

Soft-World International Corporation and  
Subsidiaries

Consolidated Financial Statements for the  
Three Months Ended March 31, 2024 and  
2023 and Independent Auditors' Review  
Report

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## Independent Auditors' Review Report

The Board of Directors and Shareholders Soft-World International Corporation

### Introduction

We have reviewed the accompanying consolidated balance sheets of Soft-World International Corporation (the "Corporation") and its subsidiaries as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope

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

### Basis for Qualified Opinion

As described in Note 12, the financial statements for the same periods of certain insignificant subsidiaries included in the consolidated financial statements above were not reviewed by independent auditors. Those statements reflect total assets of NTD 3,201,174 thousand and NTD 2,797,965 thousand, constituting 15% and 17% of the consolidated total assets, and total liabilities of NTD 515,148 thousand and NTD 421,396 thousand, constituting both 5% of the consolidated total liabilities as of March 31, 2024 and 2023, respectively; and total comprehensive income of NTD 119,802 thousand and NTD 30,814 thousand, constituting 28% and 11% of the consolidated total comprehensive income for the three-month periods ended March 31, 2024 and 2023, respectively.

## Qualified Conclusion

Based on our review, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries and the information been reviewed by independent auditors described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Corporation and its subsidiaries as of March 31, 2024 and 2023, and their consolidated financial performance and cash flows for the three-month periods ended March 31, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ report are Chen-Li Chen and Chiu-Yen Wu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

May 8, 2024

### 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 review such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors’ review 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’ review report and consolidated financial statements shall prevail.*

# SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

MARCH 31, 2024, DECEMBER 31 AND MARCH 31, 2023

(In Thousands of New Taiwan Dollars)

Code	Asset	March 31, 2024		December 31, 2023		March 31, 2023	
		Amount	%	Amount	%	Amount	%
Current assets							
1100	Cash and cash equivalents (Note 6)	\$ 6,269,080	29	\$ 5,154,491	30	\$ 4,726,313	30
1140	Contract assets – current (Note 22)	3,085	-	4,446	-	2,634	-
1150	Notes receivable (Note 7)	733	-	578	-	886	-
1170	Accounts receivable, net (Notes 7 and 28)	403,820	2	313,785	2	353,969	2
1200	Other receivables (Notes 7 and 28)	2,055,074	10	1,654,193	10	1,423,615	9
1220	Current tax assets	8,173	-	7,999	-	6,382	-
130X	Inventories (Note 8)	56,252	-	28,631	-	41,132	-
1476	Other financial assets – current (Note 9 and 29)	6,751,267	32	7,434,324	44	7,178,321	45
1479	Other current assets (Note 7)	1,278,559	6	822,501	5	566,219	4
11XX	Total current assets	16,826,043	79	15,420,948	91	14,299,471	90
Non-current assets							
1510	Financial assets measured at fair value through profit or loss – non-current (Note 10)	3,769	-	5,144	-	14,795	-
1517	Financial assets measured at fair value through other comprehensive income – non-current (Note 11)	3,481,477	16	387,742	3	552,422	4
1550	Investments accounted for using the equity method (Note 13)	40,041	-	39,605	-	38,486	-
1600	Property, plant and equipment (Notes 14 and 29)	362,499	2	362,293	3	370,829	3
1755	Right-of-use assets	37,300	-	45,659	-	60,495	-
1760	Investment property (Notes 15 and 29)	35,593	-	35,246	-	38,358	-
1805	Goodwill	457,621	2	457,621	3	457,621	3
1821	Other intangible assets	21,976	-	26,549	-	44,184	-
1840	Deferred tax assets	18,248	-	20,525	-	25,522	-
1915	Prepayment for Equipment	-	-	-	-	884	-
1920	Refundable deposits	26,987	-	26,894	-	26,971	-
1975	Net defined benefit assets	28,946	-	28,801	-	26,850	-
1980	Other financial assets – non-current (Notes 9 and 29)	76,485	1	68,124	-	39,700	-
1990	Other non-current assets	526	-	526	-	526	-
15XX	Total non-current assets	4,591,468	21	1,504,729	9	1,697,643	10
1XXX	Total assets	\$ 21,417,511	100	\$ 16,925,677	100	\$ 15,997,114	100
Code	Liabilities and Equity						
Current liabilities							
2130	Contract liability – current (Note 22)	\$ 241,315	1	\$ 201,172	1	\$ 268,927	2
2150	Notes payable (Notes 16 and 28)	10,358	-	12,209	-	14,652	-
2170	Accounts payable (Notes 16 and 28)	383,948	2	336,140	2	253,640	2
2216	Dividends payable	1,343,393	6	-	-	888,393	5
2219	Other payables (Notes 17 and 28)	5,094,482	24	4,113,065	23	3,629,313	23
2230	Current tax liabilities	166,042	1	89,528	1	198,285	1
2280	Lease liabilities – current	25,856	-	29,045	-	30,631	-
2305	Other financial liabilities – current (Note 18)	839,626	4	815,880	5	964,803	6
2399	Other current liabilities (Note 19)	2,855,880	13	2,898,917	17	2,090,443	13
21XX	Total current liabilities	10,960,900	51	8,495,956	49	8,339,087	52
Non-current liabilities							
2570	Deferred tax liabilities	108,209	1	97,786	1	93,555	1
2580	Lease liabilities – non-current	12,194	-	17,403	-	30,401	-
2640	Net defined benefit liabilities	32,499	-	42,350	-	42,170	-
2645	Guarantee deposits received	101,443	-	98,269	1	93,834	1
25XX	Total non-current liabilities	254,345	1	255,808	2	259,960	2
2XXX	Total liabilities	11,215,245	52	8,751,764	51	8,599,047	54
Equity Attributable to Owners of the Corporation (Note 21)							
3110	Share capital	1,560,743	8	1,274,743	8	1,274,743	8
3200	Capital surplus	4,337,026	20	1,882,495	11	1,842,561	12
Retained earnings							
3310	Legal reserve	1,300,061	6	1,300,061	8	1,214,851	7
3320	Special reserve	46,916	-	46,916	-	25,117	-
3350	Undistributed earnings	2,056,608	10	2,889,129	17	2,091,986	13
3300	Total retained earnings	3,403,585	16	4,236,106	25	3,331,954	20
3400	Other equity	297,480	1	172,873	1	252,773	2
3500	Treasury stock	( 610,532)	( 3)	( 573,240)	( 3)	( 515,717)	( 3)
31XX	Total equity attributable to owners of the Corporation	8,988,302	42	6,992,977	42	6,186,314	39
36XX	Non-controlling interest (Note 21)	1,213,964	6	1,180,936	7	1,211,753	7
3XXX	Total equity	10,202,266	48	8,173,913	49	7,398,067	46
3X2X	Total liabilities and equity	\$ 21,417,511	100	\$ 16,925,677	100	\$ 15,997,114	100

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

(Please refer to the review report issued by Deloitte & Touche on May 8, 2024)

# SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	January 1 to March 31, 2024		January 1 to March 31, 2023	
	Amount	%	Amount	%
4000 Net operating revenue (Notes 22 and 28)	\$ 1,724,632	100	\$ 1,659,573	100
5000 Operating costs (Notes 23 and 28)	<u>784,612</u>	<u>45</u>	<u>768,957</u>	<u>46</u>
5900 Gross profit	<u>940,020</u>	<u>55</u>	<u>890,616</u>	<u>54</u>
Operating expenses (Note 23 and 28)				
6100 Selling expenses	411,180	24	434,821	26
6200 Administrative expenses	101,908	6	89,872	6
6300 Research and development expenses	76,918	5	68,031	4
6450 Expected credit impairment loss (Note 7 and 22)	<u>6,951</u>	<u>-</u>	<u>3,972</u>	<u>-</u>
6000 Total operating expenses	<u>596,957</u>	<u>35</u>	<u>596,696</u>	<u>36</u>
6900 Operating profit	<u>343,063</u>	<u>20</u>	<u>293,920</u>	<u>18</u>
Non-operating income and expenses (Notes 13 and 23)				
7100 Interest income	28,931	2	25,214	2
7190 Other income	7,818	-	7,102	-
7020 Other gains and losses	9,158	1	8,110	-
7050 Finance costs	( 267)	-	( 413)	-
7070 Share of the profit or loss of associates accounted for using the equity method	<u>436</u>	<u>-</u>	<u>162</u>	<u>-</u>
7000 Total non-operating revenues and expenses	<u>46,076</u>	<u>3</u>	<u>40,175</u>	<u>2</u>
7900 Net profit before taxation	389,139	23	334,095	20
7950 Tax expense (Note 24)	<u>86,229</u>	<u>5</u>	<u>69,646</u>	<u>4</u>
8000 Net income	<u>302,910</u>	<u>18</u>	<u>264,449</u>	<u>16</u>

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# SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		January 1 to March 31, 2024		January 1 to March 31, 2023	
		Amount	%	Amount	%
	Other comprehensive income				
	Items not to be reclassified into profit or loss:				
	Unrealized valuation gains and loss from equity investment instruments measured at fair value through other comprehensive income (Note 21)				
8316					
		\$ 98,743	5	\$ 29,270	2
8310		98,743	5	29,270	2
	Items that may be subsequently reclassified into profit or loss:				
	Exchange differences resulting from translating the financial statements of foreign operations (Note 21)				
8361		38,616	2	( 6,233)	( 1)
	Income tax related to items that may be reclassified (Note 24)				
8399		( 4,926)	-	1,133	-
8360		33,690	2	( 5,100)	( 1)
	Other comprehensive income for the period (net of tax)				
8300		132,433	7	24,170	1
8500	Cumulative Comprehensive Income in current period	\$ 435,343	25	\$ 288,619	17
	Net profit attributable to:				
8610	The Corporation's shareholders	\$ 256,072	15	\$ 262,775	16
8620	Non-controlling interest	46,838	3	1,674	-
8600		\$ 302,910	18	\$ 264,449	16
	Total Comprehensive Income				
	Attributable to:				
8710	The Corporation's shareholders	\$ 380,679	22	\$ 283,925	17
8720	Non-controlling interest	54,664	3	4,694	-
8700		\$ 435,343	25	\$ 288,619	17
	Earnings per share (Note 25)				
9750	Basic	\$ 1.83		\$ 2.17	
9850	Diluted	\$ 1.83		\$ 2.15	

The accompanying notes are an integral part of the consolidated financial statements  
(Please refer to the review report issued by Deloitte & Touche on May 8, 2024)

# SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Corporation											
							Other Equity						
		Retained earnings					Exchange differences resulted from translating the financial statements of foreign operations	Unrealized gains or losses from financial assets measured at fair value through other comprehensive income					
Code		Share capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings			Subtotal	Treasury stock	Total	Non-controlling interest	Total equity
A1	Balance on January 1, 2023	\$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
	Appropriation and distribution of 2022 earnings (Note 21)												
B5	Cash dividends for common stock	-	-	-	-	( 888,393 )	-	-	-	-	( 888,393 )	-	( 888,393 )
D1	Net profit for the three months ended March 31, 2023	-	-	-	-	262,775	-	-	-	-	262,775	1,674	264,449
D3	Other comprehensive (loss) income for the three months ended March 31, 2023, net of tax	-	-	-	-	-	( 4,676 )	25,826	21,150	-	21,150	3,020	24,170
D5	Total comprehensive (loss) income for the three months ended March 31, 2023	-	-	-	-	262,775	( 4,676 )	25,826	21,150	-	283,925	4,694	288,619
M7	Changes in ownership interests in subsidiaries	-	280	-	-	-	-	-	-	53	333	( 333 )	-
O1	Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,050	1,050
Z1	Balance on March 31, 2023	\$1,274,743	\$1,842,561	\$1,214,851	\$ 25,117	\$2,091,986	( \$ 24,254 )	\$ 277,027	\$ 252,773	( \$ 515,717 )	\$6,186,314	\$1,211,753	\$7,398,067
A1	Balance on January 1, 2024	\$1,274,743	\$1,882,495	\$1,300,061	\$ 46,916	\$2,889,129	( \$ 24,882 )	\$ 197,755	\$ 172,873	( \$ 573,240 )	\$6,992,977	\$1,180,936	\$8,173,913
	Appropriation and distribution of 2023 earnings (Note 21)												
B5	Cash dividends for common stock	-	-	-	-	( 1,088,593 )	-	-	-	-	( 1,088,593 )	-	( 1,088,593 )
C15	Cash dividends distributed through capital surplus (Note 21)	-	( 311,027 )	-	-	-	-	-	-	-	( 311,027 )	-	( 311,027 )
D1	Net profit for the three months ended March 31, 2024	-	-	-	-	256,072	-	-	-	-	256,072	46,838	302,910
D3	Other comprehensive income for the three months ended March 31, 2024, net of tax	-	-	-	-	-	26,076	98,531	124,607	-	124,607	7,826	132,433
D5	Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	256,072	26,076	98,531	124,607	-	380,679	54,664	435,343
K1	Issuance of common stock – other (Note 21)	286,000	2,708,992	-	-	-	-	-	-	-	2,994,992	-	2,994,992
L5	Acquisition of parent company’s stock by subsidiaries treated as a treasury stock transaction (Note 21)	-	-	-	-	-	-	-	-	( 37,356 )	( 37,356 )	( 22,426 )	( 59,782 )
M1	Adjustment to capital surplus for dividends distributed to subsidiaries	-	56,227	-	-	-	-	-	-	-	56,227	-	56,227
M7	Changes in ownership interests in subsidiaries	-	339	-	-	-	-	-	-	64	403	( 403 )	-
O1	Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,193	1,193
Z1	Balance on March 31, 2024	\$1,560,743	\$4,337,026	\$1,300,061	\$ 46,916	\$2,056,608	\$ 1,194	\$ 296,286	\$ 297,480	( \$ 610,532 )	\$8,988,302	\$1,213,964	\$10,202,266

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

(Please refer to the review report issued by Deloitte & Touche on May 8, 2024)



# SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

Code		January 1 to March 31, 2024	January 1 to March 31, 2023
	Cash flows from operating activities		
A10000	Profit before income tax	\$ 389,139	\$ 334,095
A20000	Adjustments		
A20010	Income and expenses		
A20100	Depreciation expense	15,218	15,753
A20200	Amortization expense	6,291	8,194
A20300	Expected credit impairment loss	6,951	3,972
A20400	Loss (gain) on financial assets at fair value through profit or loss	1,372	( 4,720)
A20900	Finance costs	267	413
A21200	Interest income	( 28,931)	( 25,214)
A22300	Share of the profit or loss of associates accounted for using the equity method	( 436)	( 162)
A29900	Others	1,399	( 12)
A30000	Net changes in operating assets and liabilities		
A31125	Contract assets	1,361	( 370)
A31130	Notes receivable	( 155)	( 886)
A31150	Accounts receivable	( 90,268)	3,363
A31180	Other receivables	( 399,707)	213,046
A31200	Inventories	( 29,020)	20,609
A31240	Other current assets	( 463,963)	110,761
A31250	Other financial assets	486,045	296,676
A32125	Contract liability	40,143	( 7,016)
A32130	Notes payable	( 1,851)	7,575
A32150	Accounts payable	47,808	( 105,642)
A32180	Other payables	981,420	( 735,596)
A32220	Other financial liabilities	23,746	163,977
A32230	Other current liabilities	( 43,037)	( 475,807)
A32240	Net defined benefit liabilities	( 9,999)	( 15,167)
A33000	Cash generated from (used in) operations	933,793	( 192,158)
A33100	Interest received	28,330	23,580
A33300	Interest paid	( 267)	( 413)
A33500	Income tax paid	( 2,115)	( 5,755)
AAAA	Net cash inflow (outflow) from operating activities	<u>959,741</u>	<u>( 174,746)</u>

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# SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

Code		January 1 to March 31, 2024	January 1 to March 31, 2023
	Cash flows from investing activities		
B00200	Disposal of financial assets at fair value through profit or loss	\$ 3	\$ -
B02700	Acquisition of property, plant, and equipment	( 5,418 )	( 8,848 )
B02800	Proceeds from disposal of property, plant, and equipment	11	7
B03800	(Increase) decrease in refundable deposits	( 93 )	1,913
B04500	Acquisition of intangible assets	( 1,718 )	( 5,386 )
B06500	Decrease (increase) in other financial assets	<u>188,651</u>	<u>( 567,829 )</u>
BBBB	Net cash inflow (outflow) from investing activities	<u>181,436</u>	<u>( 580,143 )</u>
	Cash flows from financing activities		
C03100	Increase (decrease) in guarantee deposits received	3,174	( 2,022 )
C04020	Repayment of the principal portion of lease liabilities	( 8,786 )	( 8,679 )
C04900	Acquisition of parent company's stock by subsidiaries	( 59,782 )	-
C05800	Changes in non-controlling interests	<u>1,193</u>	<u>1,050</u>
CCCC	Net cash outflow used in financing activities	<u>( 64,201 )</u>	<u>( 9,651 )</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>37,613</u>	<u>( 6,194 )</u>
EEEE	Net increase (decrease) in cash and cash equivalents for the period	1,114,589	( 770,734 )
E00100	Cash and cash equivalents at the beginning of the period	<u>5,154,491</u>	<u>5,497,047</u>
E00200	Cash and cash equivalents at the end of the period	<u>\$ 6,269,080</u>	<u>\$ 4,726,313</u>

The accompanying notes are an integral part of the consolidated financial statements.  
(Please refer to the review report issued by Deloitte & Touche on May 8, 2024)

# SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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#### 1. Company History

Soft-World International Corporation (the “Corporation”) was incorporated in July 1983, and it is mainly engaged in the production and agency of digital content point service platforms, games and commercial software, publication of magazines, general advertising services and wholesale of game merchandises and entertainment supplies.

The Corporation’s shares have been listed on the Taipei Exchange for trading since March 2001.

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

#### 2. Approval Date and Procedures of the Financial Statements

The consolidated financial statements were approved by the Corporation’s board of directors and issued on May 8, 2024.

#### 3. New Standards, Amendments and Interpretations Adopted

- (1) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a significant impact on the accounting policies of the Corporation and the entities controlled by the Corporation (collectively, the “Group”).

- (2) IFRSs issued by the International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by the FSC.

New Standards, Amendments, Revised Standards and Interpretations	Effective Date Announced by the IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sales or Contributions of Assets Between an Investor and Its Associate/Joint Venture”	To be determined
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023

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New Standards, Amendments, Revised Standards and Interpretations	Effective Date Announced by the IASB (Note 1)
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above new standards, amendments, revised standards and interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply the amendments for annual reporting periods beginning on or after January 1, 2025. At the date of initial application of the amendments, an entity shall not restate comparative information. Instead, it shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or to the cumulative amount of translation differences of foreign financial statements under equity (whichever appropriate) and to the affected assets and liabilities.

The Group has been continuously evaluating the impact of the aforementioned amendments to standards and interpretations on the financial status and financial performance as of the date the consolidated financial statements were approved and issued; also, the said impact will be disclosed upon the completion of the evaluation.

#### 4. A Summary of Significant Accounting Policies

##### (1) Compliance Statement

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC. The consolidated financial statements do not cover the IFRSs disclosure as required by the whole annual financial reporting.

##### (2) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments at fair value and net defined benefit assets or 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 Level 1 to Level 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs, 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.

(3) 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). All intragroup transactions, balances, income and expenses are eliminated in full upon consolidation.

For details on the percentages of ownership and main operating activities of the subsidiaries, please refer to Note 12 and Tables 4 and 5.

(4) Other Material Accounting Policy

In addition to the description below, please refer to A Summary of Material Accounting Policy provided in the consolidated financial statements for the year 2023.

1. Defined benefits retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

2. Tax expense

Income tax expense represents the sum of the taxes currently payable and deferred tax. Interim income tax expenses are accrued on an annual basis by applying the tax rate that would be applicable to expected total annual earnings to the interim period pre-tax income.

5. Significant Accounting Judgments, Estimations, and Assumptions, and Major Sources of Estimation Uncertainty

Please refer to the 2023 Consolidated Financial Statements for the significant accounting judgments, estimations, and assumptions, and major sources of estimation uncertainty.

6. Cash and cash equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	\$ 1,258	\$ 1,293	\$ 1,442
Bank deposits	4,613,951	2,957,234	2,292,672

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	March 31, 2024	December 31, 2023	March 31, 2023
Cash equivalents			
Time deposits with an initial maturity of less than three months	<u>\$ 1,653,871</u>	<u>\$ 2,195,964</u>	<u>\$ 2,432,199</u>
	<u>\$ 6,269,080</u>	<u>\$ 5,154,491</u>	<u>\$ 4,726,313</u>
7. <u>Notes receivable, accounts receivable, other receivables and other current assets</u>			
	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable			
From operations	<u>\$ 733</u>	<u>\$ 578</u>	<u>\$ 886</u>
Accounts receivable			
At amortized cost			
Gross carrying amount	\$ 404,904	\$ 314,636	\$ 357,484
Less: Loss allowance	<u>( 1,084)</u>	<u>( 851)</u>	<u>( 3,515)</u>
	<u>\$ 403,820</u>	<u>\$ 313,785</u>	<u>\$ 353,969</u>
Other receivables			
Gross carrying amount	\$ 2,091,221	\$ 1,690,916	\$ 1,482,418
Less: Loss allowance	<u>( 36,147)</u>	<u>( 36,723)</u>	<u>( 58,803)</u>
	<u>\$ 2,055,074</u>	<u>\$ 1,654,193</u>	<u>\$ 1,423,615</u>
Receivables for agency transactions (classified under other current assets)			
Gross carrying amount	\$ 1,180,368	\$ 778,837	\$ 361,202
Less: Loss allowance	<u>( 99,273)</u>	<u>( 91,368)</u>	<u>( 39,550)</u>
	<u>\$ 1,081,095</u>	<u>\$ 687,469</u>	<u>\$ 321,652</u>

(1) Notes receivable

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

(2) Accounts receivable

The Group's credit periods primarily range from 30 to 90 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 to mitigate any risk of financial losses arising from defaults. The Group uses other publicly available financial information or transaction records to assess the credibility of its major customers. The Group continuously monitors its credit exposure and the credit ratings of its counterparties, and by reviewing and approving credit limits of its counterparties, it controls its credit exposure.

The Group recognizes a loss allowance at an amount equal to lifetime expected credit losses. The lifetime expected credit losses take into account historical default records and current financial status of customers, the economic condition of the industry, as well as GDP forecast and industry outlook. Customers are further segmented by credit losses and assigned an expected credit loss rate according to the age of accounts receivable or the number of days past due.

The Group writes off an account receivable when there is evidence indicating significant financial difficulty of the counterparty and the Group cannot reasonably expect the amount recoverable, e.g. the counterparty goes into liquidation or the debt is past due. However, the Group continues to engage in recourse activities and recognizes the amount recovered from recourse in profit or loss.

The age analysis and the loss allowance of the Group's accounts receivable are as follows:

#### March 31, 2024

	Up to 90 days	91–180 days	181–365 days	Over 1 year	Total
<u>Customer Group 1</u>					
Expected credit loss rate (%)	-	0~3	15~30	100	
Gross carrying amount	\$ 329,932	\$ 2,292	\$ 10	\$ 602	\$ 332,836
Loss allowance (lifetime expected credit losses)	-	( 48 )	-	( 602 )	( 650 )
At amortized cost	<u>\$ 329,932</u>	<u>\$ 2,244</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 332,186</u>

	Note past due	Past due 1–90 days	Past due 91–180 days	Past due 181–270 days	Past over 270 days	Total
<u>Customer Group 2</u>						
Expected credit loss rate (%)	0~3	0~7	0~10	0~50	0~100	
Gross carrying amount	\$ 70,943	\$ 1,098	\$ 1	\$ -	\$ 26	\$ 72,068
Loss allowance (lifetime expected credit losses)	( 419 )	-	-	-	( 15 )	( 434 )
At amortized cost	<u>\$ 70,524</u>	<u>\$ 1,098</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 71,634</u>

#### December 31, 2023

	Up to 90 days	91–180 days	181–365 days	Over 1 year	Total
<u>Customer Group 1</u>					
Expected credit loss rate (%)	-	0~3	15~30	100	
Gross carrying amount	\$ 276,547	\$ 233	\$ 584	\$ 52	\$ 277,416
Loss allowance (lifetime expected credit losses)	-	-	( 550 )	( 52 )	( 602 )
At amortized cost	<u>\$ 276,547</u>	<u>\$ 233</u>	<u>\$ 34</u>	<u>\$ -</u>	<u>\$ 276,814</u>

	Note past due	Past due 1–90 days	Past due 91– 180 days	Past due 181– 270 days	Past over 270 days	Total
Customer Group 2						
Expected credit loss rate (%)	0~3	0~7	0~10	0~0	0~100	
Gross carrying amount	\$ 36,291	\$ 903	\$ -	\$ 1	\$ 25	\$ 37,220
Loss allowance (lifetime expected credit losses)	( 234 )	-	-	-	( 15 )	( 249 )
At amortized cost	<u>\$ 36,057</u>	<u>\$ 903</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 10</u>	<u>\$ 36,971</u>

### March 31, 2023

	Up to 90 days	91–180 days	181–365 days	Over 1 year	Total
Customer Group 1					
Expected credit loss rate (%)	-	0~3	15~30	100	
Gross carrying amount	\$ 322,030	\$ 1,000	\$ 1,980	\$ 55	\$ 325,065
Loss allowance (lifetime expected credit losses)	-	( 25 )	( 1,969 )	( 55 )	( 2,049 )
At amortized cost	<u>\$ 322,030</u>	<u>\$ 975</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 323,016</u>

	Note past due	Past due 1–90 days	Past due 91– 180 days	Past due 181– 270 days	Past over 270 days	Total
Customer Group 2						
Expected credit loss rate (%)	0~3	0~7	0~10	0~50	0~100	
Gross carrying amount	\$ 29,615	\$ 1,520	\$ 5	\$ 17	\$ 1,262	\$ 32,419
Loss allowance (lifetime expected credit losses)	( 197 )	-	-	( 7 )	( 1,262 )	( 1,466 )
At amortized cost	<u>\$ 29,418</u>	<u>\$ 1,520</u>	<u>\$ 5</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 30,953</u>

### (3) Other receivables

The Group's other receivables are mainly receivables for agency transactions, which are the receivables from partnering channels arising from the sale of points for MyCard, an exclusive point card issued by the Corporation. The credit periods for those receivables range from 30 to 120 days.

The age analysis and the loss allowance of the Group's other receivables are as follows:

### March 31, 2024

	Up to 90 days	91–180 days	181–365 days	Over 1 year	Total
Customer Group 1					
Expected credit loss rate (%)	-	0~3	15~30	0~100	
Gross carrying amount	\$ 1,972,948	\$ 60,515	\$ 26,182	\$ 5,567	\$ 2,065,212
Loss allowance (lifetime expected credit losses)	-	( 1,264 )	( 12,957 )	( 5,567 )	( 19,788 )
At amortized cost	<u>\$ 1,972,948</u>	<u>\$ 59,251</u>	<u>\$ 13,225</u>	<u>\$ -</u>	<u>\$ 2,045,424</u>



	Note past due	Past due 1–90 days	Past due 91–180 days	Past due 181–270 days	Past over 270 days	Customers with indication of unlikeliness to pay	Total
<b>Customer Group 2</b>							
Expected credit loss rate (%)	-	-	-	-	0~100	100	
Gross carrying amount	\$ 9,650	\$ -	\$ -	\$ -	\$ 578	\$ 15,781	\$ 26,009
Loss allowance (lifetime expected credit losses)	-	-	-	-	( 578)	( 15,781)	( 16,359)
At amortized cost	<u>\$ 9,650</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,650</u>

### December 31, 2023

	Up to 90 days	91–180 days	181–365 days	Over 1 year	Total
<b>Customer Group 1</b>					
Expected credit loss rate (%)	-	0~3	15~30	0~100	
Gross carrying amount	\$ 1,587,379	\$ 50,977	\$ 19,551	\$ 8,663	\$ 1,666,570
Loss allowance (lifetime expected credit losses)	-	( 1,553)	( 10,755)	( 8,663)	( 20,971)
At amortized cost	<u>\$ 1,587,379</u>	<u>\$ 49,424</u>	<u>\$ 8,796</u>	<u>\$ -</u>	<u>\$ 1,645,599</u>

	Note past due	Past due 1–90 days	Past due 91–180 days	Past due 181–270 days	Past over 270 days	Customers with indication of unlikeliness to pay	Total
<b>Customer Group 2</b>							
Expected credit loss rate (%)	-	-	-	-	0~100	100	
Gross carrying amount	\$ 8,594	\$ -	\$ -	\$ -	\$ 577	\$ 15,175	\$ 24,346
Loss allowance (lifetime expected credit losses)	-	-	-	-	( 577)	( 15,175)	( 15,752)
At amortized cost	<u>\$ 8,594</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,594</u>

### March 31, 2023

	Up to 90 days	91–180 days	181–365 days	Over 1 year	Total
<b>Customer Group 1</b>					
Expected credit loss rate (%)	-	0~3	15~30	0~100	
Gross carrying amount	\$ 1,357,262	\$ 58,569	\$ 8,967	\$ 31,522	\$ 1,456,320
Loss allowance (lifetime expected credit losses)	-	( 1,221)	( 7,832)	( 31,522)	( 40,575)
At amortized cost	<u>\$ 1,357,262</u>	<u>\$ 57,348</u>	<u>\$ 1,135</u>	<u>\$ -</u>	<u>\$ 1,415,745</u>

	Note past due	Past due 1–90 days	Past due 91–180 days	Past due 181–270 days	Past over 270 days	Customers with indication of unlikeliness to pay	Total
<b>Customer Group 2</b>							
Expected credit loss rate (%)	-	-	-	-	0~100	100	
Gross carrying amount	\$ 7,870	\$ -	\$ -	\$ -	\$ 2,721	\$ 15,507	\$ 26,098
Loss allowance (lifetime expected credit losses)	-	-	-	-	( 2,721)	( 15,507)	( 18,228)
At amortized cost	<u>\$ 7,870</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,870</u>

(4) Other current assets

Those are mainly the receivables for agency transactions arising from the Group's third-party payment business and usually collected within 1-10 days. In the event of a consumer dispute or a fraudulent transaction related to the receivables that may result in unrecoverable receivables or a higher probability of losses, the Group assesses the receivables on a case-by-case basis and subsequently recognizes an impairment loss.

(5) The movements of loss allowance for accounts receivable, other receivables and other current assets are as follows:

	January 1 to March 31, 2024			
	Accounts receivable	Other receivables	Other current assets	Total
Beginning balance	\$ 851	\$ 36,723	\$ 91,368	\$ 128,942
Recognition (reversal)	226	( 1,180)	7,905	6,951
Write-offs	-	( 3)	-	( 3)
Exchange difference	7	607	-	614
Ending balance	<u>\$ 1,084</u>	<u>\$ 36,147</u>	<u>\$ 99,273</u>	<u>\$ 136,504</u>

  

	January 1 to March 31, 2023			
	Accounts receivable	Other receivables	Other current assets	Total
Beginning balance	\$ 3,490	\$ 59,440	\$ 34,909	\$ 97,839
Recognition (reversal)	25	( 694)	4,641	3,972
Write-offs	-	( 15)	-	( 15)
Exchange difference	-	72	-	72
Ending balance	<u>\$ 3,515</u>	<u>\$ 58,803</u>	<u>\$ 39,550</u>	<u>\$ 101,868</u>

8. Inventories

	March 31, 2024	December 31, 2023	March 31, 2023
Finished goods	\$ -	\$ -	\$ 132
Merchandises	<u>56,252</u>	<u>28,631</u>	<u>41,000</u>
	<u>\$ 56,252</u>	<u>\$ 28,631</u>	<u>\$ 41,132</u>

9. Other financial assets

	March 31, 2024	December 31, 2023	March 31, 2023
Pledged demand deposits (Note 29)	\$ 16,609	\$ 3,469	\$ 48,555
Pledged time deposits (Note 29)	75,000	66,000	51,000
Restricted trust deposits	1,572,810	2,067,216	1,608,159
Restricted bank deposits	52,485	53,124	39,700
Time deposits with an initial maturity of more than three months	<u>5,110,848</u>	<u>5,312,639</u>	<u>5,470,607</u>
	<u>\$ 6,827,752</u>	<u>\$ 7,502,448</u>	<u>\$ 7,218,021</u>

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	March 31, 2024	December 31, 2023	March 31, 2023
Current	\$ 6,751,267	\$ 7,434,324	\$ 7,178,321
Non-current	<u>76,485</u>	<u>68,124</u>	<u>39,700</u>
	<u>\$ 6,827,752</u>	<u>\$ 7,502,448</u>	<u>\$ 7,218,021</u>
Maturity dates	2024.4~2027.2	2024.1~2026.10	2023.4~2026.8
Interest rate interval (%)	0.54~3.85	0.54~3.85	0.16~3.60

The Group's receipts and payments in connection with the third-party payment and electronic payment services and its receipts for stored value are deposited in a dedicated trust account and presented under "other financial assets—restricted trust deposits."

10. Financial assets measured at fair value through profit or loss – non-current

Mandatorily measured at fair value through profit or loss	March 31, 2024	December 31, 2023	March 31, 2023
Foreign listed shares	<u>\$ 3,769</u>	<u>\$ 5,144</u>	<u>\$ 14,795</u>

11. Financial assets measured at fair value through other comprehensive income – non-current

	March 31, 2024	December 31, 2023	March 31, 2023
Listed shares	\$ 3,337,421	\$ 249,821	\$ 169,944
Privately placed TPEX listed shares	-	-	263,456
Domestic and foreign unlisted shares	<u>144,056</u>	<u>137,921</u>	<u>119,022</u>
	<u>\$ 3,481,477</u>	<u>\$ 387,742</u>	<u>\$ 552,422</u>

The Corporation issued new shares in January 2024 to acquire the shares of Gloria Material Technology Corp. amounting to NTD 62,920 thousand and obtained a shareholding of 10.44%. Please refer to Note 21.

12. Subsidiaries

(1) Subsidiaries included in the consolidated financial statements

The entities included in the consolidated financial statements are listed below:

Investor	Investee	Nature of business	Percentage of ownership			Remark
			March 31, 2024	December 31, 2023	March 31, 2023	
The Corporation	Chinese Gamer International Corporation (Chinese Gamer)	Online gaming service	48	48	48	Note 1
	Soft-World Technology Pte. Ltd. (Soft-World (Singapore))	Sale of game software	100	100	100	Note 4

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Investor	Investee	Nature of business	Percentage of ownership			Remark
			March 31, 2024	December 31, 2023	March 31, 2023	
Chinese Gamer	Gameflier International Corporation (Gameflier)	Online gaming service	98	98	98	Note 4
	Global Concept Corporation (Global Concept)	Investment	100	100	100	Note 4
	Game First International Corporation (Game First)	Online gaming service	70	70	70	Note 4
	Zealot Digital International Corporation (Zealot Digital)	R&D and sales of game software	99	99	99	Note 4
	Soft-World (Hong Kong) International Corporation (Soft-World (Hong Kong))	Sale of game software	100	100	100	Note 3
	Dynasty International Information Co., Ltd. (Dynasty)	Design, development, and trading of computer software	86	86	86	Note 4
	Intelligent Dragon Venture Capital Corporation (Intelligent Dragon)	Investment	13	13	13	Note 3
	Interactive Entertainment Technology Co., Ltd (Interactive Entertainment)	Investment	-	-	80	Note 5
	Fast Distributed Cloud Computing(Taiwan) Co., Ltd. (Fast Distributed Cloud)	Retail sale, wholesale and service of information software	90	90	90	Note 4
	Neweb Technologies Co., Ltd. (Neweb Technologies)	Retail sale of computer software, computers and digital information supply services	50	50	50	Note 2
	Efun International Corporation (Efun)	Information software and data processing services and general advertisement	80	80	80	Note 4
	Lung Hsiang Investment Co., Ltd. (Lung Hsiang Investment)	Investment	44	44	44	Note 4
	Celad International Corp. (Celad)	Online gaming service	32	32	32	Note 4
	We Can Financial Technology Co., Ltd.	Financial system and equipment development business	51	51	51	Note 4
	Taichigamer (B.V.I.) Co., Ltd. (Taichigamer)	Investment	100	100	100	Note 3
	Walkfun International Corporation (Walkfun)	Network authentication, data processing and digital information provision services	100	100	100	Note 4
	Celad International Corp. (Celad)	Online gaming service	68	68	68	Note 4
	Super Game Corporation (Super Game)	Online gaming service	88	88	88	Note 4
	Intelligent Dragon Venture Capital Corporation (Intelligent Dragon)	Investment	13	13	13	Note 3
	Star Diamond Universal Corporation (Star Diamond)	Investment	100	100	100	Note 3
	Funbear International Corp.(FunBear)	Online gaming service	100	100	100	Note 4
	GameTopia Co., Ltd. (GameTopia)	Online gaming service	65	65	65	Note 3
	Oriental Dragon Digital Co., Ltd. (Oriental Dragon)	Online gaming service	100	100	100	Note 4
	Lung Hsiang Investment Co., Ltd. (Lung Hsiang Investment)	Investment	30	30	30	Note 4
Taichigamer	Transasiagamer (B.V.I.) Co., Ltd. (Transasiagamer)	Investment	100	100	100	Note 3
Transasiagamer	Yulon Online (Beijing) Technologies Co., Ltd. (Yulon Beijing Online)	Online gaming service	100	100	100	Note 3
Star Diamond	Dragon Gamer (Hong Kong) Co., Ltd. (Dragon Gamer)	Online gaming service	100	100	100	Note 3
GameTopia	GameTopia (Hong Kong) Co., Limited (Game Topia Hong Kong)	Information software service	100	100	100	Note 4

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Investor	Investee	Nature of business	Percentage of ownership			Remark
			March 31, 2024	December 31, 2023	March 31, 2023	
Global Concept	Value Central Corporation (Value Central)	Investment	100	100	100	Note 4
	Gamers Grande Corporation (Gamers Grande)	Investment	100	100	100	Note 4
Value Central	Picked United Development Limited (Picked United Development)	Acquisition and licensing of game software	100	100	100	Note 4
Gamers Grande	Gameflier International (Beijing) Corporation (Beijing Gameflier)	Information processing and provision services	100	100	100	Note 4
Game First International Corporation	Compete ! Games Interactive Entertainment Corporation (Compete ! Games Interactive Entertainment)	Distribution and operation of s-sports games.	100	100	100	Note 4
Interactive Entertainment	Interactive Entertainment Technology (Taiwan) Co., Ltd. (Interactive Entertainment)	Wholesale and service of information software	-	-	100	Note 5
Newweb Technologies	ezPay Co., Ltd. (ezPay)	Third-party payment service	100	100	100	Note 4
	CS Technology Co. Ltd.(CS)	Information software	100	100	100	Note 4
Efun	RE:AD Media (Taiwan) Corporation (RE:AD)	General Advertising Service	100	100	100	Note 4
Lung Hsiang Investment	Intelligent Dragon Venture Capital Corporation (Intelligent Dragon)	Investment	74	74	74	Note 3

Note 1: It is a subsidiary with a material non-controlling interest, and it is a TPEx listed company, of which the Corporation holds an absolute majority of voting rights and can direct relevant activities. Thus, the company is recognized as a subsidiary.

Note 2: It is a significant subsidiary, whose financial statements were reviewed by CPAs.

Note 3: It is an insignificant subsidiary, whose financial statements were reviewed by CPAs.

Note 4: It is an insignificant subsidiary, whose financial statements were not reviewed by CPAs.

Note 5: It was liquidated in 2023.

The combined total assets of the abovementioned insignificant subsidiaries as of March 31, 2024 and 2023 were NTD 3,201,174 thousand and NTD 2,797,965 thousand, respectively; the combined total liabilities were NTD 515,148 thousand and NTD 421,396 thousand, respectively. The combined comprehensive income for the three-month periods ended March 31, 2024 and 2023 were NTD 119,802 thousand and NTD 30,814 thousand, respectively. Such financial information was prepared based on the unreviewed financial statements of the said subsidiaries of the same period.

(2) Details of subsidiaries with material non-controlling interests

Investee	Percentage of ownership and voting rights held by non-controlling interests (%)		
	March 31, 2024	December 31, 2023	March 31, 2023
Chinese Gamer	52	52	52

Please refer to Table 4 for the information on main operating locations and countries of incorporation.

Investee	(Loss) profit allocated to non-controlling interests		Non-controlling interest		
	January 1 to March 31, 2024	January 1 to March 31, 2023	March 31, 2024	December 31, 2023	March 31, 2023
Chinese Gamer	<u>\$ 22,366</u>	<u>(\$ 3,060)</u>	<u>\$603,815</u>	<u>\$573,819</u>	<u>\$570,847</u>

The financial summary was prepared based on the amounts before the elimination of intragroup transactions:

Chinese Gamer and its subsidiaries

	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 877,204	\$ 845,286	\$ 864,533
Non-current assets	519,347	490,142	469,821
Current liabilities	( 105,572)	( 102,199)	( 100,009)
Non-current liabilities	( 2,213)	( 3,636)	( 13,015)
Equity	<u>\$ 1,288,766</u>	<u>\$ 1,229,593</u>	<u>\$ 1,221,330</u>
Equity attributable to:			
The Corporation's shareholders	\$ 654,201	\$ 626,463	\$ 623,668
Non-controlling interests of Chinese Gamer	603,815	573,819	570,847
Non-controlling interests of Chinese Gamer's subsidiaries	<u>30,750</u>	<u>29,311</u>	<u>26,815</u>
	<u>\$ 1,288,766</u>	<u>\$ 1,229,593</u>	<u>\$ 1,221,330</u>
		January 1 to March 31, 2024	January 1 to March 31, 2023
Operating revenue		<u>\$ 111,113</u>	<u>\$ 90,908</u>
Profit (loss) for the year		\$ 43,993	(\$ 7,974)
Other comprehensive (loss) income for the year		<u>13,988</u>	<u>( 562)</u>
Total comprehensive (loss) income		<u>\$ 57,981</u>	<u>(\$ 8,536)</u>
Profit (loss) attributable to:			
The Corporation's shareholders		\$ 21,022	(\$ 2,876)
Non-controlling interests of Chinese Gamer		22,366	( 3,060)
Non-controlling interests of Chinese Gamer's subsidiaries		<u>605</u>	<u>( 2,038)</u>
		<u>\$ 43,993</u>	<u>(\$ 7,974)</u>

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	January 1 to March 31, 2024	January 1 to March 31, 2023
Total comprehensive (loss) income attributable to:		
The Corporation's shareholders	\$ 27,399	(\$ 3,011)
Non-controlling interests of Chinese Gamer	29,143	( 3,216)
Non-controlling interests of Chinese Gamer's subsidiaries	<u>1,439</u>	<u>( 2,309)</u>
	<u>\$ 57,981</u>	<u>(\$ 8,536)</u>
Cash flow		
Operating activities	(\$ 15,203)	(\$ 15,799)
Investing activities	8,084	11,961
finance activities	<u>( 1,982)</u>	<u>( 2,105)</u>
Net cash outflow	<u>(\$ 9,101)</u>	<u>(\$ 5,943)</u>

13. Investments accounted for using the equity method

	March 31, 2024	December 31, 2023	March 31, 2023
Investment in associates – individually immaterial associates	<u>\$ 40,041</u>	<u>\$ 39,605</u>	<u>\$ 38,486</u>

The summary of individually immaterial associates is as follows:

	January 1 to March 31, 2024	January 1 to March 31, 2023
Share of the Group		
Total profit and other comprehensive loss or income for the period	<u>\$ 436</u>	<u>\$ 162</u>

The share of comprehensive loss or income of associates accounted for using the equity method was valued and disclosed based on the investees' financial statements of the same period unreviewed by CPAs.

14. Property, plant, and equipment

	March 31, 2024	December 31, 2023	March 31, 2023
Land	\$ 215,321	\$ 215,321	\$ 215,321
Buildings	112,573	113,652	117,397
Equipment	23,217	25,612	26,264
Miscellaneous equipment	8,516	4,577	7,792
Others	<u>2,872</u>	<u>3,131</u>	<u>4,055</u>
	<u>\$ 362,499</u>	<u>\$ 362,293</u>	<u>\$ 370,829</u>

- (1) Apart from the depreciation expense, there was not any addition, disposal or impairment of the Group's property, plant and equipment for the three-month periods ended March 31, 2024 and 2023.
- (2) The Group's property, plant and equipment are depreciated on a straight-line basis over their useful lives as follows:

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

- (3) Please refer to Note 29 for the amount of property, plant and equipment pledged.

15. Investment property

Apart from the depreciation expense, there was not any addition, disposal or impairment of the Group's investment property for the three-month periods ended March 31, 2024 and 2023. The investment property is depreciated on a straight-line basis over the useful lives ranging from 20 to 30 years.

The fair values of the Group's investment property as of December 31, 2023 and 2022 were NTD 540 million and NTD 570 million, respectively. These fair values were assessed by the Group's management based on the information on real estate transactions in the adjacent area. Based on the assessment of the Group's management, the fair values as of March 31, 2024 and 2023 did not have any significant difference from those as of December 31, 2023 and 2022.

16. Notes payable and accounts payable

The Group's notes payable and accounts payable all arise from operating activities, and the credit periods for purchases of goods or services approximately range from 30 to 90 days. In addition, the Group has adopted the financial risk management policy to ensure that all payables are paid within the pre-agreed credit terms, so no interest was charged on the outstanding balance.

17. Other payables

	March 31, 2024	December 31, 2023	March 31, 2023
Payables for receipts under custody	\$ 4,553,910	\$ 3,498,160	\$ 3,172,496
Payables for salary	154,604	204,200	108,831
Payables for circulation	140,102	122,676	110,173
Payables for remuneration to employees and directors	90,087	68,776	88,635

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	March 31, 2024	December 31, 2023	March 31, 2023
Payables for royalty	\$ 30,114	\$ 27,834	\$ 7,316
Others	<u>125,665</u>	<u>191,419</u>	<u>141,862</u>
	<u>\$ 5,094,482</u>	<u>\$ 4,113,065</u>	<u>\$ 3,629,313</u>

The payables for receipts under custody are the receipts from My Card platform and points sales provided by the Group that should be paid to the game operators.

18. Other financial liabilities – current

	March 31, 2024	December 31, 2023	March 31, 2023
Temporary receipts from MyCard sales	<u>\$ 839,626</u>	<u>\$ 815,880</u>	<u>\$ 964,803</u>

19. Other current liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Payables for agency transactions	\$ 2,777,589	\$ 2,855,479	\$ 1,997,884
Others	<u>78,291</u>	<u>43,438</u>	<u>92,559</u>
	<u>\$ 2,855,880</u>	<u>\$ 2,898,917</u>	<u>\$ 2,090,443</u>

The payables for agency transactions are the receipts and payments in connection with the third-party payment and electronic payment services and the receipts for stored value, and the Group recognized the amount not withdrawn by users under other current liabilities.

20. Retirement benefit plan

The pension expenses in connection to the defined benefit plan recorded for the three-month periods ended March 31, 2024 and 2023 were NTD 219 thousand and NTD 269 thousand, respectively, calculated using the respective actuarially determined pension cost rates as of December 31, 2023 and 2022.

21. Equity

(1) Share capital

	March 31, 2024	December 31, 2023	March 31, 2023
Number of shares authorized (in thousands)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Share capital authorized	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>

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	March 31, 2024	December 31, 2023	March 31, 2023
Number of shares issued and fully paid (in thousands)	<u>156,074</u>	<u>127,474</u>	<u>127,474</u>
Share capital issued	<u>\$ 1,560,743</u>	<u>\$ 1,274,743</u>	<u>\$ 1,274,743</u>

On December 21, 2023, the Corporation's Board of Directors approved the issuance of new shares to be used as the consideration for the acquisition of shares of Gloria Material Technology Corp. by a resolution. The swap ratio for this transaction was 2.2 common shares of Gloria Material Technology Corp. in exchange for 1 common share of the Corporation. The Corporation issued a total of 28,600 thousand shares, through which the Corporation acquired 62,920 thousand shares of Gloria Material Technology Corp. The share swap was filed with the competent authority and became effective with January 31, 2024 set as the record date for this share swap. The change of registration was subsequently completed.

The par value of the common shares issued is NTD 10 per share, and a shareholder shall have one voting power in respect of each share in his/her/its possession and the right to dividends.

(2) Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
May be used to offset deficits, distributed in cash or transferred to share capital (Note)			
Additional paid-in capital	\$ 3,627,723	\$ 1,229,758	\$ 1,229,758
Corporate bond conversion premium	245,975	245,975	245,975
Treasury share transactions	239,920	183,693	144,182
Difference between the consideration and carrying amount of subsidiaries acquired or disposed of	59,180	59,180	59,180
May be used to offset deficits only			
Changes in ownership interests in subsidiaries	157,183	156,844	156,421
Changes in ownership interests in associates	6,955	6,955	6,955
Unclaimed dividends	<u>90</u>	<u>90</u>	<u>90</u>
	<u>\$ 4,337,026</u>	<u>\$ 1,882,495</u>	<u>\$ 1,842,561</u>

Note: Capital surplus in this category may be used to offset deficits, or distributed as cash dividends or transferred to share capital when the Corporation does not have a deficit. However, the amount to be transferred to share capital shall be limited to a certain percentage of the paid-in capital each year.

(3) Retained earnings and dividend policy

According to the Articles of Incorporation, the Corporation should distribute surplus or offset deficits 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.

When there is a profit in a fiscal year, the Corporation shall first pay taxes lawfully, offset deficits and set aside 10% of the profit as legal reserve until the legal reserve amounts to the authorized capital. After the appropriation or reversal of special reserves required by laws or needed for the Corporation's operations, the remaining balance is the distributable earnings for the year, and, together with the undistributed earnings at the beginning of the period, the board of directors shall propose an earnings distribution plan through new share issuance and proceed upon the approval of the shareholders' meeting.

In the Corporation's Articles of Incorporation, the board of directors is authorized to distribute dividends or bonuses by a resolution pursuant to Article 240 of the Company Act or distribute the whole or a part of the legal reserve or capital surplus in cash pursuant to Article 241 of the same Act, and a report shall be submitted 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.

The legal reserve may be used to offset deficits. When the Corporation has no deficit and the legal reserve exceeds 25% of the paid-in capital, the excessive portion may be transferred to share capital or distributed to shareholders in cash.

The Company's earnings distribution plans for 2023 and 2022 are as follows:

	Earnings Distribution Plan		Dividend Per Share (in dollar)	
	2023	2022	2023	2022
Legal reserve	\$ 116,693	\$ 85,210		
(Reversal) of special reserve	( 21,799)	21,799		
Cash dividends	<u>1,088,593</u>	<u>888,393</u>	<u>\$ 7.00</u>	<u>\$ 7.00</u>
	<u>\$1,183,487</u>	<u>\$ 995,402</u>		

The distributions of cash dividends above and cash through capital surplus for 2023 amounting to NTD 311,027 thousand (NTD 2 per share) were approved by the board of directors on March 6, 2024 and March 15, 2023, respectively. The distribution of other earnings for 2022 was resolved at the Annual General Meeting on June 26, 2023. The distribution of other earnings for 2023 will be raised to the Annual General Meeting to be held in June, 2024 for a resolution.

(4) Special reserve

At its initial application of IFRSs, the Corporation's cumulative translation adjustment transferred into retained earnings amounted to NTD 25,117 thousand, and a special reserve in the same amount was recognized. In addition, as resolved in June 2023 by the shareholders' meeting, a special reserve of NTD 21,799 thousand was set aside for the difference between the market value and the carrying amount of the parent company's shares held by the subsidiaries in proportion to the Corporation's consolidated stake as of the end of 2022. A reversal will be made when the market value recovers afterward.

(5) Other Equity

- Exchange differences resulted from translating the financial statements of foreign operations

	January 1 to March 31, 2024	January 1 to March 31, 2023
Beginning balance	(\$ 24,882)	(\$ 19,578)
Recognition for the period		
Exchange differences resulting from the translation of foreign operations	31,002	( 5,809)
Income tax arising from exchange differences resulting from the translation of foreign operations	( 4,926)	1,133
Ending balance	<u>\$ 1,194</u>	<u>(\$ 24,254)</u>

2. Unrealized gains or losses on financial assets at fair value through other comprehensive income

	January 1 to March 31, 2024	January 1 to March 31, 2023
Beginning balance	\$ 197,755	\$ 251,201
Recognition for the period		
Unrealized gains or losses on equity instruments	<u>98,531</u>	<u>25,826</u>
Ending balance	<u>\$ 296,286</u>	<u>\$ 277,027</u>

(6) Non-controlling interest

	January 1 to March 31, 2024	January 1 to March 31, 2023
Beginning balance	\$ 1,180,936	\$ 1,206,342
Net income	46,838	1,674
Other comprehensive income for the period		
Exchange differences resulted from translating the financial statements of foreign operations	7,614	( 424)
Unrealized gains or losses from financial assets measured at fair value through other comprehensive income	212	3,444
Shares of the parent company held by the subsidiaries treated as treasury stock	( 22,426)	-
Exercise of employee stock warrants by employees of subsidiaries	<u>790</u>	<u>717</u>
Ending balance	<u>\$ 1,213,964</u>	<u>\$ 1,211,753</u>

(7) Treasury stock

Number of shares: in thousands					
Reason of buyback	Beginning balance	For the current period		Ending number of shares and balance	
		Increase	Decrease	Shares	Amount
January 1 to March 31, 2024					
Parent company's shares held by subsidiaries	<u>6,002</u>	<u>245</u>	<u>-</u>	<u>6,247</u>	<u>\$ 567,040</u>
Stock transfer to employees	<u>561</u>	<u>-</u>	<u>-</u>	<u>561</u>	<u>\$ 43,492</u>
January 1 to March 31, 2023					
Parent company's shares held by subsidiaries	<u>5,645</u>	<u>-</u>	<u>1</u>	<u>5,644</u>	<u>\$ 472,225</u>
Stock transfer to employees	<u>561</u>	<u>-</u>	<u>-</u>	<u>561</u>	<u>\$ 43,492</u>

The subsidiaries hold the Corporation's stock because of the expectation of mid-to-long-term investment return, and the shares held are treated as treasury stock

in proportion to their shareholdings.

As of March 31, 2024, December 31 and March 31, 2023, based on the consolidated stake of the Corporation, the market values of the abovementioned treasury shares were NTD 899,534 thousand, NTD 903,284 thousand and NTD 522,677 thousand, respectively.

## 22. Revenue

### (1) Revenue from contracts with customers

	January 1 to March 31, 2024	January 1 to March 31, 2023
Rendering of services	\$ 1,319,314	\$ 1,320,788
Sale of goods	157,823	163,423
Operation of games	216,462	152,140
Licensing revenue	<u>31,033</u>	<u>23,222</u>
	<u>\$ 1,724,632</u>	<u>\$ 1,659,573</u>

### (2) Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Notes receivable, accounts receivable and other receivables (including other current assets)	<u>\$3,540,722</u>	<u>\$2,656,025</u>	<u>\$2,100,122</u>	<u>\$2,472,162</u>
Contract assets	\$ 3,085	\$ 4,446	\$ 3,505	\$ 3,135
Less: Loss allowance	<u>-</u>	<u>-</u>	<u>( 871)</u>	<u>( 871)</u>
	<u>\$ 3,085</u>	<u>\$ 4,446</u>	<u>\$ 2,634</u>	<u>\$ 2,264</u>
Contract liability				
Royalty fees for games	\$ 12,662	\$ 14,602	\$ 32,978	\$ 34,456
Game points	83,752	82,702	76,759	75,723
Others	<u>144,901</u>	<u>103,868</u>	<u>159,190</u>	<u>165,764</u>
	<u>\$ 241,315</u>	<u>\$ 201,172</u>	<u>\$ 268,927</u>	<u>\$ 275,943</u>

The changes in the balances of contract assets and contract liabilities were a result of the gap between the timing for contract performance and the timing for the respective customer payments.

### (3) Disaggregation of revenue from contracts with customers

Please refer to Note 32 for the disaggregation of revenue.

23. Net profit before taxation

(1) Interest income

	January 1 to March 31, 2024	January 1 to March 31, 2023
Bank deposits	\$ 28,929	\$ 25,208
Others	<u>2</u>	<u>6</u>
	<u>\$ 28,931</u>	<u>\$ 25,214</u>

(2) Other income

	January 1 to March 31, 2024	January 1 to March 31, 2023
Lease income from operating leases	\$ 6,159	\$ 6,141
Others	<u>1,659</u>	<u>961</u>
	<u>\$ 7,818</u>	<u>\$ 7,102</u>

(3) Other gains and losses

	January 1 to March 31, 2024	January 1 to March 31, 2023
Net foreign exchange gain	\$ 12,192	\$ 1,065
Net gain (loss) on financial assets at fair value through profit or loss	( 1,372 )	4,720
Others	<u>( 1,662 )</u>	<u>2,325</u>
	<u>\$ 9,158</u>	<u>\$ 8,110</u>

(4) Depreciation and amortization

	January 1 to March 31, 2024	January 1 to March 31, 2023
Property, plant, and equipment	\$ 5,518	\$ 6,085
Right-of-use assets	8,802	8,772
Investment property	898	896
Other intangible assets	<u>6,291</u>	<u>8,194</u>
	<u>\$ 21,509</u>	<u>\$ 23,947</u>
Depreciation by function		
Operating cost	\$ 126	\$ 116
Operating expenses	14,194	14,741
Non-operating expenses	<u>898</u>	<u>896</u>
	<u>\$ 15,218</u>	<u>\$ 15,753</u>

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	January 1 to March 31, 2024	January 1 to March 31, 2023
Amortization by function		
Operating cost	\$ 2,538	\$ 5,479
Operating expenses	<u>3,753</u>	<u>2,715</u>
	<u>\$ 6,291</u>	<u>\$ 8,194</u>
(5) Employee benefits expense		
	January 1 to March 31, 2024	January 1 to March 31, 2023
Short-term employee benefits	<u>\$279,688</u>	<u>\$278,416</u>
Post-employment benefits		
Defined contribution plans	10,770	10,853
Defined benefit plans (Note 20)	<u>219</u>	<u>269</u>
	<u>10,989</u>	<u>11,122</u>
Employee benefits expense	<u>\$290,677</u>	<u>\$289,538</u>
Aggregation by function		
Operating cost	\$ 12,935	\$ 13,401
Operating expenses	<u>277,742</u>	<u>276,137</u>
	<u>\$290,677</u>	<u>\$289,538</u>
(6) Remuneration to employees and directors		
According to the Corporation's Articles of Incorporation, it shall allocate not less than 2% and not higher than 2% of the profit before tax, employee compensation and director remuneration for the compensation to employees and the remuneration to directors, respectively. The employee compensation and director remuneration for the three months ended March 31, 2024 were accrued at 5% and 1.25% of the profit before tax, respectively, while the employee compensation and director remuneration for the three months ended March 31, 2023 were accrued at 5% and 1% of the profit before tax, respectively. The amounts are listed below:		
	January 1 to March 31, 2024	January 1 to March 31, 2023
Remuneration to employees	\$ 16,411	\$ 17,100
Remuneration to directors	4,103	3,420



If there is a change in the amounts after the annual consolidated financial statements are approved for issue, the differences are adjusted to the balance of the following year as a change to the accounting estimations.

The amounts of employee compensation and director remuneration for the years 2023 and 2022 approved by the board of directors on March 6, 2024 and March 15, 2023, respectively, are as follows:

	<u>2023</u>	<u>2022</u>
Remuneration to employees	\$ 56,037	\$ 53,992
Remuneration to directors	11,207	10,798

There was no difference between the actual amounts of employee compensation and director remuneration for the years 2023 and 2022 paid and the amounts recognized in the consolidated financial statements for the same periods.

Information on the employee compensation and director remuneration resolved by the board of directors of the Corporation is available at the Market Observation Post System of the Taiwan Stock Exchange.

#### 24. Income tax

- (1) Major components of income tax expense recognized in profit or loss are as follows:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Income tax for the period		
Recognition for the period	\$ 73,236	\$ 62,534
Adjustments for prior years	5,219	-
Deferred tax		
Recognition for the period	<u>7,774</u>	<u>7,112</u>
Income tax expense recognized in profit or loss	<u>\$ 86,229</u>	<u>\$ 69,646</u>

- (2) Income tax benefit (expense) recognized in other comprehensive income

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Recognition for the period		
Translation of foreign operations	<u>(\$ 4,926)</u>	<u>\$ 1,133</u>

- (3) Income tax assessments

The income tax returns of the Corporation through 2022 and of its domestic subsidiaries from 2021 to 2022 have been assessed by the tax authorities.

25. Earnings per share

The net profit and weighted average number of common shares outstanding used in the computation of earnings per share were as follows:

(1) Net income

	January 1 to March 31, 2024	January 1 to March 31, 2023
Net profit attributable to owners of the Corporation	<u>\$ 256,072</u>	<u>\$ 262,775</u>

(2) Number of shares (in thousands of shares)

	January 1 to March 31, 2024	January 1 to March 31, 2023
Weighted average number of common shares outstanding used in the computation of basic earnings per share	139,814	121,268
Add: Employees' compensation	<u>412</u>	<u>717</u>
Weighted average number of common shares outstanding used in the computation of diluted earnings per share	<u>140,226</u>	<u>121,985</u>

The Corporation may settle the employees' compensation in shares or cash; therefore, in the computation of diluted earnings per share, the Corporation assumes that the employees' compensation will be settled in shares, and the resultant potential common shares will be included into the weighted average number of shares outstanding as they become dilutive. Such a dilutive effect of such potential common shares is included in the computation of diluted earnings per share until the number of shares for employees' compensation to be distributed is resolved in the following year.

26. Capital risk management

The Group manages its capital to ensure that all entities in the Group can continue as going concerns while maximizing shareholders' return through balancing debt and equity. The Group's overall strategy remained unchanged in the most recent two years.

The Group's capital structure consists of the net debt and the equity attributable to owners of the Corporation.

27. Financial instruments

(1) Fair value of financial instruments that are not measured at fair value

The Group's management believes that the carrying amounts of its financial assets and financial liabilities not measured at fair value approximate their fair values.

(2) Fair value of financial instruments that are measured at fair value on a recurring basis

1. Fair value hierarchy

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Foreign listed shares	\$ 3,769	\$ -	\$ -	\$ 3,769
Financial assets measured at fair value through other comprehensive income				
Equity investment in domestic and foreign listed securities	\$3,337,421	\$ -	\$ -	\$3,337,421
Domestic and foreign unlisted shares	-	-	144,056	144,056
	<u>\$3,337,421</u>	<u>\$ -</u>	<u>\$ 144,056</u>	<u>\$3,481,477</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Foreign listed shares	\$ 5,144	\$ -	\$ -	\$ 5,144
Financial assets measured at fair value through other comprehensive income				
Equity investment in domestic and foreign listed securities	\$ 249,821	\$ -	\$ -	\$ 249,821
Domestic and foreign unlisted shares	-	-	137,921	137,921
	<u>\$ 249,821</u>	<u>\$ -</u>	<u>\$ 137,921</u>	<u>\$ 387,742</u>

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Foreign listed shares	\$ 14,795	\$ -	\$ -	\$ 14,795
Financial assets measured at fair value through other comprehensive income				
Equity investment in domestic and foreign listed securities	\$ 169,944	\$ -	\$ -	\$ 169,944
Domestic privately placed TPEX listed shares	-	263,456	-	263,456
Domestic and foreign unlisted shares	-	-	119,022	119,022
	<u>\$ 169,944</u>	<u>\$ 263,456</u>	<u>\$ 119,022</u>	<u>\$ 552,422</u>

For the three-month periods ended March 31, 2024 and 2023, there was no transfer between Level 1 and Level 2 fair value measurements.

2. Reconciliation of financial assets measured at Level 3 fair value

	January 1 to March 31, 2024	January 1 to March 31, 2023
Beginning balance	\$ 137,921	\$ 115,036
Recognition in other comprehensive income	<u>6,135</u>	<u>3,986</u>
Ending balance	<u>\$ 144,056</u>	<u>\$ 119,022</u>

3. Valuation approaches and inputs for Level 2 fair value measurement

Type of financial instrument	Valuation approaches and inputs
Domestic privately placed TPEX listed shares	Reference to price supported by observable market prices and liquidity discounts

4. Valuation approaches and inputs for Level 3 fair value measurement

The fair value of domestic and foreign unlisted shares was assessed and determined by the management with reference to the latest net book value and liquidity discounts or the total value of individual assets and liabilities covered by the underlying shares so as to reflect the overall value thereof.

(3) Categories of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
Financial assets measured at amortized cost (Note 1)	\$16,664,541	\$15,339,858	\$14,071,427
Financial assets measured at fair value through profit or loss	3,769	5,144	14,795
Financial assets measured at fair value through other comprehensive income	3,481,477	387,742	552,422
<u>Financial liabilities</u>			
At amortized cost (Note 2)	9,207,446	8,231,042	6,954,126

Note 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, refundable deposits, etc.

Note 2: The balances comprise notes and accounts payable, other payables, other financial liabilities, payables for agency transactions (classified under other current liabilities), guarantee deposits received, etc.

(4) Financial risk management objectives and policies

The Group's financial management department provides services to all business units, and monitors and manages the financial risks relating to the Group's operations based on the internal risk report analyzing the scale and scope of its exposure to risks. These risks include market risk, credit risk and liquidity risk.

The financial management department regularly reports to the Group's management.

1. Market risk

The primary market risks arising from the Group's operating activities are as follows:

(1) Foreign currency risk

There was no material impacts of exchange rate fluctuations on the Group's monetary assets and monetary liabilities denominated in non-functional currencies at the end of the reporting period.

(2) Interest rate risk

The carrying amounts of the Group's financial assets exposed to cash flow interest rate risk were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets exposed to cash flow interest rate risk			
Financial assets	\$10,947,587	\$10,446,694	\$9,842,518

In addition, the Group assessed and determined that its exposure to fair value risk on time deposits and lease liabilities at fixed interest rates held was immaterial.

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rate risk on non-derivatives at the end of the reporting period. For assets at floating interest rates, the analysis was made assuming the amounts of assets outstanding at the end of the reporting period had been outstanding for the entire reporting period.

If interest rates had increased/decreased by 1% with all other variables held constant, the Group's pre-tax profit for the three-month periods ended March 31, 2024 and 2023 would have increased/decreased by NTD 27,369 thousand and NTD 24,606 thousand, respectively.

(3) Other price risk

The Group was exposed to equity price risk arising from its investments in equity securities.

Sensitivity analysis

The sensitivity analysis was made based on the exposure to equity price risk at the end of the reporting period.

If equity prices had increased/decreased by 1%, the Group's pre-tax profit for the three-month periods ended March 31, 2024 and 2023 would have increased/decreased by NTD 38 thousand and NTD 148 thousand, respectively, as a result of changes in fair values of financial assets at fair value through profit or loss.

If equity prices had increased/decreased by 1%, the Group's pre-tax other comprehensive income for the three-month periods ended March 31, 2024 and 2023 would have increased/decreased by NTD 34,815 thousand and NTD 5,524 thousand, respectively, as a result of changes in fair values of financial assets at fair value through other comprehensive income.

2. Credit risk

Credit risk refers to the risk of financial loss on the Group resulting from a counterparty's default on its contractual obligations. At the end of the reporting period, the Group's largest value at risk for credit risk was equal to the carrying amount of financial assets stated on its consolidated balance sheet.

Please refer to Note 7 for the credit risk management policy adopted by the Group.

The Group's exposure to credit risk was mainly concentrated in the accounts receivable, other receivables and receivables for agency transactions (classified under other current assets) from the following groups:

	March 31, 2024	December 31, 2023	March 31, 2023
Group A	\$ 449,368	\$ 372,443	\$ 320,705
Group B	259,276	241,909	235,154
Group C	180,134	154,148	137,825
Group D	172,179	144,886	108,000
	<u>\$ 1,060,957</u>	<u>\$ 913,386</u>	<u>\$ 801,684</u>

As of March 31, 2024, December 31 and March 31, 2023, the sums of accounts receivable, other receivables and receivables for agency transactions (classified under other current assets) from the aforementioned groups accounted for 29%, 33% and 36%, respectively.

### 3. Liquidity risk

The Group supports its operations and mitigates the effect of cash flow fluctuations by managing and maintaining sufficient cash and cash equivalents.

#### Liquidity risk on non-derivative financial liabilities

The maturity analysis for non-derivative financial liabilities was prepared using the undiscounted cash flows of financial liabilities from the earliest date on which the Group may be required to repay.

	Within 4 months	At least 5 months	1 year or longer	Total
<u>March 31, 2024</u>				
Non-interest bearing liabilities	\$ 10,306,215	\$ 143,181	\$ 101,443	\$ 10,550,839
Lease liabilities	<u>11,198</u>	<u>16,300</u>	<u>12,407</u>	<u>39,905</u>
	<u>\$ 10,317,413</u>	<u>\$ 159,481</u>	<u>\$ 113,850</u>	<u>\$ 10,590,744</u>
<u>December 31, 2023</u>				
Non-interest bearing liabilities	\$ 8,033,999	\$ 98,774	\$ 98,269	\$ 8,231,042
Lease liabilities	<u>12,067</u>	<u>17,739</u>	<u>17,704</u>	<u>47,510</u>
	<u>\$ 8,046,066</u>	<u>\$ 116,513</u>	<u>\$ 115,973</u>	<u>\$ 8,278,552</u>
<u>March 31, 2023</u>				
Non-interest bearing liabilities	\$ 7,616,399	\$ 132,286	\$ 93,834	\$ 7,842,519
Lease liabilities	<u>11,991</u>	<u>19,302</u>	<u>35,729</u>	<u>67,022</u>
	<u>\$ 7,628,390</u>	<u>\$ 151,588</u>	<u>\$ 129,563</u>	<u>\$ 7,909,541</u>

### 28. Related Party Transactions

The transactions between the Groups and its related parties are as follows:

#### (1) Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Taiwan Taomee Co., Ltd.	Associate
Fun Yours Technology Co., Ltd.	Other related party (the investee in which the Corporation acts as a juristic-person director)
Asure Corporation	Other related party (the responsible person is a second-degree relative of the Corporation's chairman)
Miche Restaurant Co., Ltd.	Other related party (the responsible person is a second-degree relative of the Corporation's chairman)
Soft-World Arts and Culture Foundation	Other related party (the responsible person is the chairman of the Corporation)
Gamebase Digital Media Corporation	Other related party (became a related party on January 1, 2024)

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(Continued)

Related Party Name	Related Party Category
Green Bless Co., Ltd.	Other related party (became a related party on January 1, 2024)
Loftstar Interactive Entertainment Inc.	Other related party (became a related party on January 1, 2024)
KO, HSIU-YEN	Other related party (the spouse of the Corporation's chairman)
WANG, LI-CHUAN	Other related party (a second-degree relative of the Corporation's chairman)
WANG, CHUN-HSIUNG	Other related party (a second-degree relative of the Corporation's chairman)

(2) Operating revenue

Line item	Related Party Category	January 1 to March 31, 2024	January 1 to March 31, 2023
Sale of goods	Other related parties	\$ 18,870	\$ 18,983
Rendering of services	Associate	\$ 2,180	\$ 2,696
	Other related parties	597	111
		<u>\$ 2,777</u>	<u>\$ 2,807</u>

The selling prices of the goods sold to the related parties were not significantly different from those to general customers. The income from rendering services refers to the income from MyCard service, which was agreed on a case-by-case basis with the payments term of 30 days end of month with 2-month promissory notes. The remaining payment terms were similar to those for other customers.

(3) Purchase

Related Party Category	January 1 to March 31, 2024	January 1 to March 31, 2023
Other related parties	<u>\$ 1,899</u>	<u>\$ 2,888</u>

The Group purchased goods from the said related parties. Since the Group did not purchase similar products from non-related parties, it is not comparable. The payment terms were similar to those for other suppliers.



(4) Receivables from related parties

Financial Statement Account	Related Party Category	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable	Associate	\$ 2,257	\$ 1,952	\$ 1,570
	Other related parties	978	255	91
		<u>\$ 3,235</u>	<u>\$ 2,207</u>	<u>\$ 1,661</u>
Other receivables	Other related parties	\$ 22,958	\$ 28,941	\$ 13,912

Other receivables were mainly from the sales of the exclusive MyCard issued by the Corporation through these related parties.

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

(5) Payables to related parties

Financial Statement Account	Related Party Category	March 31, 2024	December 31, 2023	March 31, 2023
Notes payable	Other related parties	\$ 977	\$ 780	\$ 977
Accounts payable	Other related parties	\$ 259	\$ 387	\$ 501
Other payables	Associate	\$ 14,497	\$ 12,541	\$ 10,159
	Other related parties	52,520	5	20
		<u>\$ 67,017</u>	<u>\$ 12,546</u>	<u>\$ 10,179</u>

Other payables were mainly the receipts from My Card platform and points sales provided by the Group that should be paid to the game operators.

The payables to related parties outstanding were unsecured.

(6) Others

The expenses such as commission, rent, donation and miscellaneous expenses the Group paid to its related parties were recognized under operating expenses according to their nature.

Related Party Category	January 1 to March 31, 2024	January 1 to March 31, 2023
Other related parties	<u>\$ 25,208</u>	<u>\$ 57,260</u>

(7) Remuneration to key management personnel

The total amounts of remuneration paid to directors and other key members of the management were as follows:

	January 1 to March 31, 2024	January 1 to March 31, 2023
Short-term employee benefits	\$ 21,028	\$ 20,279
Post-employment benefits	157	167
	<u>\$ 21,185</u>	<u>\$ 20,446</u>

29. Pledged Assets

Except as stated in other notes, the following assets of the Group were provided as collateral for the performance bond of various service agreements.

Item	March 31, 2024	December 31, 2023	March 31, 2023
Other financial assets – current			
Pledged demand deposits	\$ 16,609	\$ 3,469	\$ 48,555
Pledged time deposits	<u>51,000</u>	<u>51,000</u>	<u>51,000</u>
	<u>67,609</u>	<u>54,469</u>	<u>99,555</u>
Other financial assets – non-current			
Pledged time deposits	<u>24,000</u>	<u>15,000</u>	<u>-</u>
Property, plant, and equipment			
Land	109,463	109,463	109,463
Buildings	<u>71,846</u>	<u>72,413</u>	<u>74,114</u>
	<u>181,309</u>	<u>181,876</u>	<u>183,577</u>
Investment property			
Buildings	<u>2,731</u>	<u>2,755</u>	<u>2,827</u>
	<u>\$ 275,649</u>	<u>\$ 254,100</u>	<u>\$ 285,959</u>

30. Material Contingent Liabilities and Unrecognized Contractual Commitments

- (1) As of March 31, 2024, December 31 and March 31, 2023, the bank facilities offered as the performance bond for MyCard service were all NTD 800,000 thousand.
- (2) In February 2024, the Corporation received a commercial case complaint from the Commercial Court, in which 16 plaintiffs, including Wanin International Co., Ltd. filed a claim against the Corporation and six of its directors for joint damages in an amount of NTD 112,750 thousand, plus interest. As of the publication date of these consolidated financial statements, the commercial case is still under adjudication. According to the appointed attorney, the case should be dismissed by the Commercial Court without prejudice to the Corporation.

31. Additional disclosures

(1) Significant Transactions

1. Lending funds to others: None.
2. Providing endorsements or guarantees for others: None.
3. Holding of securities at the end of the period (excluding the portion held due to investment in a subsidiary and an associate): Table 1.
4. Aggregate purchases or sales of the same securities reaching NTD 300 million or 20 percent of paid-in capital or more: Table 2.
5. Acquisition of real estate reaching NTD 300 million or 20 percent of paid-in capital or more: None.
6. Disposal of real estate reaching NTD 300 million or 20 percent of paid-in capital or more: None.
7. Purchases or sales of goods from or to related parties reaching NTD 100 million or 20 percent of paid-in capital or more: None.
8. Accounts receivable from related parties reaching NTD 100 million or 20 percent of paid-in capital or more: None.
9. Trading in derivative instruments: None.
10. Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them: Table 3.

(2) Information on Investees: Table 4.

(3) Information on Investments in the Mainland China

1. Information on the investees in the Mainland Area, including the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, profit or loss for the period and recognized investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the Mainland Area: Table 5.
2. Any of the following significant transactions with investee companies in the Mainland Area, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:

- (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None.
  - (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None.
  - (3) The amount of property transactions and the amount of the resultant gains or losses: None.
  - (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.
  - (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None.
  - (6) Other transactions that have a material effect on the profit or loss for the period or on the financial position: None.
- (4) Information of Major Shareholders: The names, numbers of shares held, and shareholding percentages of shareholders who hold 5 percent or more of the Corporation's equity: Table 6.

32. Segment information

The information reported to the chief operating decision maker for the purposes of making decisions about allocating resources to the segment and assessing its performance focuses on the types of goods or services provided by each entity, in addition to the consideration of segment managers. The Group's reportable segments are as follows:

- Soft-World International Corporation (the "Corporation") and Soft-World (Hong Kong) – Production and agency of digital content and point service platform, games and commercial software, publication of magazines, etc.
- Chinese Gamer and its subsidiaries (Chinese Gamer) – Software development and online game service.
- Gameflier (Gameflier), Game First and their subsidiaries – Agency of games and online game services.
- Neweb Technologies and its subsidiaries (Neweb Technologies) – Information software, data processing and third-party payment services.
- Efun and its subsidiaries (Efun) – Advertisement design, packaging, ad placement and ad data analysis services.
- Others: Each entity included in the consolidated financial statements is an operating segment, and please refer to Note 12 for the description. Since they did not exceed the quantitative thresholds, they were not reported separately.

## Segment revenues and operating results

The following is an analysis of the Group's revenues and operating results by reportable segment:

January 1 to March 31, 2024	Soft-World and Soft-World (Hong Kong)	Chinese Gamer	Gamefl and Game First	Neweb Technologies	Efun	Others	Adjustments and eliminations	Total
Revenue from external customers	\$ 788,627	\$ 110,374	\$ 147,982	\$ 345,955	\$ 242,806	\$ 88,888	\$ -	\$1,724,632
Revenue from parent company and subsidiaries	28,350	739	1,110	6,308	5,733	66,789	( 109,029)	-
Total revenue	<u>\$ 816,977</u>	<u>\$ 111,113</u>	<u>\$ 149,092</u>	<u>\$ 352,263</u>	<u>\$ 248,539</u>	<u>\$ 155,677</u>	<u>(\$ 109,029)</u>	<u>\$1,724,632</u>
Segment (loss) profit	<u>\$ 245,949</u>	<u>\$ 5,754</u>	<u>\$ 34,545</u>	<u>\$ 2,084</u>	<u>\$ 12,418</u>	<u>\$ 94,110</u>	<u>(\$ 51,797)</u>	\$ 343,063
Interest income								28,931
Other income								7,818
Other gains and losses								9,158
Finance costs								( 267)
Share of the profit or loss of associates accounted for using the equity method								436
Net profit before taxation								<u>\$ 389,139</u>
March 31, 2024								
Segment assets	<u>\$13,803,374</u>	<u>\$ 951,219</u>	<u>\$1,439,512</u>	<u>\$3,945,748</u>	<u>\$ 618,663</u>	<u>\$ 920,411</u>	<u>(\$ 261,416)</u>	<u>\$21,417,511</u>
January 1 to March 31, 2023	Soft-World and Soft-World (Hong Kong)	Chinese Gamer	Gamefl and Game First	Neweb Technologies	Efun	Others	Adjustments and eliminations	Total
Revenue from external customers	\$ 873,770	\$ 86,978	\$ 84,918	\$ 301,772	\$ 238,558	\$ 73,577	\$ -	\$1,659,573
Revenue from parent company and subsidiaries	14,080	3,930	3,543	4,970	3,907	16,184	( 46,614)	-
Total revenue	<u>\$ 887,850</u>	<u>\$ 90,908</u>	<u>\$ 88,461</u>	<u>\$ 306,742</u>	<u>\$ 242,465</u>	<u>\$ 89,761</u>	<u>(\$ 46,614)</u>	<u>\$1,659,573</u>
Segment (loss) profit	<u>\$ 266,061</u>	<u>(\$ 11,087)</u>	<u>\$ 5,872</u>	<u>\$ 5,834</u>	<u>\$ 11,529</u>	<u>\$ 11,825</u>	<u>\$ 3,886</u>	\$ 293,920
Interest income								25,214
Other income								7,102
Other gains and losses								8,110
Finance costs								( 413)
Share of the profit or loss of associates accounted for using the equity method								162
Net profit before taxation								<u>\$ 334,095</u>
March 31, 2023								
Segment assets	<u>\$9,151,604</u>	<u>\$ 941,407</u>	<u>\$1,287,902</u>	<u>\$3,173,522</u>	<u>\$ 547,315</u>	<u>\$ 923,549</u>	<u>(\$ 28,185)</u>	<u>\$15,997,114</u>

Segment profit or loss refers to the profit (loss) earned by each segment excluding non-operating income and loss. This measure was provided to the chief operating decision maker for the purposes of making decisions about allocating resources to the segment and assessing its performance.

**TABLE 1****SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES****STATEMENT OF MARKETABLE SECURITIES HELD****MARCH 31, 2024****(In Thousands of New Taiwan Dollars)**

Held Company Name	Type and Name of Marketable Securities	Relationship with the Issuer	Financial Statement Account	March 31, 2024				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value	
The Corporation	Stock							
	Userjoy Technology Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income – non-current	562,482	\$ 46,461	1	\$ 46,461	
	Softstar Entertainment Inc.	-	Financial assets measured at fair value through other comprehensive income – non-current	539,021	37,678	1	37,678	
	China Communications Media Group Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income – non-current	103,949	-	1	-	
	Fun Yours Technology Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income – non-current	2,587,387	136,614	12	136,614	
	Kuobrothers Corp.	-	Financial assets measured at fair value through other comprehensive income – non-current	625,207	11,504	2	11,504	
	Gameone.com Inc.	-	Financial assets measured at fair value through other comprehensive income – non-current	180,000	611	1	611	
	Gloria Material Technology Corp.	-	Financial assets measured at fair value through other comprehensive income – non-current	62,920,000	3,101,956	10	3,101,956	
	Archosaur Games Inc.	-	Financial assets measured at fair value through profit or loss – non-current	668,000	<u>3,769</u>	-	<u>3,769</u>	
					<u>\$3,338,593</u>		<u>\$3,338,593</u>	
Intelligent Dragon Venture Capital Corporation (Intelligent Dragon)	Stock							
	9Splay Entertainment Technology Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income – non-current	608,983	\$ -	3	\$ -	
	Soft-World International Corporation	The ultimate parent company	Financial assets measured at fair value through other comprehensive income – non-current	9,998,000	<u>907,553</u>	6	<u>907,553</u>	Note
					<u>\$ 907,553</u>		<u>\$ 907,553</u>	
Neweb Technologies Co., Ltd.	Stock							
	Green World Hotels Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income – non-current	51,725	\$ 2,597	-	\$ 2,597	
	Taiwan Easy Go	-	Financial assets measured at fair value through other comprehensive income – non-current	3,140,671	15,925	20	15,925	
	POMO Network INC.	-	Financial assets measured at fair value through other comprehensive income – non-current	175,000	<u>9,975</u>	4	<u>9,975</u>	
					<u>\$ 28,497</u>		<u>\$ 28,497</u>	
Global Concept Corporation	Stock							
	Ever Master Holdings Limited	-	Financial assets measured at fair value through other comprehensive income – non-current	25,000,000	<u>\$ 118,156</u>	33	<u>\$ 118,156</u>	

Note: The Corporation's shares held by the subsidiaries were treated as treasury shares, and for related information, please refer to Note 21.

**TABLE 2**

**SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES**

**AGGREGATE PURCHASES OR SALES OF THE SAME SECURITIES REACHING NTD 300 MILLION OR 20 PERCENT OF PAID-IN CAPITAL OR MORE  
FOR THE THREE MONTHS ENDED MARCH 31, 2024  
(In Thousands of New Taiwan Dollars)**

Company	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Relation	Beginning balance		Acquisition		Disposal				Ending balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain/loss on Disposal	Shares	Amount (Note)
The Corporation	Stock Gloria Material Technology Corp.	Financial assets measured at fair value through other comprehensive income – non-current	-	-	-	\$ -	62,920,000	\$ 2,994,992	-	\$ -	\$ -	\$ -	62,920,000	\$ 3,101,956

Note: Including unrealized gains or losses on financial assets at fair value through other comprehensive income.

**TABLE 3**

**SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE THREE MONTHS ENDED MARCH 31, 2024  
(In Thousands of New Taiwan Dollars)**

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial statement account	Amount	Payment Terms	% of Total Operating Revenues (Assets) (%)
0	The Corporation	Chinese Gamer International Corporation	From parent company to subsidiary	Operating revenue	\$ 5,393	No significant difference from general transactions	-
0	The Corporation	Chinese Gamer International Corporation	From parent company to subsidiary	Accounts receivable	5,578	No significant difference from general transactions	-
0	The Corporation	Gameflier International Corporation	From parent company to subsidiary	Operating revenue	22,772	No significant difference from general transactions	1.00
0	The Corporation	Gameflier International Corporation	From parent company to subsidiary	Accounts receivable	23,929	No significant difference from general transactions	-
0	The Corporation	Gameflier International Corporation	From parent company to subsidiary	Other receivables	1,269	No significant difference from general transactions	-
0	The Corporation	Soft-World (Hong Kong) International Corporation	From parent company to subsidiary	Other receivables	54,910	No significant difference from general transactions	-
1	Chinese Gamer International Corporation	The Corporation	From subsidiary to parent company	Accounts receivable	30,632	No significant difference from general transactions	-
2	Gameflier International Corporation	The Corporation	From subsidiary to parent company	Accounts receivable	148,967	No significant difference from general transactions	1.00
3	Zealot Digital International Corporation	The Corporation	From subsidiary to parent company	Operating revenue	5,065	No significant difference from general transactions	-
3	Zealot Digital International Corporation	The Corporation	From subsidiary to parent company	Contract assets	19,048	No significant difference from general transactions	-
3	Zealot Digital International Corporation	The Corporation	From subsidiary to parent company	Accounts receivable	14,630	No significant difference from general transactions	-
4	Fast Distributed Cloud Computing(Taiwan) Co., Ltd.	Neweb Technologies Co., Ltd.	Between subsidiaries	Operating revenue	1,213	No significant difference from general transactions	-
4	Fast Distributed Cloud Computing(Taiwan) Co., Ltd.	Neweb Technologies Co., Ltd.	Between subsidiaries	Accounts receivable	6,467	No significant difference from general transactions	-
5	Efun International Corporation	Gameflier International Corporation	Between subsidiaries	Operating revenue	2,096	No significant difference from general transactions	-
5	Efun International Corporation	Gameflier International Corporation	Between subsidiaries	Accounts receivable	1,458	No significant difference from general transactions	-
5	Efun International Corporation	Game First International Corporation	Between subsidiaries	Accounts receivable	13,785	No significant difference from general transactions	-
6	Neweb Technologies Co., Ltd.	The Corporation	From subsidiary to parent company	Operating revenue	4,478	No significant difference from general transactions	-
6	Neweb Technologies Co., Ltd.	We Can Financial Technology Co., Ltd.	Between subsidiaries	Operating revenue	1,572	No significant difference from general transactions	-
6	Neweb Technologies Co., Ltd.	We Can Financial Technology Co., Ltd.	Between subsidiaries	Accounts receivable	1,073	No significant difference from general transactions	-
7	Re:Ad Media (Taiwan) Corporation	Gameflier International Corporation	Between subsidiaries	Operating revenue	2,623	No significant difference from general transactions	-
7	Re:Ad Media (Taiwan) Corporation	Gameflier International Corporation	Between subsidiaries	Accounts receivable	1,631	No significant difference from general transactions	-
7	Re:Ad Media (Taiwan) Corporation	Game First International Corporation	Between subsidiaries	Accounts receivable	11,966	No significant difference from general transactions	-
8	We Can Financial Technology Co., Ltd.	ezPay Co., Ltd.	Between subsidiaries	Operating revenue	2,334	No significant difference from general transactions	-
8	We Can Financial Technology Co., Ltd.	ezPay Co., Ltd.	Between subsidiaries	Accounts receivable	1,594	No significant difference from general transactions	-
9	Intelligent Dragon Venture Capital Corporation (Intelligent Dragon)	The Corporation	From subsidiary to parent company	Other receivables	56,227	No significant difference from general transactions	-



**TABLE 4**

**SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES**

**INFORMATION ON INVESTEEES  
FOR THE THREE MONTHS ENDED MARCH 31, 2024  
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original investment amount		Shareholding at the end of the period			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2024	January 1, 2024	Shares	%	Carrying amount			
The Corporation	Chinese Gamer International Corporation	Taiwan	Internet authentication service, data storage media and processing units manufacturing, data processing services, digital information supply services, general advertising services.	\$ 371,319	\$ 371,319	\$ 41,880,205	48	\$ 500,764	\$ 43,388	\$ 5,802	Subsidiary (Note 3)
The Corporation	Soft-World Technology Pte. Ltd.	Singapore	Manufacturing, processing, trading, agency, and design of various computer equipment, computer software, and peripherals.	8,959	8,959	390,000	100	15,466	578	578	Subsidiary (Note 3)
The Corporation	Gameflier International Corporation	Taiwan	Electronic Information Supply Services, etc.	218,017	218,017	28,332,800	98	856,568	24,913	24,544	Subsidiary (Note 3)
The Corporation	Global Concept Corporation	Samoa	Investing Company	295,068	295,068	9,631,253	100	440,559	3,749	3,749	Subsidiary (Note 3)
The Corporation	Game First International Corporation	Taiwan	Online gaming service	27,813	27,813	16,684,063	70	236,542	2,523	1,766	Subsidiary (Note 3)
The Corporation	Zealot Digital International Corporation	Taiwan	Electronic Information Supply Services, etc.	50,874	50,874	4,946,757	99	89,150	( 32 )	( 32 )	Subsidiary (Note 3)
The Corporation	Soft-World (Hong Kong) International Corporation	Hong Kong	Sale of game software	88,858	88,858	3,883,558	100	524,512	20,327	20,327	Subsidiary (Note 3)
The Corporation	Dynasty International Information Co., Ltd.	Taiwan	Design, development, and trading of computer software.	14,667	14,667	2,190,915	86	31,381	493	424	Subsidiary (Note 3)
The Corporation	Intelligent Dragon Venture Capital Corporation (Intelligent Dragon)	Taiwan	Investing Company	100,000	100,000	11,524,445	13	14,687	89,729	( 33 )	Subsidiary (Note 3)
The Corporation	Fast Distributed Cloud Computing(Taiwan) Co., Ltd.	Taiwan	Retail sale, wholesale and service of information software, etc.	13,812	13,812	3,019,709	90	122,318	5,111	4,600	Subsidiary (Note 3)
The Corporation	Neweb Technologies Co., Ltd.	Taiwan	Retail sale of computer software, computers and digital information supply services	510,567	510,567	38,104,043	50	521,813	4,576	2,308	Subsidiary (Note 3)
The Corporation	Efun International Corporation	Taiwan	Information software and data processing services and general advertising	91,364	91,364	16,016,347	80	303,398	11,108	8,890	Subsidiary (Note 3)
The Corporation	Lung Hsiang Investment Co., Ltd.	Taiwan	Investing Company	250,000	250,000	25,000,000	44	39,732	66,265	( 102 )	Subsidiary (Note 3)
The Corporation	Celad International Corp.	Taiwan	Internet authentication service, data storage media and processing units manufacturing, data processing services, digital information supply services, general advertising services.	17,500	17,500	477,273	32	84	40	13	Subsidiary (Note 3)
The Corporation	We Can Financial Technology Co., Ltd.	Taiwan	Financial system and equipment development business	27,824	27,824	5,106,000	51	5,725	381	194	Subsidiary (Note 3)
The Corporation	Joy Children Technology Co., Ltd.	Taiwan	Retail sale and wholesale of culture, education, musical instruments and educational entertainment supplies.	20,512	20,512	2,051,153	32	12,047	334	107	Note 1
Chinese Gamer International Corporation	Taichigamer (B.V.I.) Co., Ltd.	British Virgin Islands	Investing Company	96,942	96,942	3,041,698	100	255,794	1,428	1,428	Subsidiary (Note 3)
Chinese Gamer International Corporation	Walkfun International Corporation	Taiwan	Internet authentication service, data storage media and processing units manufacturing, data processing services, digital information supply services, general advertising services.	15,000	15,000	1,500,000	100	16,872	43	43	Subsidiary (Note 3)
Chinese Gamer International Corporation	Celad International Corp.	Taiwan	Internet authentication service, data storage media and processing units manufacturing, data processing services, digital information supply services, general advertising services.	27,620	27,620	1,022,727	68	181	40	27	Subsidiary (Note 3)
Chinese Gamer International Corporation	Super Game Corporation	Taiwan	Internet authentication service, data storage media and processing units manufacturing, data processing services, digital information supply services, general advertising services.	5,771	5,771	880,000	88	1,618	( 14 )	( 12 )	Subsidiary (Note 3)
Chinese Gamer International Corporation	Intelligent Dragon Venture Capital Corporation (Intelligent Dragon)	Taiwan	Investing Company	100,000	100,000	11,524,445	13	202,569	89,729	11,710	Subsidiary (Note 3)
Chinese Gamer International Corporation	Star Diamond Universal Corporation	British Virgin Islands	Investment	109,300	109,300	70,000	100	42,119	( 3,441 )	( 3,441 )	Subsidiary (Note 3)
Chinese Gamer International Corporation	Funbear International Corp.	Taiwan	Internet authentication service, data storage media and processing units manufacturing, data processing services, digital information supply services, general advertising services.	16,552	16,552	1,600,000	100	16,698	38	38	Subsidiary (Note 3)
Chinese Gamer International Corporation	GameTopia Co. Ltd.	Taiwan	Internet authentication service, data storage media and processing units manufacturing, data processing services, digital information supply services, general advertising services.	30,994	30,994	3,784,063	65	44,328	1,707	1,113	Subsidiary (Note 3)

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original investment amount		Shareholding at the end of the period			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2024	January 1, 2024	Shares	%	Carrying amount			
Chinese Gamer International Corporation	Oriental Dragon Digital Co., Ltd.	Taiwan	Internet authentication service, data storage media and processing units manufacturing, data processing services, digital information supply services, general advertising services.	\$ 19,369	\$ 19,369	1,520,000	100	\$ 18,001	\$ 1,186	\$ 1,186	Subsidiary (Note 3)
Chinese Gamer International Corporation	Lung Hsiang Investment Co., Ltd.	Taiwan	Investing Company	168,000	168,000	16,800,000	30	341,420	66,265	19,601	Subsidiary (Note 3)
Taichigamer (B.V.I.) Co., Ltd.	Transasiagamer (B.V.I.) Co., Ltd.	British Virgin Islands	Investing Company	94,264	94,264	2,976,934	100	249,461	1,631	1,631	Subsidiary (Note 3)
Transasiagamer Co., Ltd.	Yulon Online (Beijing) Technologies Co., Ltd.	Beijing, China	Development and production of computer software and accessories; installation and repair of self-developed products and computer hardware; technology consulting and training; sale of self-developed products	69,569	69,569	-	100	224,783	1,835	1,835	Subsidiary (Note 3)
Star Diamond Universal Corporation	Dragon Gamer (HongKong) Co., Ltd.	Hong Kong	Online gaming service	109,300	109,300	350,000	100	42,118	( 3,441 )	( 3,441 )	Subsidiary (Note 3)
GameTopia Co. Ltd.	Gametopia (HK) Co. Limited	Hong Kong	Information software service	987	987	3,300	100	61,596	571	571	Subsidiary (Note 3)
Global Concept Corporation	Value Central Corporation	Samoa	Investing Company	45,452	45,452	1,450,000	100	20,097	183	183	Subsidiary (Note 3)
Global Concept Corporation	Gamers Grande Corporation	Malaysia	Investment	179,788	179,788	6,453,621	100	227,547	1,055	1,055	Subsidiary (Note 3)
Global Concept Corporation	Playgame Sdn. Bhd.	Malaysia	Investing Company	56,074	56,074	30,250	30	26,348	1,057	329	Note 1
Value Central Corporation	Picked United Development Limited	Hong Kong	Acquisition and licensing of game software	20,255	20,255	4,700,000	100	16,217	54	25	Subsidiary (Note 3)
Game First International Corporation	Compete ! Games Interactive Entertainment Corporation	Taiwan	Distribution and operation of s-sports games.	21,342	21,342	2,941,520	100	8,419	( 8 )	( 8 )	Subsidiary (Note 3)
Intelligent Dragon Venture Capital Corporation (Intelligent Dragon)	Sky Touch Co., Ltd.	Taiwan	Computer and Peripheral Equipment Manufacturing	20,002	20,002	673,915	31	1,647	-	-	Note 1
Neweb Technologies Co., Ltd.	ezPay Co., Ltd.	Taiwan	Third-party payment service	1,066,748	1,066,748	51,400,000	100	421,723	( 10,806 )	( 10,682 )	Subsidiary (Note 3)
Neweb Technologies Co., Ltd.	CS Technology Co. Ltd.	Taiwan	Information software	5,000	5,000	525,300	100	4,923	( 648 )	( 648 )	Subsidiary (Note 3)
Efun International Corporation	Re:Ad Media (Taiwan) Corporation	Taiwan	General Advertising Service	26,000	26,000	5,886,000	100	77,210	4,193	4,193	Subsidiary (Note 3)
Lung Hsiang Investment Co., Ltd.	Intelligent Dragon Venture Capital Corporation (Intelligent Dragon)	Taiwan	Investing Company	566,000	566,000	65,228,357	74	753,852	89,759	66,310	Subsidiary (Note 3)

Note 1: Investments accounted for using the equity method.

Note 2: For the information on investees in Mainland China, please refer to Table 4.

Note 3: Eliminated upon the consolidation of financial statements.

**TABLE 5****SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES****INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MARCH 31, 2024  
(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 at the Beginning of the Period	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan at the End of the Period	Net Income of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Note 1)	Carrying Amount at the End of the Period	Accumulated Repatriation of Investment Income at the End of the Period	Note
					Outward	Inward							
Gameflier International (Beijing) Corporation	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 was registered in a third region.	\$186,300	\$ -	\$ -	\$186,300	\$ 1,090	100	\$ 1,090	\$ 222,382	\$ -	Note 2

Investee Company	Accumulated Outward Remittance for Investments in Mainland China at the End of the Period	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 (US\$10,936 thousand)	\$ 5,392,981

Note 1: Gains or losses on investment were recognized using the financial statements unreviewed by CPAs.

Note 2: Gameflier International (Beijing) Corporation distributed the earnings amounting to RMB 10,719 thousand back to Gamers Grande Corporation in August 2010 and December 2022, and as of the end of March 2024, there was no repatriation of income to Taiwan.

Note 3: The difference of NTD 145,898 thousand between the accumulated outward remittance from Taiwan and the amount authorized by the Investment Commission mainly comprises investments without significant influence amounting to NTD 56,965 thousand and investments already sold whose authorization remains uncanceled, amounting to NTD 88,933 thousand.

**TABLE 6****SOFT-WORLD INTERNATIONAL CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS  
MARCH 31, 2024**

Name of Principle shareholder	Shares	
	Number of Shares Owned	Percentage of Ownership (%)
Gloria Material Technology Corp.	28,600,000	18.32
WANG, CHIN-PO	21,594,350	13.83
Wanin International Co., Ltd.	15,273,000	9.78
Xingtian Technologies Corporation Investment Account in Custody of KGI Commercial Bank Co., Ltd.	11,456,000	7.34
Intelligent Dragon Venture Capital Corporation	9,998,000	6.41

Note 1: The major shareholders in this table are shareholders holding 5% or more of the Corporation's common shares (including treasury shares) that are registered as book-entry securities, calculated by the Taiwan Depository & Clearing Corporation on the last business day of each quarter.

Note 2: Where a shareholder entrusts his or her shares held, the account administrated by the trustee under the settlor's name is separately disclosed. For insider shareholding filings required by the Securities and Exchange Act by shareholders holding more than ten percent of the total shares of the Corporation, his/her/its shareholding includes the shareholding under his/her/its name and the shareholding entrusted for which he/she/it has power to decide how to allocate the trust assets. The information on insider shareholding filings is available on the Market Observation Post System.