306)</u>	<u>\$ (6,771)</u>	<u>\$ 24,765</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Gain from foreign investments accounted for using the equity method	\$ 102,506	\$ (28,457)	\$ -	\$ 74,049
Financial assets at FVTPL	-	-	9,004	9,004
Others	<u>45</u>	<u>(45)</u>	<u>-</u>	<u>-</u>
	<u>\$ 102,551</u>	<u>\$ (28,502)</u>	<u>\$ 9,004</u>	<u>\$ 83,053</u>

For the year ended December 31, 2021

	<b>Balance, Beginning of Year</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Balance, End of Year</b>
<u>Deferred tax assets</u>				
Temporary differences				
Defined benefit obligations	\$ 14,724	\$ (31)	\$ 1,045	\$ 15,738
Loss on inventories	2,347	160	-	2,507
				(Continued)

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance, End of Year
Exchange differences on translation of foreign operations	\$ 231	\$ -	\$ 4,167	\$ 4,398
Others	<u>7,354</u>	<u>1,845</u>	<u>-</u>	<u>9,199</u>
	<u>\$ 24,656</u>	<u>\$ 1,974</u>	<u>\$ 5,212</u>	<u>\$ 31,842</u>
<hr/>				
Deferred tax liabilities				
Temporary differences				
Gain from foreign investments accounted for using the equity method	\$ 94,047	\$ 8,459	\$ -	\$ 102,506
Financial assets at FVTPL	8,838	(8,838)	-	-
Others	<u>38</u>	<u>7</u>	<u>-</u>	<u>45</u>
	<u>\$ 102,923</u>	<u>\$ (372)</u>	<u>\$ -</u>	<u>\$ 102,551</u> (Concluded)

e. Income tax assessments

The Corporation's income tax returns through 2020 have been assessed by the tax authorities.

## 25. 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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Net profit for the year	<u>\$ 836,417</u>	<u>\$ 829,934</u>

b. Weighted average number of ordinary shares outstanding (in thousands of shares)

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Weighted average number of ordinary shares used in the computation of basic earnings per share	121,306	121,341
Add: Employees' compensation issued	<u>796</u>	<u>647</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>122,102</u>	<u>121,988</u>

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.

## 26. 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 and equity of the Corporation.

## 27. 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 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, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Foreign listed shares	\$ <u>10,075</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>10,075</u>
<u>Financial assets at FVTOCI</u>				
Domestic and foreign listed marketable security investments in equity instruments	\$ 149,608	\$ -	\$ -	\$ 149,608
Private - placement shares of domestic listed companies	<u>-</u>	<u>162,690</u>	<u>-</u>	<u>162,690</u>
	<u>\$ 149,608</u>	<u>\$ 162,690</u>	<u>\$ -</u>	<u>\$ 312,298</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Foreign listed shares	\$ <u>19,060</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>19,060</u>

(Continued)

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Domestic and foreign listed marketable security investments in equity instruments	\$ 173,389	\$ -	\$ -	\$ 173,389
Private - placement shares of domestic listed companies	<u>-</u>	<u>186,921</u>	<u>-</u>	<u>186,921</u>
	<u>\$ 173,389</u>	<u>\$ 186,921</u>	<u>\$ -</u>	<u>\$ 360,310</u> (Concluded)

The equity of Mobix Corporation held by the Corporation was transferred from the level 2 to the level 1 in 2021 since it was converted into the shares of its parent company, Kuo Corporation.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Private - placement shares of domestic listed companies	The fair value is assessed by reference to the transaction price supported by observable market prices and the liquidity discounts.

c. Categories of financial instruments

	December 31	
	2022	2021
<u>Financial assets</u>		
Financial assets at amortized cost (1)	\$ 7,854,555	\$ 6,697,268
Financial assets at FVTPL	10,075	19,060
Financial assets at FVTOCI	312,298	360,310
<u>Financial liabilities</u>		
Amortized cost (2)	5,065,257	4,206,274

1) The balances 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 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 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, credit risk and liquidity risk.

The corporate treasury function reports regularly to the Corporation's management.

## 1) Market risk

The Corporation's activities exposed it primarily to the market risks are as follows:

### a) Foreign currency risk

There was no material impacts on the Corporation's foreign currency denominated monetary assets and monetary liabilities.

### 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 were as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Cash flow interest rate risk		
Financial assets	\$ 5,150,321	\$ 2,758,125

The Corporation assessed that the time deposits and lease liabilities at fixed rate did not have material fair value risks.

#### Sensitivity analysis

The sensitivity analysis below was determined based on the Corporation's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets, the analysis was prepared assuming the amount of each asset outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 1% higher/lower and all other variables were held constant, the Corporation's pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$51,503 thousand and \$27,581 thousand, respectively.

### c) Other price risk

The Corporation was exposed to equity price risk through its investments equity instruments.

#### 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 years ended December 31, 2022 and 2021 would have increased/decreased by \$101 thousand and \$191 thousand, respectively, 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 years ended December 31, 2022 and 2021 would have increased/decreased by \$3,123 thousand and \$3,603 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:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Group A	\$ 443,985	\$ 471,503
Group B	207,185	190,847
Group C	<u>189,333</u>	<u>172,075</u>
	<u>\$ 840,503</u>	<u>\$ 834,425</u>

The Corporation's concentration of credit risk accounted for 50% and 52% of total accounts receivable and other receivables from the above-mentioned groups as of December 31, 2022 and 2021, 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.

	<b>Within 4 Months</b>	<b>At least 5 Months</b>	<b>More than 1 year</b>	<b>Total</b>
<u>December 31, 2022</u>				
Non-interest bearing liabilities	\$ 4,991,975	\$ 72,844	\$ 438	\$ 5,065,257
Lease liabilities	<u>2,177</u>	<u>3,143</u>	<u>8,984</u>	<u>14,304</u>
	<u>\$ 4,994,152</u>	<u>\$ 75,987</u>	<u>\$ 9,422</u>	<u>\$ 5,079,561</u>
<u>December 31, 2021</u>				
Non-interest bearing liabilities	\$ 4,130,371	\$ 69,833	\$ 6,070	\$ 4,206,274
Lease liabilities	2,524	4,508	5,534	12,566

(Continued)

	<b>Within 4 Months</b>	<b>At least 5 Months</b>	<b>More than 1 year</b>	<b>Total</b>
Financial guarantee contracts	\$ 35,000	\$ -	\$ -	\$ 35,000
	<u>\$ 4,167,895</u>	<u>\$ 74,341</u>	<u>\$ 11,604</u>	<u>\$ 4,253,840</u> (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.

## 28. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Corporation and related parties were as follows:

### a. Related party name and category

<b>Related Party Name</b>	<b>Related Party Category</b>
Chinese Gamer	Subsidiaries
Game Flier	Subsidiaries
Game First	Subsidiaries
Soft-World (Hong Kong)	Subsidiaries
Zealot Digital	Subsidiaries
Fast Distributed Cloud	Subsidiaries
Neweb Technologies	Subsidiaries
Interactive Entertainment	Subsidiaries
Efun	Subsidiaries
CELAD	Subsidiaries
Dyansty	Subsidiaries
We Can	Subsidiaries
Game Topia Co., Ltd. (Game Topia)	Subsidiaries
Dragon Gamer (Hong Kong) Co., Ltd. (Dragon Gamer)	Subsidiaries
ezPay Co., Ltd. (ezPay)	Subsidiaries
CService Technology Co., Ltd. (Cservice Technology)	Subsidiaries
Compete ! Games Interactive Entertainment Corporation (Compete ! Games)	Subsidiaries
Re: Ad Media (Taiwan) Corporation	Subsidiaries
Taiwan Taomee Co., Ltd. (Taiwan Taomee)	Associates
Fun Yours Technology Co., Ltd. (Fun Yours)	Other related parties (The Corporation as legal directors of investee companies)
Asure Corporation (Asure)	Other related parties (The person in charge is the second-degree relative of the Corporation's chairman)

(Continued)



<u>Related Party Name</u>	<u>Related Party Category</u>
Ko, Hsiu-Yen	Other related parties (Spouse of the Corporation's chairman)
Wang, Li-Chuan	Other related parties (Second-degree relative of the Corporation's chairman)
Wang, Chun-Hsiung	Other related parties (Second-degree relative of the Corporation's chairman)
Soft-World Arts and Culture Foundation	Other related parties (The person in charge is the Corporation's chairman)
	(Concluded)

b. Operating Revenues

<u>Line Item</u>	<u>Related Party Category</u>	<u>For the Year Ended December 31</u>	
		<u>2022</u>	<u>2021</u>
Sale of goods	Other related parties	\$ <u>87,657</u>	\$ <u>41,977</u>
Rendering of services	Subsidiaries	\$ 63,996	\$ 130,891
	Associates	<u>8,592</u>	<u>5,853</u>
		\$ <u>72,588</u>	\$ <u>136,744</u>
Licensing revenue	Subsidiaries	\$ <u>478</u>	\$ <u>107</u>

The selling price for the sale of goods and licenses 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 to related parties was similar to those for third parties.

c. Purchase of goods

<u>Related party type</u>	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Subsidiaries	\$ -	\$ 636
Other related parties	<u>7,927</u>	<u>6,596</u>
	\$ <u>7,927</u>	\$ <u>7,232</u>

The Corporation purchases goods from the aforementioned related parties based on franchise agreements, and the prices and payment terms are handled in accordance with the agreements. As the Corporation did not purchase similar types of game software from third parties, the purchase prices cannot be compared. The payment terms are not significantly different from those for general suppliers.

d. Receivables from related parties

Line Item	Related Party Category	December 31	
		2022	2021
Accounts receivable	Subsidiaries		
	Game Flier	\$ 17,603	\$ 12,961
	Others	<u>4,261</u>	<u>5,691</u>
		21,864	18,652
	Associates	<u>1,818</u>	<u>1,247</u>
		<u>\$ 23,682</u>	<u>\$ 19,899</u>
Other receivables	Subsidiaries	\$ 37,701	\$ 34,000
	Other related parties	<u>15,370</u>	<u>52,517</u>
		<u>\$ 53,071</u>	<u>\$ 86,517</u>

Other receivables are mainly from Corporation's sale of its exclusive MyCard through its related parties and prepayments made on behalf of its related parties.

The outstanding receivables were unsecured with no impairment loss recognized.

e. Payables to related parties

Line Item	Related Party Category	December 31	
		2022	2021
Notes payable	Other related parties	<u>\$ 780</u>	<u>\$ 780</u>
Accounts payable	Subsidiaries		
	Game First	\$ -	\$ 48,651
	Others	<u>4,217</u>	<u>4,037</u>
		<u>\$ 4,217</u>	<u>\$ 52,688</u>
Other payables	Subsidiaries	\$ 94,173	\$ 103,171
	Associates	11,898	7,642
	Other related parties	<u>29</u>	<u>135</u>
		<u>\$ 106,100</u>	<u>\$ 110,948</u>

Payables for receipts under custody are receipts from Mycard online platform service and points sales provided by the Group, which were needed to be transferred to the game operators.

The outstanding payables to related parties were unsecured.

f. Endorsements and guarantees

Related Party Category/Name	December 31			
	2022		2021	
	Amount Endorsed	Amount Utilized	Amount Endorsed	Amount Utilized
Subsidiaries				
Neweb Technologies	<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$ 280,000</u>	<u>\$ 35,000</u>

g. Others

The commission, circulation fees, rent, royalties, internet services, and advertising fees, etc. which the Corporation paid to its related parties were recognized under operating cost and expenses based on their nature:

Related Party Category	For the Year Ended December 31	
	2022	2021
Subsidiaries	\$ 49,238	\$ 64,856
Other related parties	<u>183,410</u>	<u>164,926</u>
	<u>\$ 232,648</u>	<u>\$ 229,782</u>

h. 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	
	2022	2021
Short-term employee benefits	\$ 36,489	\$ 33,304
Post-employment benefits	<u>520</u>	<u>42</u>
	<u>\$ 37,009</u>	<u>\$ 33,346</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

## 29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets have been provided as collateral for various service performance guarantees and endorsements:

	December 31	
	2022	2021
Other financial assets - current		
Pledged demand deposits	\$ 11,650	\$ 122
Pledged time deposits	<u>-</u>	<u>35,000</u>
	<u>11,650</u>	<u>35,122</u>
Property, plant and equipment		
Land	109,463	109,463
Buildings	<u>74,682</u>	<u>79,896</u>
	<u>184,145</u>	<u>189,359</u>
	<u>\$ 195,795</u>	<u>\$ 224,481</u>

### 30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of December 31, 2022 and 2021, the credit line committed for MyCard by banks was both \$800,000 thousand, respectively.

### 31. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others: None
- 2) Endorsements/guarantees provided: Table 1
- 3) Marketable securities (excluding investments in subsidiaries, associates and joint ventures): Table 2
- 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: None
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None
- 9) Trading in derivative instruments: None

b. Information on investees: Table 3

c. 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 4
- 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 year balance, the interest rate range, and total current year 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
- d. 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 5

**TABLE 1****SOFT-WORLD INTERNATIONAL CORPORATION****ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

No.	Endorsement/Guarantee Provider	Endorsee/Guarantee		Limited on Amount Provided to Each Guaranteed Party	Maximum Amount During 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	\$ 1,358,090	\$ 360,000	\$ 80,000	\$ -	\$ -	1.00	\$ 3,395,225	Y	N	N	Note

Note: The ceiling on the amounts for any single entity shall not exceed 20% of the equity of the Corporation. The ceiling on the amounts for the aggregate amounts to the entities shall not exceed 50% of the equity of the Corporation.

TABLE 2

## SOFT-WORLD INTERNATIONAL CORPORATION

MARKETABLE SECURITIES HELD  
DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)

Held Company Name	Type and Name of Marketable Securities	Relationship with The Company	Financial Statement Account	December 31, 2022				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	535,698	\$ 41,302	1	\$ 41,302	
	Softstar Entertainment Inc.	-	Financial assets at fair value through other comprehensive income - noncurrent	3,461,506	162,690	4	162,690	
	China Communications Media Group Co.,Ltd	-	Financial assets at fair value through other comprehensive income - noncurrent	103,949	1,965	1	1,965	
	Fun Yours Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	2,249,902	93,821	12	93,821	
	Kuobrothers Corporation	-	Financial assets at fair value through other comprehensive income - noncurrent	625,207	11,003	2	11,003	
	Gameone Holdings Limited.	-	Financial assets at fair value through other comprehensive income - noncurrent	1,800,000	1,517	1	1,517	
	Archosaur Games Inc.	-	Financial assets at fair value through profit or loss - noncurrent	668,000	10,075	-	10,075	
					<u>\$ 322,373</u>		<u>\$ 322,373</u>	
Game Flier International Corporation	Stock							
	Softstar Entertainment Inc.	-	Financial assets at fair value through other comprehensive income - noncurrent	1,990,367	<u>\$ 93,807</u>	2	<u>\$ 93,807</u>	
Jhih Long Venture Capital Corporation	Stock							
	9Splay Entertainment Technology Co., LTD	-	Financial assets at fair value through other comprehensive income - noncurrent	956,919	\$ -	3	\$ -	
	Soft-World International Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - noncurrent	9,033,000	755,715	7	755,715	Note
					<u>\$ 755,715</u>		<u>\$ 755,715</u>	

(Continued)

Held Company Name	Type and Name of Marketable Securities	Relationship with The Company	Financial Statement Account	December 31, 2022				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	\$ 2,010	-	\$ 2,010	
	Taiwan Smart Card Co.	-	Financial assets at fair value through other comprehensive income - noncurrent	3,140,671	8,036	20	8,036	
Global Concept Corporation.	Stock							
	Ever Master Holding Limited	-	Financial assets at fair value through other comprehensive income - noncurrent	25,000,000	<u>\$ 107,000</u>	33	<u>\$ 107,000</u>	

(Concluded)

Note: The Corporation's shares held by its subsidiaries were considered treasury shares. For related information, refer to Note 21.



TABLE 3

## SOFT-WORLD INTERNATIONAL CORPORATION

INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	December 31, 2021	Number of shares	(%)	Carrying Amount			
The Corporation	Chinese Gamer International Corporation	Taiwan	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	48	\$ 498,527	\$ (22,718)	\$ (18,874)	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	14,229	161	161	Subsidiary
The Corporation	Game Flier International Corporation	Taiwan	Electronic data information providing service, etc.	218,017	218,017	28,332,800	98	784,889	57,735	56,882	Subsidiary
The Corporation	Global Concept Corporation	Samoa	Investment company	295,068	295,068	9,631,253	100	414,960	15,606	15,606	Subsidiary
The Corporation	Game First International Corporation	Taiwan	Online game service	27,813	27,813	16,684,063	70	232,335	(8,380)	(5,866)	Subsidiary
The Corporation	Zealot Digital International Corporation	Taiwan	Electronic data information providing service, etc.	50,874	50,874	8,904,162	99	85,985	(4,394)	(4,347)	Subsidiary
The Corporation	Soft-World International (Hong Kong) Corporation	Hong Kong	Trading of game software	88,858	88,858	3,883,558	100	453,020	39,723	39,723	Subsidiary
The Corporation	Dynasty International Information Corporation	Taiwan	Development, design, trading of computer software,	14,667	14,667	2,190,915	86	33,609	8,497	7,300	Subsidiary
The Corporation	Jhih Long Venture Capital Corporation	Taiwan	Investment company	100,000	100,000	11,081,197	13	15,159	45,732	(80)	Subsidiary
The Corporation	Interactive Entertainment Technology Co., Ltd.	Samoa	Investment company	15,485	15,485	480,000	80	17,542	(25)	(20)	Subsidiary
The Corporation	Fast Distributed Cloud Computing Co., Ltd.	Taiwan	Retail sale, wholesale and service for information software, etc.	13,812	13,812	2,745,190	90	106,011	45,075	40,567	Subsidiary
The Corporation	Neweb Technologies Co., Ltd.	Taiwan	Wholesale and retail sale of information software and electronic information providing service	510,567	510,567	38,104,043	50	514,634	76,561	38,613	Subsidiary
The Corporation	Efun International Corporation	Taiwan	Information software, data processing service and general advertising service, etc.	91,364	91,364	16,016,347	80	288,255	28,861	23,096	Subsidiary
The Corporation	Long Xiang Investment Corporation	Taiwan	Investment company	250,000	250,000	25,000,000	44	39,956	31,955	(1,011)	Subsidiary
The Corporation	CELAD Incorporated	Taiwan	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	17,500	17,500	477,273	32	225	(342)	(109)	Subsidiary
The Corporation	We Can Financial Technology Co., Ltd.	Taiwan	Development of financial system and equipment, etc.	27,824	27,824	5,106,000	51	4,742	1,466	\$749	Subsidiary
The Corporation	Joy Children Technology Co., Ltd.	Taiwan	Wholesale and retail sale of stationery articles, musical instruments and educational entertainment article, etc.	20,512	20,512	2,051,153	32	11,558	1,302	175	Note 1

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	December 31, 2021	Number of shares	(%)	Carrying Amount			
Chinese Gamer International Corporation	Taichigamer (B.V.I.) Co., Ltd.	British Virgin Islands	Investment company	\$ 96,942	\$ 96,942	3,041,698	100	\$ 241,681	\$ 11,036	\$ 11,036	Subsidiary
Chinese Gamer International Corporation	Walkfun International Corporation	Taiwan	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	16,731	77	77	Subsidiary
Chinese Gamer International Corporation	CELAD Incorporated	Taiwan	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	27,620	27,620	1,022,727	68	482	(342)	(232)	Subsidiary
Chinese Gamer International Corporation	Super Game Corporation	Taiwan	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	5,771	5,771	880,000	88	1,696	(28)	(25)	Subsidiary
Chinese Gamer International Corporation	Jhih Long Venture Capital Corporation	Taiwan	Investment company	100,000	100,000	11,081,197	13	109,228	45,732	5,968	Subsidiary
Chinese Gamer International Corporation	Star Diamond Universal Corporation	British Virgin Islands	Business related investee	82,772	82,772	52,000	100	33,124	(19,368)	(19,368)	Subsidiary
Chinese Gamer International Corporation	Fun Bear Corporation	Taiwan	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	16,552	16,552	1,600,000	100	16,613	84	84	Subsidiary
Chinese Gamer International Corporation	Game Topia Co.	Taiwan	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	30,994	30,994	3,784,063	65	40,997	397	259	Subsidiary
Chinese Gamer International Corporation	Oriental Dragon Digital Co., Ltd.	Taiwan	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	19,369	19,369	1,520,000	100	16,883	207	207	Subsidiary
Chinese Gamer International Corporation	Long Xiang Investment Corporation	Taiwan	Investment company	168,000	168,000	16,800,000	30	184,427	31,955	9,452	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	235,277	11,148	11,148	Subsidiary
Transasiagamer Co., Ltd.	You Long Online (Beijing) Technology Corporation	China - 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	210,783	11,868	11,868	Subsidiary
Star Diamond Universal Corporation	Dragon Gamer (Hong Kong) Co., Ltd.	Hong Kong	Online game service	82,772	82,772	260,000	100	33,124	(19,368)	(19,368)	Subsidiary
Game Topia. Co. Ltd.	Game Topia (Hong Kong) Technology Corporation	Hong Kong	Information software service	987	987	3,300	100	51,942	6,856	6,856	Subsidiary
Game Flier International Corporation	Soft-Orient Corporation	Samoa	Business related investee	-	254,872	-	-	-	(11)	(11)	Note 3

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	December 31, 2021	Number of shares	(%)	Carrying Amount			
Global Concept Corporation	Value Central Corporation	Samoa	Investment company	\$ 45,452	\$ 45,452	1,450,000	100	\$ 19,171	\$ (124)	\$ (124)	Subsidiary
Global Concept Corporation	Gamers Grande Corporation	Malaysia	Business related investee	179,788	179,788	6,453,621	100	218,606	10,607	10,607	Subsidiary
Global Concept Corporation	Playgame Sdn. Bhd.	Malaysia	Investment company	56,074	56,074	30,250	30	25,112	3,740	521	Note 1
Value Central Corporation	Picked United Development	Hong Kong	Acquisition and royalty for game software	20,255	20,255	4,700,000	100	15,467	(468)	(468)	Subsidiary
Game First International Corporation	Compete ! Games Interactive Entertainment Corporation	Taiwan	Agent and operation of sports games	21,342	21,342	2,941,520	100	8,384	4	4	Subsidiary
Jhih Long Venture Capital Corporation	SkyTouch Co., Ltd.	Taiwan	Manufacture of computers and accessories	20,002	20,002	673,915	31	1,654	90	28	Note 1
Interactive Entertainment Technology Co., Ltd.	Interactive Entertainment Technologies Corporation	Taiwan	Wholesale and service of information software	18,000	18,000	1,800,000	100	20,773	(106)	(106)	Subsidiary
Newweb Technologies Co., Ltd.	ezPay Co., Ltd.	Taiwan	Third party payment service	966,748	966,748	61,400,000	100	378,655	(56,046)	(55,503)	Subsidiary
Newweb Technologies Co., Ltd.	CSservice Technology Co., Ltd.	Taiwan	Information software	5,000	5,000	515,000	100	5,333	147	147	Subsidiary
Efun International Corporation	Re: Ad Media (Taiwan) Corporation	Taiwan	General advertising service	26,000	26,000	5,886,000	100	62,890	(1,254)	(1,254)	Subsidiary
Long Xiang Investment Corporation	Jhih Long Venture Capital Corporation	Taiwan	Investment company	566,000	566,000	62,719,574	74	644,320	45,732	33,795	Subsidiary

(Concluded)

Note 1: Investment accounted for using the equity method.

Note 2: For investees in China, refer to Table 4.

Note 3: The company had completed liquidation in 2022.

TABLE 4

SOFT-WORLD INTERNATIONAL CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Note 1)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outward	Inward							
Game Flier International Corporation (Beijing)	Development of techniques, transferring, service, consulting, training; production and sale of computer software and related hardware; internet information service	\$ 214,678	Investment through a holding company were registered in a third region	\$ 186,300	\$ -	\$ -	\$ 186,300	\$ 10,779	100	\$ 10,779	\$ 211,711	\$ -	Note 2

Investee Company	Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2022	Investment Amount Authorized by the Investment Commission, MOEA (Note 3)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
The Corporation	\$ 186,300	\$ 332,198 (USD10,936 thousand)	\$ 4,074,269

- Note 1: Recognized gain/loss on investments based on the audited financial statements.
- Note 2: Game Flier International Corporation (Beijing) distributed earnings that amounted to RMB10,719 thousand to Gamers Grande Corporation in August 2010 and December 2022, respectively. As of December 31, 2022, Game Flier International Corporation (Beijing) has not transferred to Taiwan.
- Note 3: The difference between the amount of accumulated outward remittance for investments and the investment amount authorized by the Investment Commission was \$145,898 thousand, including investments without significant influence of \$56,965 thousand and investments sold out but not withdrawn of \$88,933 thousand.

**TABLE 5****SOFT-WORLD INTERNATIONAL CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2022**

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.	11,391,000	8.93
Jhih Long Venture Capital Corporation	9,033,000	7.08

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.

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	2022	2021	Variation		Analysis of variance in increase/decrease
			Amount	%	
Current assets	15,155,773	13,804,044	1,351,729	9.79	
Property, plant, and equipment	368,011	382,135	(14,124)	(3.70)	
Intangible assets	504,613	470,058	34,555	7.35	
Other assets	786,433	754,137	32,296	4.28	
Total assets	16,814,830	15,410,374	1,404,456	9.11	
Current liabilities	8,543,730	7,433,857	1,109,873	14.93	
Non-current liabilities	274,309	300,570	(26,261)	(8.74)	
Total liabilities	8,818,039	7,734,427	1,083,612	14.01	
Capital stock	1,274,743	1,274,743	-	-	
Capital surplus	1,842,281	1,816,989	25,292	1.39	
Retained earnings	3,957,572	3,765,422	192,150	5.10	
Other equity	231,623	154,829	76,794	49.60	Note 1
Treasury stock	(515,770)	(510,162)	(5,608)	1.10	
Equity of the parent company	6,790,449	6,501,821	288,628	4.44	
Non-controlling interest	1,206,342	1,174,126	32,216	2.74	
Total shareholders' equity	7,996,791	7,675,947	320,844	4.18	
Analyze and describe ratio changes over 20% and with an amount exceeding NT\$10 million.					
Note 1: Other equity: is primarily associated with the increase of EXDF.					

## II. Financial Performance

Unit: NTD thousands

Item \ Year	2022	2021	Variation	
			Increase (decrease)	Variation (%)
Operating revenue	6,098,078	6,601,378	(503,300)	(7.62)
Operating cost	2,811,125	3,285,751	(474,626)	(14.44)
Gross profit	3,286,953	3,315,627	(28,674)	(0.86)
Operating expenses	2,305,184	2,261,971	43,213	1.91
Net income	981,769	1,053,656	(71,887)	(6.82)
Non-operating revenues and expenses	125,942	55,286	70,656	127.80
Net profit before taxation	1,107,711	1,108,942	(1,231)	(0.11)
Income tax	226,004	235,613	(9,609)	(4.08)
Net income	881,707	873,329	8,378	0.96
Other comprehensive income for the period (post-tax profit or loss)	93,564	75,855	17,709	23.35
Current period other comprehensive income (Gross)	975,271	949,184	26,087	2.75
Description of ratio changes over 20% and with an amount exceeding NT\$10 million.				
Note 1. Non-operating income and expenses: Mainly due to the increase in interest income and the decrease in the net valuation loss of financial assets that are measured at fair value through profit or loss.				
Note 2. Other comprehensive gains and losses of the current period (net after tax): mainly due to the increase in unrealized gains and losses on equity instrument measured at fair value through other comprehensive gains and losses.				



### 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
5,701,412	1,631,652	(1,904,006)	67,989	5,497,047	None	None

Unit: NTD thousands

Item \ Year	2022 Cash Inflow (outflow)	2021 Cash Inflow (outflow)	Variation (%)
Operating activities	1,631,652	1,466,263	11
Investing activities	(1,221,792)	(45,810)	2,567
finance activities	(682,214)	(767,569)	(11)
Foreign exchange impact amount	67,989	(25,808)	(363)
Net cash increase (reduction)	(204,365)	627,076	(133)

Analysis and description of ratio changes (changes below 20% were eliminated.)

1. The increase in net cash outflow from investing activities was mainly due to the increase in outflow of other financial assets
2. The effect of exchange rate was mainly caused by the change in exchange rate.
3. Net cash increase decreased as the investment cash inflow increased.

#### (II) Plans to improve cash flow liquidity:

As the sum of cash and cash equivalents at the end of 2022 was NT\$5,497,047,000, there was no liquidity shortfall.

Liquidity analysis:

Item \ Year	2022	2021	Variation (%)
Cash flow ratio %	19.10	33.47	(42.95)
Cash flow adequacy ratio %	246.92	294.16	(16.06)
Cash flow reinvestment ratio %	13.68	24.81	(44.86)

Analysis of variance in increase/decrease:

The decrease in cash flow ratio was mainly due to the increase in current liabilities.

The decrease in cash reinvestment ratio was mainly due to the decrease in net cash flow from operating activities.

#### (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
5,497,047	1,632,000	1,220,000	5,909,047	-	-

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 activities: Actively evaluate the investment in related game industry, digital contents, and payment industry in order to coordinate with the strategy of cooperating with game manufacturers, introducing new games, and innovating, researching, and developing new games constantly.

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 2023 will be NT\$5,909,047,000, 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 company's after-tax net loss is NT\$22,718,000 with NT\$0.26 loss per share in 2022. The "Legend of Emperors S," "TS Multiverse," "Huang Yi M Online," "Devouring the World M," and other games were launched in 2022 and drew back the players. The company intends to promote IP authorization continuously, cooperate in development, and support startup companies in the future, etc. The objective of the company is to have each generation of games with the number of IP players accumulated continuously through flexible and diversified cooperations and to keep up with the market trend.	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 2022 net profit of that company was NT\$57,735,000. The games of "Finger Sword Jianghu" and "White Chord" were released in 2022. Chang Ching Technology Co., Ltd. had continued to cooperate with the manufacturer of the "Perfect World 2 Online," "Demi-Gods and Semi-Devils Online," "Nobunaga's Ambition Series Online" with the revised versions, updated contents, and rich activities launched.	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.	Subject to the status of operations.
Game First International Corporation		27,813	Diversify operations to synergize vertical integration	The 2022 net profit of that company was NT\$8,380,000. The company continued to cooperate with internationally renowned game manufacturers with comprehensive operational support provided in 2022.	Develop multilingual game customer service, integrated marketing, social media management, and e-sports teams. Plan custom-made marketing and distribution strategies for different markets.	Subject to the status of operations.
Soft-World (Hong Kong) International Corporation		88,858	Diversify operations to synergize vertical integration	The 2022 net profit of that company was NT\$39,723,000. 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 2022 net profit of that company was NT\$4,394,000. Provide more comprehensive, professional, and efficient art OEM services to major game developers worldwide.	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	The 2022 net profit of that company was NT\$76,561,000. The company continued to increase the scale of online collection and payment	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
			integration	transactions in 2022 with the overall transaction amount maintained with a double-digit annual growth realized. The company will accelerate the establishment of offline multi-payment application scenarios this year.		
Soft-World Technology Pte.Ltd.		8,959	Global deployment	The 2022 net profit of that company was NT\$161,000. In order to improve the competitiveness of MyCard in Southeast Asia and attract more upstream manufacturers to join, the company is actively expanding the Southeast Asian market through that company and cooperating with platform channels in many countries in order to increase the sales of MyCard.	Continue with market expansion.	Subject to the status of operations.
Joy Children Technology Co., Ltd.		20,512	Diversify operations to synergize vertical integration	The 2022 net profit of that company was NT\$1,302,000. 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 2022 net profit of that company was NT\$45,075,000. For the IDC Total Solution built to provide innovative ideas for industrial users, a full-range IDC brand "MyServer" was launched to create customized IDC Solution for game developers interested in overseas engagement.	Continue with market expansion.	Subject to the status of operations.
EFUN International Co., Ltd.		91,364	Diversify operations to synergize vertical integration	The 2022 net profit of that company was NT\$28,861,000. 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 2022 net profit of that company was NT\$1,466,000. 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
- Impacts of interest rate variations to The Company's profit and loss, and responsive measures in the future:  
The Group with sufficient funds on hand is benefiting from the interest increase with more interest income received. The company will continue to observe global economic development and changes in domestic and foreign interest rate policies; also, it will regularly evaluate bank interest rates, and take necessary measures in a timely manner to avoid fund management is a risk in order to minimize the impact of changes in interest rates on the company.
  - 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 gain of NT\$16,900,000 in 2022, accounting for 0.277% 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:  
The price of necessities is increasing due to the current inflation situation; however, entertainment is one thing we cannot live without. The game industry relies on income from the sale of prop instead of the game itself; therefore, the impact of inflation on the company's profit or loss is minimal.
- (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, 2022, the BOD has passed the endorsement for Neweb Technologies Co., Ltd. amounting to NT\$80,000,000.
- (III) Future research and development plans, and the projected expenses:
  1. Future R&D:  
Process 2.0+ engine tool as the framework for post-generation and next-generation all 3D mobile phones has been developed. AR/VR/MR/XR somatosensory technology, AI, big data analysis, VTuber approaches, and cloud computing technology have been created and integrated. At the same time, the GameFi technology game development processes of decentralized blockchain, encrypted currency, other digital assets, NFT (non-fungible tokens), blockchain games and other GameFi technology have been planned and integrated on a larger scale. With the concepts of efficiency and cost-effectiveness in operations, tools and processes related to art, planning, marketing and operating integration and execution have been designed. Under cost control, different types of cross-platform game products with the same base structure have been mass produced to echo metaverse issues, thereby giving rise to more business opportunities and adding value to game products.  
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.
    - (6) Digital assets in circulation that are in high quantities and valuable are processed through GameFi technology. Therefore, there are high requirements for computing, encryption, anti-counterfeiting, verification and other information and communication security protection level. Therefore, the integration of self-developed tools will better

guarantee information security and protection work and toughness.

The company has geographically deep plowed in-depth cooperation with universities in Central, Southern and Eastern Taiwan. Exchanges on game development technology, operation and marketing information are also conducted and local digital talents are cultivated. In addition, in cooperation with the Asia New Bay Area “5G AIoT Innovative Park” Development Plan, the largest cultural and creativity R&D base of game development, art design, multimedia production, game advertising design and game music creation, video recording production in Southern Taiwan has been set up. Considering the lower costs in Southern Taiwan, the cultural and creativity products will gain a competitive edge with a higher profit value.

2. Estimated amount of R&D investment

In 2023, all R&D projects of the group will continue, and the estimated amount of investments is NT\$300 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) The impact of technological changes (including information and communication security risks) and industrial changes on the company’s financial businesses and the coping measures:

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 the quality and content richness of online games and mobile games, entertaining features and game props and the security of other electromagnetic records are basic requirements. Additionally, the stability of system services, the ecological balance of games, the service attitude and speed of operators toward players and the protection of consumer information, items, treasures and other electromagnetic records are the keys that determine success in the online game and mobile game market.
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.  
The current game consumption trend is mainly for the sale of prop and loot instead of the game itself, that is, a free-of-charge consumption mode. Soft-World Group responds quickly and adequately to the changes in the industry; therefore, a continuous growth in business operation is maintained successfully.
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 and 2021, 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. Many people in Taiwan were vaccinated with the second dose against the COVID-19 pandemic in 2022, in fact, some of them even had the 3<sup>rd</sup> or 4<sup>th</sup> booster shot in response to Omicron and other variants. Although herd immunity has not yet been achieved, the impact of the COVID-19 pandemic on Taiwan’s overall economy is gradually easing. The marginal benefits driven by entertainment during this wave of zero-tolerance pandemic outbreak are gradually decreasing,

and the industrial environment is slowly resuming its original state. In the prospect of 2023, the macroeconomy will be driven upward along with the global lifting of restrictions, which will benefit the game industry. However, the global game market is changing rapidly, and the Taiwan market has limited absorption. In addition, industrial competition is fierce; therefore, the top mission of a game company is to develop overseas markets, and as a result the company aims to increase the company's visibility on the international stage in the future.

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 terms of third-party payment, the global mobile payment market is growing rapidly. In particular, Asia Pacific will be the world's largest market for mobile payment. Taiwan is still in a growing stage. The third-party payment business has been gradually introduced since 2017; therefore, the competition of third-party payment business takes place in e-commerce market. People tried to avoid any physical contact as much as possible during the COVID-19 pandemic outbreak for three years; therefore, the e-commerce (remote) shopping and home delivery made the online payment a must, and became the main consumption habits or trends of consumers, and also became an important driving force for business growth. The third-party payment industry in Taiwan has always been in the highly competitive "Warring States Period" and followed the industrial competition law of "Winner Takes All." Mergers as an important means for a company to survive and compete with triumph previously. Business strength is the only way for an industry to maintain long-term competitiveness.
  8. With the issue of metaverse gaining popularity and highly driven by decentralized block chain, encrypted currency, digital assets, NFT (non-fungible tokens), blockchain games and dual qualitative and quantitative GameFi needs, the gaming industry, more than ever, is in the face of more challenging information and community security risks. In addition to choosing self-developed tools for game design in order to enhance information security protection, the company will select professional information security operators in response to the specific needs of GameFi (game finance) in the future, and to further enhance the protection capability and resilience of the game systems in safeguarding the digital assets of players and users.
- (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.



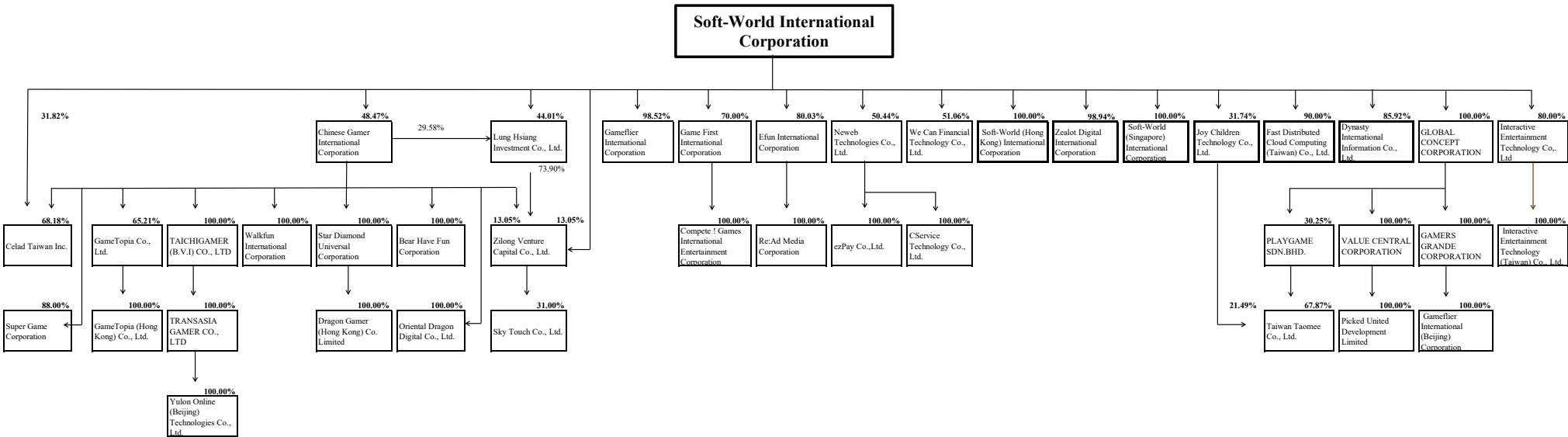
Eight. Special Notes

I. Affiliated companies

- (I) Affiliates consolidated business report
1. Organization chart for affiliates

Organization chart for affiliates of Soft-World Group

2022



## 2. Stakes of affiliates

Serial No.	Name of affiliated enterprises	Intersect Holdings	Ratio of Shareholding	Invested Shares	Sum of initial investment (NT\$ thousands)
1	Chinese Gamer International Corporation	Shares of Chinese Gamer International (subsidiary) held by Soft-World International	48%	41,880,205	371,319
		Shares of Soft-World International held by Chinese Gamer 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%	2,190,915	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%	11,081,197	100,000
		Shares of Soft-World International held by Zilong Venture Capital Co., Ltd. (subsidiary)	7%	9,033,000	755,715
		Shares of Zilong Venture Capital Co., Ltd. (subsidiary) held by Chinese Gamer International	13%	11,081,197	100,000
		Shares of Chinese Gamer International (subsidiary) held by Zilong Venture Capital Co., Ltd.	None	None	None

Serial No.	Name of affiliated enterprises	Intersect Holdings	Ratio of Shareholding	Invested Shares	Sum of initial investment (NT\$ thousands)
		Shares of Zilong Venture Capital Co., Ltd. (subsidiary) held by Lung Hsiang Investment Co., Ltd.	74%	62,719,574	566,000
		Shares of Lung Hsiang Investment Co., Ltd. held by Zilong Venture Capital Co., Ltd. (subsidiary)	None	None	None
10	Fast Distributed Cloud Computing (Taiwan) Co., Ltd.	Shares of Fast Distributed Cloud Computing (subsidiary) held by Soft-World International	90%	2,745,190	13,812
		Shares of Soft-World International held by Fast Distributed Cloud Computing (subsidiary)	None	None	None
11	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
12	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
13	Lung Hsiang Investment Co., Ltd.	Shares of Longxiang Investment (subsidiary) held by Soft-World International	44%	25,000,000	250,000
		Shares of Soft-World International held by Longxiang Investment (subsidiary)	None	None	None
		Shares of Lung Hsiang Investment Co., Ltd. (subsidiary) held by Chinese Gamer International	30%	16,800,000	168,000
		Shares of Chinese Gamer International held by Lung Hsiang Investment Co., Ltd. (subsidiary)	None	None	None
14	Efun International Corporation	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
15	Celad Taiwan Inc.	Shares of Celad Taiwan (subsidiary) held by Soft-World International	32%	477,273	17,500
		Shares of Soft-World International held by Celad Taiwan (subsidiary)	None	None	None
		Shares of Celad Taiwan (subsidiary) held by Chinese Gamer International	68%	1,022,727	27,620
		Shares of Chinese Gamer International held by Celad Taiwan (subsidiary)	None	None	None
16	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
17	Taichigamer (B.V.I) Co., Ltd.	Shares of Taichigamer (subsidiary) held by Chinese Gamer International	100%	3,041,698	96,942
		Shares of Chinese Gamer International held by Taichigamer (subsidiary)	None	None	None
18	Walkfun International Corporation	Shares of Walkfun International (subsidiary) held by Chinese Gamer International	100%	1,500,000	15,000

Serial No.	Name of affiliated enterprises	Intersect Holdings	Ratio of Shareholding	Invested Shares	Sum of initial investment (NT\$ thousands)
		Shares of Chinese Gamer International held by Walkfun International (subsidiary)	None	None	None
19	Super Game Corporation	Shares of Super Game (subsidiary) held by Chinese Gamer International	88%	880,000	5,771
		Shares of Chinese Gamer International held by Super Game (subsidiary)	None	None	None
20	Star Diamond (B.V.I)Co.,Ltd.	Shares of Star Diamond (subsidiary) held by Chinese Gamer International	100%	52,000	82,772
		Shares of Chinese Gamer International held by Star Diamond (subsidiary)	None	None	None
21	Bear Have Fun Corporation	Shares of Bear Have Fun (subsidiary) held by Chinese Gamer International	100%	1,600,000	16,552
		Shares of Chinese Gamer International held by Bear Have Fun (subsidiary)	None	None	None
22	GameTopia Co., Ltd.	Shares of GameTopia (subsidiary) held by Chinese Gamer International	65%	3,784,063	30,994
		Shares of Chinese Gamer International held by GameTopia (subsidiary)	None	None	None
23	Oriental Dragon Digital Co., Ltd.	Shares of Oriental Dragon Digital (subsidiary) held by Chinese Gamer International	100%	1,520,000	19,369
		Shares of Chinese Gamer International held by Oriental Dragon Digital (subsidiary)	None	None	None
24	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
25	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
26	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
27	GameTopia (Hong Kong) Co., Ltd.	Shares of GameTopia (Hong Kong) Co., Ltd. (subsidiary) held by GameTopia	100%	3,300	987
		Shares of GameTopia held by GameTopia (Hong Kong) (subsidiary)	None	None	None
28	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
29	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
30	Gameflier International (Beijing) Corporation	Shares of Gameflier International (Beijing) Corporation (subsidiary) held by Gamers	100%	None	214,678

Serial No.	Name of affiliated enterprises	Intersect Holdings	Ratio of Shareholding	Invested Shares	Sum of initial investment (NT\$ thousands)
		Shares of Gamers held by Gameflier International (Beijing) Corporation (subsidiary)	None	None	None
31	Picked United Development Limited	Value Central holding of Picked United Development Limited (Subsidiary)	100%	4,700,000	20,255
		Picked United Development Limited (Subsidiary) holding of Value Central	None	None	None
32	Soft-orient Corporation	Shares of Soft-orient (subsidiary) held by Gameflier International	Note 1	Note 1	Note 1
		Shares of Gameflier International held by Soft-orient (subsidiary)	None	None	None
33	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
34	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
35	ezPay Co.,Ltd.	Shares of ezPay Co., Ltd. (subsidiary) held by Neweb Technologies Co., Ltd.	100%	61,400,000	966,748
		Shares of Neweb Technologies Co., Ltd. held by ezPay Co., Ltd. (subsidiary)	None	None	None
36	CService Technology Co., Ltd.	Shares of CService Technology Co., Ltd. (subsidiary) held by Neweb Pay	100%	515,000	5,000
		Shares of Neweb Pay held by CService Technology Co., Ltd. (subsidiary)	None	None	None
37	Re:Ad Media (Taiwan) Corporation	Shares of Re:Ad Media (subsidiary) held by EFUN International Co., Ltd.	100%	5,886,000	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 2022.

### 3. Profiles of the bank's subsidiaries

Unit : NT\$ thousand; Foreign currency amount in thousands

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	864,062	Online gaming service
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	2002.07.25	2F, No. 99-10, Section 2, Nangang Road, Nangang Road, Nangang District, Taipei City	238,344	Provision of online game services.
4	Global Concept Corporation	2002.10.28	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia Samoa	USD9,631,253	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 2 <sup>nd</sup> 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 2 <sup>nd</sup> Road, Lingya District, Kaohsiung	25,500	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	848,819	Investing Company
10	Fast Distributed Cloud Computing (Taiwan) Co., Ltd.	2011.11.29	2F, No. 99-10, Section 2, Nangang Road, Nangang Road, Nangang District, Taipei City	30,502	Data processing, web hosting and related services
11	Interactive Entertainment Technology Co.,Ltd.	2015.09.07	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa	USD 600,000	General investment business
12	Neweb Technologies Co., Ltd.	200.05.26	No. 99-10, Section 2, Nangang Road, Nangang Road, Nangang District, Taipei City	755,427	Retail sale of computer software, computers and digital information supply services
13	Lung Hsiang Investment Co., Ltd.	2018.05.18	1F, No. 37-2, Lainan Street, Yanceng District, Kaohsiung City	568,000	General investment business
14	Efun International Corporation	2007.10.04	No. 99-10, Sec. 2, Nangang Rd., Nangang Dist., Taipei City	200,135	Digital media advertising agency
15	Celad Taiwan Inc.	2014.12.17	4F, No. 2, Lane 47, Section 3, Nangang Road, Nangang	15,000	Online gaming service

Serial No.	Name of enterprise	Date of establishment	Address	Paid-in shares Capital	Major operations
			District, Taipei City		
16	We Can Financial Technology Co., Ltd.	2016.05.31	No, 99-10, Section 2, Nangang Road, Nangang Road, Nangang District, Taipei City	100,000	Electronic data supply services
17	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
18	Walkfun International Corporation	2013.01.24	4F, No. 2, Lane 47, Section 3, Nangang Road, Nangang District, Taipei City	15,000	Online gaming service
19	Super Game Corporation	2015.09.01	4F, No. 2, Lane 47, Section 3, Nangang Road, Nangang District, Taipei City	10,000	Online gaming service
21	STAR DIAMOND (B.V.I) Co.,LTD	2015.09.23	4th Floor, Water's Edge Building, Meridian Plaza, Road Town, Tortola, VG1110 VIRGIN ISLANDS, BRITISH	USD 2,600,000	General investment business
21	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
22	GameTopia Co., Ltd.	2016.10.07	4F, No. 2, Lane 47, Section 3, Nangang Road, Nangang District, Taipei City	58,030	Online gaming service
23	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
24	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
25	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
26	DRAGON GAMER (HK) 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
27	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
28	Value Central Corporation	2002.10.28	Vistra Corporate Services Centre, Ground Floor NPF Building,Beach Road,Apia Samoa	USD1,450,000	General investment business
29	Gamers grande Corporation	2002.10.16	2nd. Floor, lat 19, Lazenda Commercial Centre, Phasw 3, 8700 Federalterritory Of Labuan Malaysia	USD6,212,066	General investment business
30	Gameflir International (Beijing) Corporation	2003.01.23	1F, No. 36 Chuangye Road, Shangdi, Haidian District, Beijing	USD6,400,000	Production of computer software and hardware; development, service, consulting and training of software technology; and sales

Serial No.	Name of enterprise	Date of establishment	Address	Paid-in shares Capital	Major operations
					of our own brand's products.
31	Picked United Development Limited	2015.10.09	RMS 604-7 DOMINION CTR 43-59 QUEEN'S RD EAST HK	HKD4,700,000	Acquisition and licensing of game software
32	SOFT ORIENT CORPORATION (Note 1)	2002.10.02	Registered Office Locates at Pillar 9 House, Suite 5, Saleufi Street, Apia Samoa.	Note 1	General investment business
33	Compete ! Games International Entertainment Corporation	2013.10.25	2F, No. 99-10, Section 2, Nangang Road, Nangang District, Taipei City	29,415	Agency and operation of online games
34	Interactive Entertainment Technology (Taiwan) Co., Ltd.	2016.06.03	No. 99-10, Section 2, Nangang Road, Nangang District, Taipei City	18,000	Wholesale and service of information software
35	ezPay Co., Ltd.	2013.08.22	8F, No. 97, Section 2, Nangang Road, Nangang District, Taipei City	614,000	e-Payment
36	CService Technology Co., Ltd.	2019.07.17	No. 99-10, Section 2, Nangang Road, Nangang District, Taipei City	5,150	Retail of computer and peripheral equipment
37	Re:Ad Media (Taiwan) Corporation	2015.11.13	No. 99-10, Sec. 2, Nangang Rd., Nangang Dist., Taipei City	58,860	Digital media advertising agency

Note 1: The liquidation process was completed in 2022.

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	
				Shares	Ratio of Shareholding
1	Chinese Gamer International Corporation	Chairman	Soft-World International Corporation Representative: WANG, CHIN-PO	41,880,205	48.45%
		Director / President	LEU, SHYUE-SEN	1,494,478	1.73%
		Director and Executive Vice President	Yu-Min Liu	1,469,478	1.70%
		Director	Chih-Min Chen	67,232	0.08%
		Director	Jie Sheng Investment Co., Ltd. Representative: PAI, FON-TSAO	830,438	0.96%
		Director	Ming-Lung Wang	0	0.00%
		Independent director	Shen-Yi Fang	0	0.00%
		Independent director	Hsin-Hung Chen	5,000	0.01%
		Independent director	Chen Chieh-Shuo	0	0.00%
2	Gameflier International Corporation	Chairman	Soft-World International Corporation Representative: WANG, CHIN-PO	28,332,800	98.51%
		Director / President	Soft-World International Corporation Representative: Yi-Min Chang	28,332,800	98.51%
		Director	Soft-World International Corporation Representative: WANG, HSUAN-TSE	28,332,800	98.51%
		Director	Soft-World International Corporation Representative: LEE, YIN-CHIANG	28,332,800	98.51%
		Director	Soft-World International Corporation Representative: Ming-Chuan Hsieh	28,332,800	98.51%
		Supervisor	Ssu-Chun Wang	19,418	0.07%
3	Game First International Corporation	Chairman	Soft-World International Corporation Representative: WANG, CHIN-PO	16,684,063	70.00%

Serial No.	Name of enterprise	Title	Company name or representative	Status of shareholding	
				Shares	Ratio of Shareholding
		Director	Soft-World International Corporation Representative: Ssu-Chun Wang	16,684,063	70.00%
		Director	Soft-World International Corporation Representative: Hsuan Yuan Wang	16,684,063	70.00%
		Director	Star Diamond (B.V.I) Co., Ltd. Representative: Tun-Ho Weng	7,150,312	30.00%
		Director	Star Diamond (B.V.I) Co., Ltd. Representative: Chia -Yu Chiang	7,150,312	30.00%
		Supervisor	LEE, YIN-CHIANG	0	0.00%
4	Global Concept Corporation	Director	Ssu-Chun Wang	0	0.00%
5	Soft-World (Hong Kong) International Corporation	Chairman	Soft-World International Corporation Representative: WANG, CHIN-PO	3,883,558	100.00%
		Director	Soft-World International Corporation Representative: Tung Yu Wu	3,883,558	100.00%
		Director	Soft-World International Corporation Representative: Ssu-Chun Wang	3,883,558	100.00%
6	Zealot Digital International Corporation	Chairman / President	Soft-World International Corporation Representative: WANG, CHIN-PO	8,904,162	98.94%
		Director	Soft-World International Corporation Representative: Huang Ming-Fen	8,904,162	98.94%
		Director	Soft-World International Corporation Representative: WANG, HSUAN-TSE	8,904,162	98.94%
		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	100.00%

Serial No.	Name of enterprise	Title	Company name or representative	Status of shareholding	
				Shares	Ratio of Shareholding
		Director	Soft-World International Corporation Representative: CUI TIEBING	390,000	100.00%
8	Dynasty International Information Co., Ltd.	Chairman	Hengshang Construction Co., Ltd Representative: CHEN, CHING-JUNG	287,460	11.27%
		Director	Hengshang Construction Co., Ltd Representative: Wen Chung Chen	287,460	11.27%
		Director	Soft-World International Corporation Representative: WANG, CHIN-PO	2,190,915	85.92%
		Director	Soft-World International Corporation Representative: Chien Hsiang Lin	2,190,915	85.92%
		Director	Soft-World International Corporation Representative: WANG, HSUAN-TSE	2,190,915	85.92%
		Supervisor	Ming-Fen Huang	64	0.00%
		Supervisor	Pei Ju Chen	0	0.00%
9	Zilong Venture Capital Co., Ltd.	Chairman	WANG, LEE-JUNG	0	0.00%
		Director	Ching Hung Wang	0	0.00%
		Director	Cheng Nan Hsieh	0	0.00%
		Supervisor	Chinese Gamer International Corporation Representative: Tsai-Lin Chiang	11,081,197	13.00%
10	Fast Distributed Cloud Computing (Taiwan) Co., Ltd.	Chairman	Soft-World International Corporation Representative: WANG, CHIN-PO	2,745,190	90.00%
		Director	Soft-World International Corporation Representative: LEE, YIN-CHIANG	2,745,190	90.00%
		Director	Soft-World International Corporation Representative: Seo Heo Jeong	2,745,190	90.00%
		Supervisor	Ssu-Chun Wang	0	0.00%

Serial No.	Name of enterprise	Title	Company name or representative	Status of shareholding	
				Shares	Ratio of Shareholding
11	Interactive Entertainment Technology Co., Ltd.	Director	WANG, CHIN-PO	0	0.00%
		Director	LEE, YIN-CHIANG	0	0.00%
		Director	WANG, HSUAN-TSE	0	0.00%
		Director	Ssu-Chun Wang	0	0.00%
		Director	Wei Liu	0	0.00%
		Director	CHEN, SHUYI	0	0.00%
12	Neweb Technologies Co., Ltd.	Chairman	Soft-World International Corporation Representative: WANG, CHIN-PO	38,104,043	50.44%
		Director	Soft-World International Corporation Representative: CHUNG, HSING- PO	38,104,043	50.44%
		Director	Soft-World International Corporation Representative: LEE, YIN-CHIANG	38,104,043	50.44%
		Director	Soft-World International Corporation Representative: Hsueh-Sen Lu	38,104,043	50.44%
		Director	Chander Electronics Corp. Representative: Yu-Ta Chang	24,649,139	32.63%
		Director	Chander Electronics Corp. Representative: Yao-Tien Chen	24,649,139	32.63%
		Director	Chander Electronics Corp. Representative: Chun Jung Tu	24,649,139	32.63%
		Supervisor	Ssu-Chun Wang	453,453	0.60%
		Supervisor	United Weimar Co., Ltd. Representative: Fang Shu Hsieh	6,776	0.00%
		Supervisor	Tsung Ju Chiang	0	0.00%
13	Lung Hsiang Investment Co., Ltd.	Chairman	Ching Hung Wang	3,000,000	5.28%
		Director	WANG, LEE-JUNG	0	0.00%
		Director	Chin Hsu Hung	5,000,000	8.80%
		Supervisor	Soft-World International	25,000,000	44.01%

Serial No.	Name of enterprise	Title	Company name or representative	Status of shareholding	
				Shares	Ratio of Shareholding
			Corporation Representative: WANG, HSUAN-TSE		
14	Efun International Corporation	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: Yi-Min Chang	16,016,347	80.03%
		Supervisor	Ssu-Chun Wang	0	0.00%
15	Celad Taiwan Inc.	Chairman	Chinese Gamer International Corporation Representative: Hsueh-Sen Lu	1,022,727	68.18%
		Director	Chinese Gamer International Corporation Representative: Yu-Min Liu	1,022,727	68.18%
		Director	Chinese Gamer International Corporation Representative: Cheng Chuan Liu	1,022,727	68.18%
		Supervisor	Tsai-Lin Chiang	0	0.00%
16	We Can Financial Technology Co., Ltd.	Chairman	Soft-World International Corporation Representative: CHUNG, HSING- PO	5,106,000	51.00%
		Director	Soft-World International Corporation Representative: Su Mei Huang	5,106,000	51.00%
		Director	Soft-World International Corporation Representative: Shuo Tu Tsai	5,106,000	51.00%
		Director	Soft-World International Corporation Representative: LEE, YIN-CHIANG	5,106,000	51.00%
		Director	Soft-World International Corporation	5,106,000	51.00%

Serial No.	Name of enterprise	Title	Company name or representative	Status of shareholding	
				Shares	Ratio of Shareholding
			Representative: CHUNG, HSING- PO		
		Director	Mu Kun Chiang	3,300,000	33.00%
		Director	Chiang Pin-Yi	37,500	0.38%
		Director	Shun Te Li	0	0.00%
		Supervisor	Ssu-Chun Wang	0	0.00%
		Supervisor	HUANG, YA-CHUAN	0	0.00%
17	TAICHIGAMER(B.V.I)CO.,LTD.	Director	Chinese Gamer International Corporation	3,041,698 shares	100.00%
18	Walkfun International Corporation	Chairman	Chinese Gamer International Corporation Representative: Hsueh-Sen Lu	1,500,000 shares	100.00%
		Director	Chinese Gamer International Corporation Representative: Yu-Min Liu	1,500,000 shares	100.00%
		Director	Chinese Gamer International Corporation Representative: Vacant	1,500,000 shares	100.00%
		Supervisor	Chinese Gamer International Corporation Representative: Tsai-Lin Chiang	1,500,000 shares	100.00%
19	Super Game Corporation	Chairman	Chinese Gamer International Corporation Representative: Hsueh-Sen Lu	880,000 shares	88.00%
		Director	Chinese Gamer International Corporation Representative: Yu-Min Liu	880,000 shares	88.00%
		Director	Chinese Gamer International Corporation Representative: Cheng Chuan Liu	880,000 shares	88.00%
		Supervisor	Tsai-Lin Chiang	0 share	0.00%
20	STAR DIAMOND (B.V.I) Co.,LTD	Director	Chinese Gamer International Corporation	52,000 shares	100.00%
21	Bear Have Fun Corporation	Chairman	Chinese Gamer International Corporation Representative: Hsueh-Sen Lu	1,600,000 shares	100.00%
		Director	Chinese Gamer International	1,600,000 shares	100.00%

Serial No.	Name of enterprise	Title	Company name or representative	Status of shareholding	
				Shares	Ratio of Shareholding
			Corporation Representative: Yu-Min Liu		
		Director	Chinese Gamer International Corporation Representative: Kai Hsiung Chuang	1,600,000 shares	100.00%
		Supervisor	Chinese Gamer International Corporation Representative: Tsai-Lin Chiang	1,600,000 shares	100.00%
22	GameTopia Co., Ltd.	Chairman	Chinese Gamer International Corporation Representative: Chih-Min Chen	3,784,063 shares	65.21%
		Director	LEU, SHYUE-SEN	0 share	0.00%
		Director	Yu-Min Liu	0 share	0.00%
		Supervisor	Tsai-Lin Chiang	0 share	0.00%
23	Oriental Dragon Digital Co., Ltd.	Chairman	Chinese Gamer International Corporation Representative: Hsueh-Sen Lu	1,520,000 shares	100.00%
		Director	Chinese Gamer International Corporation Representative: Yu-Min Liu	1,520,000 shares	100.00%
		Director	Chinese Gamer International Corporation Representative: Hung-Pin Tseng	1,520,000 shares	100.00%
		Supervisor	Chinese Gamer International Corporation Representative: Tsai-Lin Chiang	1,520,000 shares	100.00%
24	TRANSASIAGAMER(B.V.I)CO.,LTD.	Director	TAICHIGAMER (B.V.I) CO., LTD.	2,976,934 shares	100.00%
25	Yulon Online (Beijing) Technologies Co., Ltd.	Director	TRANSASIAGAMER (B.V.I) CO., LTD.	USD2,200,000	100.00%
26	DRAGON GAMER (HK) CO.,LTD	Director	STAR DIAMOND (B.V.I) CO.,LTD	260,000 shares	100.00%
27	GameTopia (Hong Kong) Co., Ltd.	Director	GameTopia Co., Ltd.	3,300 shares	100.00%
28	Value Central Corporation	Director	Ssu-Chun Wang	0	0.00%
29	Gamers grande Corporation	Director	Ssu-Chun Wang	0	0.00%
30	Gameflier International (Beijing) Corporation	Director	Gamers grande Corporation	0	100.00%

Serial No.	Name of enterprise	Title	Company name or representative	Status of shareholding	
				Shares	Ratio of Shareholding
34	Picked United Development Limited	Director	Value Central Corporation Representative: Chun Yao Hung	0	0.00%
		Director	Value Central Corporation Representative: Wei Liu	0	0.00%
32	SOFT-ORIENT Corporation(註 1)	Director	WANG,SZU-CHUN	0	0.00%
33	Compete! Games International Entertainment Corporation	Chairman	Game First International Corporation Representative: WANG, CHIN-PO	2,941,520	100.00%
		Director	Game First International Corporation Representative: Hsuan Yuan Wang	2,941,520	100.00%
		Director	Game First International Corporation Representative: LEE, YIN-CHIANG	2,941,520	100.00%
		Director	Game First International Corporation Representative: Tun Ho Weng	2,941,520	100.00%
		Director	Game First International Corporation Representative: Chiang Chia Yu	2,941,520	100.00%
		Supervisor	Game First International Corporation Representative: Ssu-Chun Wang	2,941,520	100.00%
34	Interactive Entertainment Technology (Taiwan) Co., Ltd.	Chairman	Interactive Entertainment Technology Co., Ltd. Representative: WANG, CHIN-PO	1,800,000	100.00%
		Director	Interactive Entertainment Technology Co., Ltd. Representative: LEE, YIN-CHIANG	1,800,000	100.00%
		Director	Interactive Entertainment Technology Co., Ltd. Representative: WANG, HSUAN-TSE	1,800,000	100.00%
		Supervisor	Interactive Entertainment Technology Co., Ltd. Representative: Ssu-Chun Wang	1,800,000	100.00%
35	ezPay Co.,Ltd.	Chairman	Neweb Technologies Co., Ltd. Representative: WANG, CHIN-PO	61,400,000	100.00%
		Director	Neweb Technologies Co., Ltd. Representative: LEE,	61,400,000	100.00%



Serial No.	Name of enterprise	Title	Company name or representative	Status of shareholding	
				Shares	Ratio of Shareholding
			YIN-CHIANG		
		Director	Neweb Technologies Co., Ltd. Representative: CHUNG, HSING- PO	61,400,000	100.00%
		Director	Neweb Technologies Co., Ltd. Representative: Yun-Hui Liu	61,400,000	100.00%
		Director	Neweb Technologies Co., Ltd. Representative: Su-Mei Huang	61,400,000	100.00%
		Supervisor	Neweb Technologies Co., Ltd. Representative: LEU, SHYUE-SEN	61,400,000	100.00%
		Supervisor	Neweb Technologies Co., Ltd. Representative: Ya-Chuan Huang	61,400,000	100.00%
36	CService Technology Co., Ltd.	Chairman	Neweb Technologies Co., Ltd. Representative: WANG, CHIN-PO	515,000	100.00%
37	Re:Ad Media (Taiwan) Corporation	Chairman	Efun International Corporation Representative: WANG, CHIN-PO	5,886,000	100.00%

Note 1: The liquidation process was completed in 2022.

## 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	864,062	1,209,676	109,279	1,100,397	295,199	(36,060)	(22,718)	(0.26)
2	Gameflier International Corporation	287,579	953,663	156,983	796,680	274,854	31,500	57,735	2.01
3	Game First International Corporation	238,344	341,945	10,038	331,907	57,883	(10,618)	(8,380)	(0.35)
4	Global Concept Corporation	USD 9,631,253	307,960	-	307,960	-	(72)	15,606	1.61
5	Soft-World (Hong Kong) International Corporation	HKD 3,883,558	702,488	262,561	439,927	140,031	44,456	39,723	10.23
6	Zealot Digital International Corporation	90,000	97,870	10,964	86,906	55,684	(5,417)	(4,394)	(0.49)
7	Soft-World Technology PTE. LTD.	SGD 390,000	15,563	1,334	14,229	1,220	159	161	0.41
8	Dynasty International Information Co., Ltd.	25,500	39,811	695	39,116	11,345	10,498	8,497	3.33
9	Zilong Venture Capital Co., Ltd.	848,819	837,205	206	836,999	46,729	45,733	45,732	0.54
10	Fast Distributed Cloud Computing (Taiwan) Co., Ltd.	30,502	178,564	60,774	117,790	264,760	57,353	45,075	14.78
11	Interactive Entertainment Technology Co.,Ltd.	USD 600,000	21,931	3	21,928	-	(42)	(25)	(0.04)
12	Neweb Technologies Co., Ltd.	755,427	3,685,446	2,665,156	1,020,290	1,150,592	123,107	76,561	1.01
13	Lung Hsiang Investment Co., Ltd.	568,000	625,275	1,791	623,484	0	(159)	31,955	0.56
14	Efun International Corporation	200,135	512,254	152,072	360,182	557,017	34,057	28,861	1.44
15	Celad Taiwan Inc.	15,000	768	62	706	499	(345)	(342)	(0.23)
16	We Can Financial Technology Co., Ltd.	100,000	11,049	1,763	9,286	9,542	1,301	1,466	0.15
17	TAICHIGAMER(B.V.I) CO.,LTD.	USD 3,041,698	241,681	-	241,681	-	(134)	11,036	3.63
18	Walkfun International Corporation	15,000	20,364	3,633	16,731	-	(43)	77	0.05
19	Super Game Corporation	10,000	1,927	-	1,927	-	(40)	(28)	(0.03)

20	Star Diamond (BVI) Co.,Ltd	USD 2,600,000	33,124	-	33,124	-	-	(19,368)	(372.46)
21	Bear Have Fun Corporation	16,000	16,673	60	16,613	-	(27)	84	0.05
22	GameTopia Co., Ltd.	58,030	80,443	10,778	69,665	34,812	(7,017)	397	0.07
23	Oriental Dragon Digital Co., Ltd.	15,200	23,089	6,206	16,883	20,494	141	207	0.14
24	Transasiagamer Co., Ltd.	USD 2,976,934	235,277	-	235,277	-	(1)	11,148	3.74
25	Yulon Online (Beijing) Technologies Co., Ltd.	USD 2,200,000	228,185	17,401	210,784	34,348	1,941	11,868	-
26	Dragon Gamer (Hong Kong) Co., Ltd	USD 2,600,000	40,469	7,345	33,124	18,560	(20,474)	(19,368)	(74.49)
27	GameTopia (Hong Kong) Co., Ltd.	USD 33,000	55,700	3,758	51,942	11,105	6,857	6,856	2,077.53
28	Value Central Corporation	USD 1,450,000	19,171	-	19,171	-	(37)	(124)	(0.09)
29	Gamers grande Corporation	USD 6,212,066	218,606	-	204,946	-	(166)	10,607	1.64
30	Gameflier International (Beijing) Corporation	USD 6,400,000	217,116	6,163	210,953	68,338	5,136	10,779	-
31	Picked United Development Limited	HKD 4,700,000	15,512	45	15,467	-	(371)	(468)	-
32	SOFT-ORIENT CORPORATION	Note 1	-	-	-	-	(62)	(11)	Note 1
33	Compete! Games International Entertainment Corporation	29,415	8,384	-	8,384	-	(41)	4	-
34	Interactive Entertainment Technology (Taiwan) Co., Ltd.	18,000	20,774	1	20,773	-	(153)	(106)	(0.06)
35	ezPay Co.,Ltd.	614,000	383,777	30,064	353,713	17,974	(59,586)	(56,046)	(0.91)
36	CService Technology Co., Ltd.	5,150	9,010	3,677	5,333	12,857	159	147	0.29
37	Re:Ad Media (Taiwan) Corporation	58,860	137,343	74,452	62,891	360,538	676	(1,254)	(0.21)

Note 1: The liquidation process was completed in 2022.

- 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 Article 36-3-2 of the Securities Exchange Act in the latest year up till the publishing date of this annual report that significantly impacted shareholders' equity or security prices: None**

# **Soft-World International Corporation**

**Chairman: WANG, CHUN-PO**