



Wayi International Digital Entertainment Co., Ltd.

2022 ANNUAL REPORT

Annual Report Information.

<http://mops.twse.com.tw>

<http://www.wayi.net>

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I. Spokesperson

Name: Li, Chun-Te

Title: CFO

Tel: (02) 5559-0070

E-mail: investment@wayi.com.tw

Deputy Spokesperson

Name: Yu, Hsuan-Di

Title: Senior Manager of Finance

Tel: (02) 5559-0070

E-mail: investment@ wayi.com.tw

II. Head Office, Branch and Plant

Head Office: 6F., No. 39, Ln. 141, Xing'ai Rd., Neihu Dist., Taipei City

Tel: (02) 5559-0070

Taichung Branch: 14F.-2, No. 238, Shizheng N. 2nd Rd., Xitun Dist., Taichung City.

Tel: (04) 2254-6078

III. Stock Transfer Agency

Name: Stock Affairs Agency Department, Taishin Securities Co. Ltd

Address: B1, No.96, Sec.1, Jianguo N. Rd., Taipei City

Tel: (02) 2504-8125

Website: [http : //www.tssco.com.tw/stocktransfer](http://www.tssco.com.tw/stocktransfer)

IV. Financial Report Certificated Public Accountants (CPAs) of Recent Year

Accountant Name: Chi, Rui-Quan and Chou, I-Lung

Accounting Firm: Deloitte & Touche

Address: 20F., No. 100, Songren Rd., Xinyi Dist., Taipei City

Tel: (02)2725-9988

Website: <http://www.deloitte.com.tw>

V. Overseas Securities Exchange: Not applicable

VI. Company Website: <http://www.wayi.net>

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Chapter 1 Letter to Shareholders

Dear Shareholders:

I. 2022 Business Report

(I) Operating Results for 2022

The Company's 2022 net consolidated operating revenue was NT\$147,266 thousand, which decreased by approximately 41% compared with the net consolidated operating revenue of NT\$248,364 thousand in the same period in 2021.

The consolidated net profit for the period was NT\$36,642 thousand, of which the owner of the Company profit NT\$36,642 thousand, and the non-controlling interest profit NT\$0 thousand. The total consolidated comprehensive profit for the period was NT\$36,642 thousand, of which the owner of the Company profit NT\$36,642 thousand, and the non-controlling interest profit NT\$0 thousand. The Earnings per share after tax is NT\$1.65.

(II) 2022 Budget implementation:

The Company did not issue financial forecasts for the year 2022, so there is no budget execution.

(III) Financial Income, Expenditure and Profitability

(II) Financial Income, Expenditure and Profitability				
Item		2021	2022	
Financial Income and Expenditure	Interest Income(NT\$ thousands)		283	1,650
	Interest Expenses(NT\$ thousands)		275	96
Profitability	Return on Assets (%)		26.63	9.95
	Return on Shareholders' Equity (%)		34.50	11.64
	Percentage in Paid-in Capital	Operating Profit (%)	49.53	9.15
		Pre-tax Net Profit (%)	47.98	16.53
	Net Margin (%)		37.42	24.88
	EPS (NT\$) - Retroactive adjustment		4.17	1.65

(IV) Research and Development

The Company will keep developing and updating subsequent game versions as per the release schedule, hoping to provide better game services and products for gamers to improve the competitiveness of the Company's game products.

II. Summary of the Business Plan for 2023

(I) Operating Strategies

1. Game Operations and Distributions

We expect to distribute more than two games, including Japanese and Korean games, among others. We will continue to seek new gaming agencies, engage in in-depth negotiations with gaming companies, and establish long-term cooperative relationships that include, but not limited to, agency operations, technical development, art design, and game planning.

2. Enhancing Operational Team Efficiency and Production Line Expansion

We will strengthen team operation capabilities, train new personnel, improve production quality, and implement control measures. Our goal is to simultaneously undertake internal demands, external subcontracting, and joint operation projects, enabling multiple concurrent operations and improving departmental efficiency.

3. Artwork design and development

The Company will keep working on artwork foundry business, including digital characters, environment scenes, interface design, and 3D models. The artwork design is provided by the Company's internal units to cut cost and reduce delays in development time by entrusting the work to outsourcing agencies. The Company will also improve the professional skills of the employees to speed up jobs and improve quality of final work to generate a higher profit margin.

4. ESG Sustainable Management

To ensure sustainable business operations and fulfill social responsibilities, every project will focus on environmental protection (Environment), social responsibility (Social), and corporate governance (Governance) during the planning of operations, marketing, and other aspects.

(II) Sales Volume Forecast and the Basis

1. New products of mobile phones and online games will continue to be launched, and subsequent versions updated.
2. Revenue related to artwork design and foundry services.

(III) Significant Sales and Production Policies

1. Production Strategy: Continue to promote and sell virtual game products to reduce process costs and physical inventory of the Company.
2. Sales Strategy: Increase online payment channels and enhance the virtual cash flow channel to reduce channel costs.

III. Future Company Development Strategy

Given the rapid development in mobile devices, the Company will proactively act as an agent for the sale of various mobile games to increase sales momentum, improve service quality, and promote game products.

IV. Impact of External Competitive Environment, Legal Environment and Overall Business Environment

In assessing the impact of the external competitive environment, legal environment, and overall business environment, although there's increasingly fierce competitive environment, the company, under the effective control of the management, is taking appropriate measures in rapidly changing digital content industry. In legal environment, the Company will continue to track, update, and comply with current and future changes in the legal system. In overall business environment, there is still room for growth in the whole domestic game market. With increasing popularity of the Internet, the life, consumption, learning, and entertainment habits of the online population are changing accordingly. There still exist considerable number of potential business opportunities and space for development in development and application of the digital content industry. With the combination of Internet, communication, entertainment, and modern game industry, digital entertainment services are worth investing and will become the future direction of business development.

In the future, all members in the Company will continue to focus on the operation and development of game products and improve operational performance, actively achieving the Company's operational objectives in the hope of giving back to shareholders with excellent business results. Thank you, shareholders for your continued support and encouragement.

Finally, give my best wishes to you all.

Chairman: Shih, Shu-Kai

Manager: Shih, Shu-Kai

Accounting Supervisor: Huang, Ya-Ling

Chapter 2 Company Profile

I. Date of Founding

August 12, 1993.

II. Company History

Time	Principal Activities
1993	In August, the Company established, with paid-in capital of NT\$10 million.
1994	(1) In August, the first computer game "Boxing Ring Girl" (revised from the Japanese PC-98 version) was released and won the sales champion of the month. The Taipei Computer Association awarded the product the "Best Foreign Sports Game" award in 1995. (2) In November, the game "POWER DoLLS" was released and won the sales championship of that month.
1995	(1) In January, the game "First Queen 4" was released and won the sales championship of that month. (2) In July, the Southern District Sales System was established in Kaohsiung to expand the sales network to the central and southern parts of Taiwan.
1996	In October, the Central District Sales System was established in Taichung, and the provincial distribution network has been completed.
1997	(1) In February, the R&D Department was established and cooperated with the comic industry Dong Li Publishing Co. to adapt its comic book Mr. Right into a computer game. (2) In May, the computer game "Love Story" was released and won the sales champion of the month. The Taipei Computer Association also awarded the product the "Best Foreign Simulation Game" in 1998.
1998	(1) In April, the game "Fantasy Restaurant" was released and captured the female market successfully. (2) In October, the game "Pure Love Letters" was released and cooperated with the recording industry to drive a wave of the product endorser in the gaming software industry.
1999	(1) In April, "Pure Love Handwriting" was authorized to be issued in Mainland China and received a warm market response. (2) In May, the first self-developed game "Mr. Right" won the sales champion of the month. (3) In June, "Fantasy Restaurant-2" won the sales champion of the month. (4) In June, "Mr. Right" was authorized to be issued in Mainland China and received a warm market response. (5) In July, the "Wayi Online Games" (www.waei.net) was established.
2000	(1) The first online game "Blowing in the Wind" was launched, making the Company a pioneer in domestic online game market. (2) "Stone Age" was launched and soon went viral and became the first online game attracted over ten thousands keen players. (3) In June, Wayi International changed its name to Wayi International Digital Entertainment Co., Ltd. and formally transformed into a professional online game company. (4) In July, the Company developed its own "WGS" charging system, which is the inception of the modern online game charging mechanism.

Time	Principal Activities
2001	<ul style="list-style-type: none"> (1) In January, Beijing Wayi United Software Development Ltd. was established and officially entered the market of Mainland China. (2) In February, Sichuan Wayi Software Co., Ltd. was established, working hard on self-developed products. (3) In September, the Company became the online game and company with the maximum number of members in Greater China. (4) In November, the Company successfully developed the server-side Map-Based Division technique to distribute data processing and boost the service number and quality.
2002	<ul style="list-style-type: none"> (1) In January, the Game Elite Digital Magazine Co. Ltd was established to open up the magazine and advertising market. (2) In March, 3D sound technology was applied to develop the game products, adding Creative EAX environmental sound processing, and using a new generation of compression technology to store music, and strive to reproduce the original sound as accurately as possible. (3) In May, the Company held the online game design competition with open source code to enhance the cultivation and development of talent in the industry. (4) In July, the Company entered the Singapore market and was the first company in the industry to enter the English-speaking countries. (5) In October, the Company utilized the "Stone Magic Card" to create a new online game profit model, the first to transform a virtual online game into a real paper game.
2003	<ul style="list-style-type: none"> (1) In January, the first domestic developed large-scale swordsman online game "Ely Sium Online" started online testing and was launched in September. It is the largest swordsman myth work developed by Wayi International in recent years. (2) In April, the Company acquired the agency rights of Korea's "A3" game in Taiwan and Hong Kong, which went public in the summer vacation. (3) In May, the Company officially launched the New Silk Road Project and started the introduction of the New CIS. Starting from the game and based on the Asian market, Wayi International is expected to become a global digital entertainment service provider gradually. (4) In June, "Wayi Electronic Distributor System" was launched to provide partners with the safest and most effective business and sales channels through the perfect vendor on-shelf mechanism and Wayi's WGS (Wayi Global Settlement) cash flow system. (5) August 12 was the tenth operation anniversary of the Wayi International Digital Entertainment Co., Ltd. (6) In September, Wayi's first elaborate game work "Ely Sium Online" officially joined the charging operation. (7) In October, "SA2" was awarded the Digital Content Prototype Design Awards by Industrial Development Bureau of the Ministry of Economic Affairs.
2004	<ul style="list-style-type: none"> (1) In February, the Taipei Computer Association Game Star Selection assessment committee awarded Wayi's self-developed game "Ely Sium Online" the special award. (2) On March 29, Wayi International Digital Entertainment Co., Ltd. was listed on the Taiwan Stock Exchange. (3) In July, "Ely Sium Online" officially entered the Japanese market.

Time	Principal Activities
	<p>(4) In September, three self-developed games, "San Guo Online," "UE Online" and "Ely Sium Online" appeared at the Tokyo Game Show; Wayi International Digital Entertainment relished the pride and glory in Tokyo.</p> <p>(5) In October, the Company formed an alliance with new force, InterServ International, to work together in development and sales.</p> <p>(6) Sichuan Wayi Software Co., Ltd, Mainland China, was selected by Sichuan Provincial Government as one of the top ten digital game companies in Sichuan in 2004.</p>
2005	<p>(1) In January, the Company established the Integrated Marketing Company and formed a strategic alliance for game marketing activities.</p> <p>(2) In February, Wayi's self-developed games "Wayi Casino" and "UE Online" won the Taipei Computer Association Game Star awards, "Best Casual Game" and "Annual Innovation Award."</p> <p>(3) In February, "Wayi Casino" successfully entered the casual game market and went online operation.</p> <p>(4) In April, "Stone Age" marked its 5th anniversary.</p> <p>(5) In April, the original soundtrack of Wayi's self-developed game "San Guo Online" got nominated at the 16th Golden Melody Awards, writing a new history page of online game fighting into the music industry.</p> <p>(6) Wayi International acquired the exclusive operation rights of "Yulgang Online" in Taiwan, Hong Kong, and Macao.</p> <p>(7) In May, Wayi International cooperated with the Sony Ericsson Innovation Center to launch the first online game of 3G mobile phone "Stone Age M."</p> <p>(8) In June, Wayi International acquired the agency rights of "Granado Espada" in Taiwan. Wayi International and Hanbitsoft jointly dropped a bombshell in MMORPG domain.</p> <p>(9) In June, "Yulgang Online" was warmly put online on the official website of Taiwan.</p> <p>(10) In December, Wayi International announced a strategic alliance with Kingsoft, Mainland China, to jointly build the game market in the Greater China region.</p>
2006	<p>(1) In February, Taiwan's official website of Wayi International Granado Espada was officially established.</p> <p>(2) In April, "Three Princes Online" was open for public testing.</p> <p>(3) In May, the most radical chapter of "A3" was released with a new edition. And "The Settlers: Rise of an Empire" came on the scene and launched.</p> <p>(4) In July, the Company acquired the agency rights of South Korea's highest market share online shooting game "SF online," dominating the market of the online battle games.</p> <p>(5) In October, "SF Online" was open for public testing.</p>
2007	<p>(1) In May, Wayi's self-developed leisure game "Taike Mahjong" was officially launched.</p> <p>(2) In August, "GE Online" was open for public testing.</p> <p>(3) In November, Wayi Villa Entertainment Company was established to diversify and expand the business of the amusement machine market.</p> <p>(4) In December, the Company acquired the agency rights of Mainland China's "Shushan Online," which was expected to be</p>

Time	Principal Activities
	<p>launched in the next year.</p> <p>(5) In December, "GE Online" was officially exempted from monthly fees, and the Taiwan version was officially named "Granado Espada R."</p>
2008	<p>(1) In January, Wayi's self-developed leisure game "Taike Card Game" was open for public testing.</p> <p>(2) In February, Wayi made its own "Computer Lock" for free.</p> <p>(3) In March, the Company announced the Taiwan version of "Shushan Online" was renamed "Feixian Online," and conducted closed beta testing.</p> <p>(4) In April, "Feixian Online" launched OB in Taiwan, and the web game "Might and Hero WEB" launched OB.</p> <p>(5) In May, Wayi launched its "Wayi WEB GAME" platform. In the same month, "San Guo WEB" became the top web page online game in Taiwan.</p> <p>(6) In June, the Company acted as the agent of "Aircraft Warfare Online" of Netdragon, Mainland China, which was then officially launched and went viral of universal warfare in the summer vacation.</p> <p>(7) In July, Wayi launched "The Decision of the Monarch WEB" on the WEB GAME platform. The "Wayi Spider Professional Esports Competition Team" was established, and the first year of Taiwan Esports Competition was officially started.</p> <p>(8) In August, the Wayi WEB GAME platform launched "Atlantic War Records WEB." Wayi celebrated its fifteenth anniversary, holding a grand event to invite nearly 300 players to celebrate together.</p> <p>(9) In September, the Wayi WEB GAME platform launched "Yanlong Knight's Expedition WEB." The launch of "Wayi Communication Lock" provides players with a variety of new anti-theft options.</p> <p>(10) In September, Wayi's self-developed masterwork "81 Keys" launched the first experience, leading player fantasy trend across Taiwan.</p> <p>(11) In September, the Wayi WEB GAME platform launched "Warm Blood San Guo WEB."</p> <p>(12) In December, "81 Keys" started closed beta testing and attracted a large number of players. The test went well, and the game was officially launched in the first quarter of 2009.</p>
2009	<p>(1) In January, Wayi's self-developed masterwork "81 Keys" was officially open for public testing.</p> <p>(2) In April, the first overseas authorization of "81 Keys" was announced, and the agency rights of Hong Kong and Macao was acquired by GameCyber.</p> <p>(3) In May, the Company launched the new leisure shooting game "Apiao Online."</p> <p>(4) In May, the Company co-hosted with TROPA Entertainment Technology the first Mahjong Contest "Easy Internet Mahjong" finals, with a total bonus of NT\$15 million.</p> <p>(5) In June, "81 Keys" won the Bahamut Game Award "Popular Domestic Online Game Gold Award."</p> <p>(6) In June, Wayi Entertainment Network conducted a new revision, which was launched with a new look.</p> <p>(7) In July, the Wayi WEB GAME platform launched a brand new game "No Two in the World WEB," and cooperated with Hong Kong GameCyber to introduce eight web games to Hong Kong and Macao.</p>

Time	Principal Activities
	<p>(8) In August, Wayi WEB GAME launched a new game “Black Shop WEB” and launched the “Mini Game” platform which targeting on flash games.</p> <p>(9) In August, "Three Princes" conducted comprehensive revision of "Heaven and Earth."</p> <p>(10) In October, the Company acquired the agency rights of the Korean Joymax game "Bumpy Crash Online," which was launched the following year.</p> <p>(11) In November, the Wayi WEB GAME platform launched a brand-new game "Wen Ding Feng Shen WEB."</p> <p>(12) In November, Taiwan hosted the first Live broadcast of the large international event "World Cup of SFonline 2009" and won the second consecutive championship by Wayi Spider. At the same time, it also won the annual championship of Taiwan Esports Competition League.</p>
2010	<p>(1) In January, the Company set up the reinvestment company "Primary Explosion Point Digital Technology Co., Ltd."</p> <p>(2) In January, the Company signed a contract, authorizing "81 Keys" for YNK JAPAN to be officially launched in Japan in May.</p> <p>(3) In January, the Company officially announced acquiring the agency rights from the South Korea WeMade of its leisure sports game "Avalon," and named it "Dou Ta Zheng Ba."</p> <p>(4) In February, Wayi Entertainment Network conducted a comprehensive revision, striving towards an omnidirectional entertainment information website.</p> <p>(5) In April, the Company announced the contract renewal of "Yulgang Online" with the original company.</p> <p>(6) In May, the new green online game "Qitian Dasheng Online" was officially launched for public testing.</p> <p>(7) In June, "81 Keys" participated in the Electronic Entertainment Expo, one of the three largest video games exhibitions in the world.</p> <p>(8) In August, "81 Keys" was authorized to Soochow S.F Soft to enter the Mainland China market, and also participated in the Cologne Game Show in Germany in the same month.</p> <p>(9) In October, "Bounty Hounds" conducted its first elite test.</p> <p>(10) In October, the Company announced acquiring agency rights of the adult game "Kabod Online."</p> <p>(11) In November, "81 Keys" participated in the Korea G-Star Game Exhibition.</p> <p>(12) In November, the Company contracted with Guangzhou Baiyou to obtain the authorized agency of "Qing Guo Qing Cheng."</p> <p>(13) In December, the Company renewed the contract of "The Sword of King GE" with HanbitSoft, the original Korean company.</p>
2011	<p>(1) In January, the Company co-sponsored the Taiwan Esports Open and held the SF Legion Cup and the SF Inter-School Cup Final Championship.</p> <p>(2) In February, the self-developed Mengzhi style game "Shen Yao Wang " went public testing.</p> <p>(3) In March, "Expedition Online" was officially launched for public testing.</p> <p>(4) In March, the Company announced to act as agent in Taiwan for the action game "Dark Blood" of Actoz Soft, South Korea.</p> <p>(5) In March, "Avalon Online" conducted a CCB elite closed beta testing.</p> <p>(6) In March, the Company announced the official resale authorization of "81Keys" in Turkey.</p>

Time	Principal Activities
	<p>(7) In April, the Texas Hold'em game "MoneyMoney Club" was launched, and a debut press conference was held.</p> <p>(8) In May, "Dou Ta Zheng Ba Online," which combines the characteristics of DotA and MMO, was officially opened for public beta testing.</p> <p>(9) In June, the "2011 SF Inter-School Cup Summer Competition" was held.</p> <p>(10) In July, the Company co-sponsored the "2011 Taiwan Esports Open Championship," in which the "SF Inter-School Cup Final Competition" was held.</p> <p>(11) In August, the "Wayi Carnival" was held to gather all the game products of Wayi for an exciting feast of competition.</p> <p>(12) In October, the Company announced to act as the agent in Taiwan for the fight game masterwork "Rusty Heart" of WindySoft, South Korea.</p> <p>(13) In October, the "SF Autumn Challenge," which was presented for the first time in the form of challenging, was held.</p> <p>(14) In October, the 2D swordsman game "Dragon Sword Online" was officially opened for public beta testing.</p> <p>(15) In November, the Company announced to act as the agent in Taiwan for the leisure game "Point Blank" of Zepetto, South Korea.</p> <p>(16) In December, the "2012 SF Inter-School Cup Winter Competition" was held.</p>
2012	<p>(1) In January, the Company co-sponsored the "2012 Taiwan Esports Open Championship," in which the "SF Inter-School Cup Final Competition" was held.</p> <p>(2) In February, the Moon Fairy game "Tian Jian Shen Chiu" was officially opened for public beta testing.</p> <p>(3) In March, the SNS type web game "Rainbow Zoo" was launched.</p> <p>(4) In April, the ARPG game "Dak Brad" was endorsed by the sexy singer Weng Nan, and was launched with public testing for the enthusiastic players.</p> <p>(5) In May, the FPS game "Heart of Freedom" was launched under the endorsement of the goddess of electronic music, Xie Jinyan.</p> <p>(6) In July, Wayi's 20th birthday, "2012 Wayi Carnival" was expanded with combination of entertainment and Esports.</p> <p>(7) In July, Wayi's two new self-developed games participated in the 10th ChinaJoy.</p> <p>(8) In August, "SF Super Legion Racing Competition" was held, and the "Super Legion Headquarters" system was officially launched.</p> <p>(9) In September, the classic SLG online game "Warm Blood San Guo 2" was launched for public beat testing.</p> <p>(10) In October, the "2012 SF Autumn Challenge Competition" was held across Taiwan.</p> <p>(11) In November, a metamorphosed version of "SF Online" was launched, and a dream-themed microcinema was launched.</p> <p>(12) In December, the "2013 SF Inter-School Cup Winter Competition" was held.</p>
2013	<p>(1) In January, the "Wayi SPIDER" team represented Taiwan in the 7th SF World Cup to win the third place.</p> <p>(2) In February, the swordsman game "Du Gu Qiu Bai" was officially opened for public beta testing.</p> <p>(3) In March, the Taiwan team participated in the first "GE Granado Espada R World Championship."</p> <p>(4) In May, the first "2013 SF National Strongest Individual Competition" was held, and the war spread over all Internet cafes across Taiwan.</p>

Time	Principal Activities
	<p>(5) In June, the Company held the first Asia-Pacific Cup Competition of the game "Warm Blood San Guo 2," which was the world's first multinational online PK competition.</p> <p>(6) In June, the Company officially announced to act as the agent for the 3D double-ended super-combat RPG game "Light of Dawn."</p> <p>(7) In July, the leisure competition game "Free Heart" launched a new campaign of "100,000 young people for the competition " to summon the people across the nation to participate in the competition.</p> <p>(8) In August, the final Carnival of the "2013 SF Inter-School Cup Summer Competition" opened at Core Pacific City, Living Mall.</p> <p>(9) In September, the first anniversary of "Warm Blood San Guo 2" was celebrated with a new game of "S43 Sangu Maolu".</p> <p>(10) In October, the final of the "2013 SF Autumn Challenge" Competition became the first "Talent Qualification Competition" of the professional Esports team.</p> <p>(11) In November, the "Heroic Cup Memorial Gun Creation Competition" was held to celebrate the 7th anniversary of "SF Online."</p> <p>(12) In November, Wmall Esports goods came on the shelves.</p> <p>(13) In December, "2014 SF Inter-school Cup Winter Competition" was held.</p> <p>(14) In December, the Company announced to act as the agent for "SF2."</p>
2014	<p>(1) In January, the "G.O.D, God of Destiny" launched elite beta testing activity (CCB), with the high ladder prize of NT\$1 million.</p> <p>(2) In January, Wmall created a precedent to become the first shopping mall in the country to accept Bitcoin transactions.</p> <p>(3) In February, the "G.O.D" Focus Hero Symposium was held.</p> <p>(4) In March, "SF2" officially launched Open Beta (OB) testing, and "G.O.D" were deleted for Close Beta (CB) testing.</p> <p>(5) In April, "The Kingdom of Far Away" was launched on dual platforms, and "G.O.D" was not deleted for Close Beta 2(CB2) testing.</p> <p>(6) In April, the first "SF Spring Fun Festival" was held, and the original factory came to Taiwan to meet with the players.</p> <p>(7) In May, "World in Audition" conducted close beta testing.</p> <p>(8) In May, Wmall was opened to sell Bitcoin.</p> <p>(9) In June, "G.O.D, God of Destiny" was opened for the public beta testing and became the only designated domestic game for Taiwan Esports Competition League.</p> <p>(10) In June, the Company launched the self-developed "Funbuddy Talk."</p> <p>(11) In June, the Company signed a contract with Perfect World Co., Ltd. on "G.O.D, God of Destiny" at the press conference.</p> <p>(12) In July, "G.O.D, God of Destiny" passed the qualification review of the world's largest PC game platform Steam.</p> <p>(13) In July, the Company announced acting as the agent of Korea's new tower defense game "Tower of Ddin."</p> <p>(14) In July, the Company acquired the host rights to host the first World Cup Game of Special Force 2.</p> <p>(15) In August, the "Wayi Carnival" was held, attracted countless players to join and share the joy.</p> <p>(16) In September, the Company announced holding "Super Legion Racing Competition."</p> <p>(17) In September, "Special Force 2" was officially listed in the ESL, Europe's largest Esports league competition!</p>

Time	Principal Activities
	<p>(18) In September, the Company launched the first "Physical Professional Esports Training Course" in Taiwan.</p> <p>(19) In October, the Company officially established "SPIDER Professional Esports Academy."</p> <p>(20) In October, the Company officially announced acting as the agent for Japan's super popular mobile game "Nobunaga Strike."</p> <p>(21) In November, the Company announced to launch the Android version of "Nobunaga Strike."</p> <p>(22) The Company announced that the "SPIDER Professional Esports Academy" would be added advanced skills classes since December. The elite training would enable the strong skills to be upgraded to a higher level.</p> <p>(23) The Company announced that the "SF Online" annual Esports event "2015 SF Winter Contest" would debut in December.</p> <p>(24) In December, "The Kingdom of Far Away" won the Google Play 2014 Best Game of the Year.</p> <p>(25) In December, the Company announced that the "SF Online" annual Esports event "2015 SF Winter Contest" was open for registration.</p> <p>(26) In December, the Company held the "SF2 Taiwan Japan Double Match."</p> <p>(27) In December, "The Kingdom of Far Away," the super cute mobile game worldwide first cooperated with a live stream show.</p>
2015	<p>(1) In January, the Company announced that the Company would strive for dominating the mobile game market and that Japan's ultra-popular five-star game "Pocoron Maze" would be launched in February.</p> <p>(2) In January, the Company announced to contribute NT\$10 million to promote the "Six City Esports Professional Team" training program for "SF6."</p> <p>(3) In January, the Company launched "Nobunaga Strike" on dual platforms.</p> <p>(4) In February, the Company announced the 2015 overall competition plan for "SF Online" and "Special Force 2."</p> <p>(5) In February, "2015 SF Winter Contest" ended successfully.</p> <p>(6) In February, the Company launched "Pocoron Maze" on dual platforms.</p> <p>(7) In February, the "Pocoron Maze" went public and broke through 100,000 downloads in less than two weeks.</p> <p>(8) In April, "Pocoron Maze" co-starred in commercial advertisements with high school students for the first time.</p> <p>(9) In April, "Pocoron Maze" launched a joint fighting system.</p> <p>(10) In May, "Pocoron Maze" and "Dajia Jenn Lann Temple" jointly held a birthday party and a praying press conference to launch the "Hand Peace" electronic security card.</p> <p>(11) In May, the Company announced that the "2015 SF SF2 Summer Competition" would be held in June.</p> <p>(12) In June, the Company announced acting as the agent for Korea's pressure relief action mobile game "Lao Ban Bie Xiao Zhang."</p> <p>(13) In June, the Company launched "Lao Ban Bie Xiao Zhang" on dual platforms.</p> <p>(14) In June, the Company announced that "Lao Ban Bie Xiao Zhang" would be endorsed by Duncan, a well-known illustrator on the Internet.</p> <p>(15) In July, "Pocoron Maze" cooperated with 7-ELEVEN "OPEN! Family" to launch the special raid level "OPEN! Planet Adventure.</p> <p>(16) In July, "Pocoron Maze" broke through 1.5 million downloads.</p> <p>(17) In July, "Lao Ban Bie Xiao Zhang" broke through 0.5 million downloads.</p>

Time	Principal Activities
	<p>(18) In September, the Company launched "The Legend of Heroes" on dual platforms.</p> <p>(19) In September, "The Legend of Heroes" and "Golden light hand-puppet" jointly launched exclusive heroic roles.</p> <p>(20) In November, "Pocoron Maze" cooperated with Japan's super popular fantasy cartoon The Seven Deadly Sins.</p> <p>(21) In November, the Company announced to launch the Android version of "Dragonica Online."</p> <p>(22) In December, "Pocoron Maze" won Google's Best Puzzle Game of 2015.</p> <p>(23) In December, the Company launched the iOS version of "Dragonica Online."</p> <p>(24) In December, "Dragonica Online" broke through 0.5 million downloads.</p>
2016	<p>(1) In February, the Company held "Special Force 2" Pro League Championship.</p> <p>(2) In February, "Lao Ban Bie Xiao Zhang" broke through 1 million downloads.</p> <p>(3) In March, "Pocoron Maze" was nominated the "2016 Bahamut Anime Game Award" (Mobile Device—Mobile Phone / Tablet Group).</p> <p>(4) In March, "Special Force Online" was nominated at "2016 Bahamut Anime Game Award" (PC Game Online, Others).</p> <p>(5) In March, "Special Force 2" celebrated its second anniversary.</p> <p>(6) In April, the "SF Online Group A League" was held for three months.</p> <p>(7) In April, the "Special Force 2" Professional Esports League, Second Season was started.</p> <p>(8) In April, the "Super 8 Hero" Android version took the lead in launching.</p> <p>(9) In April, Taipei Mayor Ke Wenzhe came to the competition venue of professional Esports "Special Force 2" to cheer for the players.</p> <p>(10) In May, "Pocoron Maze" and the well-known Japanese animation Fairy Tail jointly launched exclusive equipment and levels.</p> <p>(11) In June, Ms. Xu Peijing took over as Chairman of Wayi International.</p> <p>(12) In July, "Wayi Cafe. APP" began cross-industry cooperation with Wei's Round Powder Packet, Jinyen Aesthetic Group and Grace Optical to provide players with preferential treatment.</p> <p>(13) In August, the Company held the second "Special Force 2" Pro League Championship.</p> <p>(14) In August, the Company co-organized "Special Force Online" World Cup. The Vice President of the Legislative Yuan and the Mayor of Taipei gave speeches and support to Esports industry.</p> <p>(15) In September, Ms. Xu Peijing took over as Chairman of the Taiwan Esports Competition League.</p> <p>(16) In September, the comforting mobile game "Pixel Tree" went on the shelf.</p> <p>(17) In October, the Company held VIP Players Meeting.</p> <p>(18) In October, "Pocoron Maze" cooperated with the Japanese mobile game community platform "Lobi" to provide different functions, such as community discussion, game video, etc. for players.</p> <p>(19) In October, the Company announced to reorganize the "Wayi Spider Professional Esports Competition Team" to enter the "League of Legends" LMS Professional Esports League for next season.</p> <p>(20) In November, the Company cooperated with 7-11 to hold the event of giving out NT\$2 million 7-11 "i gift" cash coupons for free.</p>

Time	Principal Activities
	(21) In December, the new generation strategy game "Warm Blood San Guo 3" launched closed beta testing without deleting files.
2017	<ul style="list-style-type: none"> (1) In January, "Warm Blood San Guo 3" began cross-industry cooperation with "Tripodking Inc." and "Wulao." (2) In January, "Warm Blood San Guo 3" held a blood donation drive to encourage players to donate blood to give back the society. (3) In February, "Pocoron Maze" celebrated its second anniversary in Taiwan's market. (4) In March, "Warm Blood San Guo 3" officially went on the market in Taiwan. (5) In April, the first "Warm Blood San Guo 3," Taiwan, Hong Kong and Macao, War of the Gods Matchless Competition started on the 24th. (6) In May, "Warm Blood San Guo 3" and "World Decisive Battle" were simultaneously revised to hold the battle between Taiwan, Hong Kong, and Macao. (7) In June, Mr. Chang Hsieh Chien took over as Chairman of Wayi International. (8) In July, the level limit for the "Pocoron Maze" was reset to 600. (9) In August, the Company held the "Special Force 2" August Legion League Competition. (10) In September, Wayi's new mobile game "The Kingdom of Far Away 2" would participate in the Tokyo Game Show. (11) In October, "The Kingdom of Far Away 2" was officially launched on dual platforms, featuring fighting by cultivating characters in the 8-bit pixel-style world! (12) In November, "Warm Blood San Guo 3, Xiong Ba Tian Xia" underwent a large-scale revision. (13) In December, Wayi's games celebrated the Dual Christmas event with the players.
2018	<ul style="list-style-type: none"> (1) In January, the Company announced to open the World BOSS level of "The Kingdom of Far Away 2" on February 1st. (2) In February, "Pocoron Maze" celebrated its second anniversary in Taiwan's market. (3) In March, "Special Force 2" celebrated its fourth anniversary in Taiwan's market. (4) In April, the New Year Holiday Special Offer of "The Kingdom of Far Away 2" started in Spring vacation. (5) In May, "San Guo Ding Li" of "Warm Blood San Guo 3" launched a new edition. (6) In June, "Special Force 2" Summer Online Challenge Competition started. (7) In July, "The Final Chapter of the New Age Symphony" of "GE Granado Espada R" underwent a revision. (8) In August, a new edition of the "Pocoron Maze" was launched, with the addition of the new "Pocoron Arena." (9) In September, the Company officially acted as the agent in Taiwan for "Welcome to My Home" of Kakao Games, South Korea. (10) In October, the "Funny Halloween" event in the "Pocoron Maze" started. (11) In November, "Welcome to My Home" began its pre-registration campaign. (12) In December, "Welcome to My Home" was officially launched on dual platforms.
2019	<ul style="list-style-type: none"> (1) In January, "Happy Pig Year" for "Pocoron Maze" started. (2) In February, Wayi's games celebrated Lunar New Year with the players. (3) In March, "Pocoron Maze" celebrated its fourth anniversary in Taiwan's market. (4) In April, "Pocoron Maze" launched the "Platinum Coupon Exchange," where players can designate monsters.

Time	Principal Activities
	<p>(5) In May, "Revisiting the Ice Magic Tower" of "GE Granado Espada R" underwent a revision.</p> <p>(6) In June, our games celebrated the "Dragon Boat Festival" with players.</p> <p>(7) In July, "Pocoron Maze" celebrated its fourth anniversary in Taiwan's market by launching an exclusive "4th Anniversary Festival."</p> <p>(8) In August, our games celebrated the "Chinese Valentine's Day" with players.</p> <p>(9) In September, "Wang Tu Ba Ye" of "Warm Blood San Guo 3" underwent a revision.</p> <p>(10) In October, our games celebrated the "Halloween" with players.</p> <p>(11) In November, a new edition of "GE Granado Espada R" was launched early.</p> <p>(12) In December, "Welcome to My Home" celebrated its first anniversary in Taiwan's market.</p>
2020	<p>(1) In January, a new online mobile game, "Slots," was launched.</p> <p>(2) In February, "Welcome to My Home" and "Goblin: The Lonely and Great God" jointly launched clothing and props.</p> <p>(3) In March, "Pocoron Maze" celebrated its fifth anniversary in Taiwan's market.</p> <p>(4) In April, "Warm Blood San Guo 3" made it easy for players to grow faster! Launch the "Hot Blood Sprint" version.</p> <p>(5) In May, the new feature of "Cave of the Holy Light Magic Stone" in "Pocoron Maze" was launched.</p> <p>(6) In June, "GE King's Sword R" was launched to save the parallel world! Revision comes today.</p> <p>(7) In July, "Welcome to My Home" opened a new era of guild expedition! Added "Starlight Guild" and "Balloon Expedition" system.</p> <p>(8) In August, the new task mode of "Welcome to My Home" was opened! Let's explore the dream of star pets together!</p> <p>(9) In September, "Warm Blood San Guo 3", a group of heroes fighting for the people! A new revamped version of "Tour the World" on stage!</p> <p>(10) In October, SSS hero for free for reservation in "Soul Ark"! Reservation campaign begins!</p> <p>(11) In November, "Soul Ark" fairy world war started! Officially launched on dual platforms!</p> <p>(12) In December, "2020 Kaohsiung E-Sports Carnival" amazed the world! "Soul Ark", "CODE 2040" stalls were hot.</p>
2021	<p>In January, the "Apotheosis Altar Hard to Break" of the "Soul Ark" made the debut.</p> <p>In February, the "Soul Ark" embraced campaign and revision! Large-scale strategic layout guild battle on stage.</p> <p>In March, the Wolf and Sheep sweet level of "Soul Ark" was launched.</p> <p>In June, "GE Granado Espada R", the final chapter of Aochihya: the coming of the end of the world, was launched.</p> <p>In July, a branch office in Taichung was established.</p> <p>In August, "MASS FOR THE DEAD" Japanese popular animation "OVERLORD" was authorized, and the news of game agencies in Taiwan, Hong Kong and Macao was published!</p> <p>In November, "MASS FOR THE DEAD", pre-registration and pre-booking activities for both platform stores were started immediately!</p> <p>In November, pre-booking activities of "FRIENDS RACING", a popular IP-based cute racing game, were officially launched!</p> <p>In November, promotional video of "MASS FOR THE DEAD" was released with the introduction of the characters.</p>

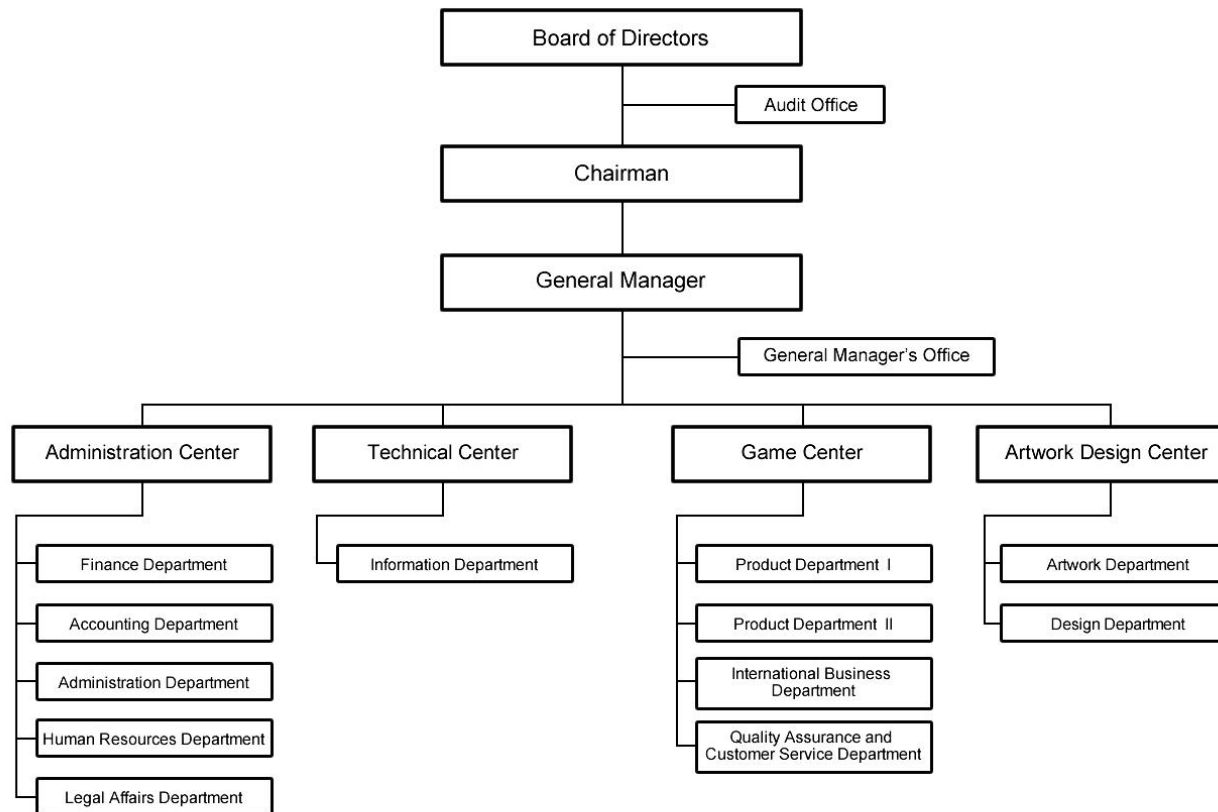
Time	Principal Activities
	<p>In December, dual-platforms of "MASS FOR THE DEAD" were officially launched, and the opening of service activities were fully initiated!</p> <p>In December, "Friends Racing" made its debut in 20 December! Catch up with RYAN and become a racer!</p>
2022	<p>In May, the 0.5th Anniversary of “MASS FOR THE DEAD” was celebrated!</p> <p>In June, Mr. Shih Shu-Kai took over as Chairman of Wayi International.</p> <p>In August, a collaboration between “MASS FOR THE DEAD” and “KonoSuba: God's Blessing on This Wonderful World!” was launched!</p> <p>In August, a contract for the game publishing of “La Corda d'Oro Starlight Orchestra” within the licensed territory of Taiwan, Hong Kong and Macau was signed with KOEI TECMO GAMES, a Japanese game developer.</p> <p>In September, a contract for the game publishing of “Kemono Friends 3” within the licensed territory of Taiwan, Hong Kong and Macau was signed</p> <p>In October, the pre-registration of “La Corda d'Oro Starlight Orchestra” was started.</p> <p>In November, “La Corda d'Oro Starlight Orchestra” was officially launched in Taiwan, Hong Kong and Macau.</p>
2023	<p>In January, “Sunshine Memories” , an event of the first major update of “La Corda d'Oro Starlight Orchestra” , was launched.</p> <p>In February, the pre-registration of “Kemono Friends 3” was officially started with its 1st official fan meeting.</p> <p>In March, the Traditional Chinese version of “Kemono Friends 3” was officially launched.</p> <p>In April, the 2nd fan meeting of “La Corda d'Oro Starlight Orchestra” was held, and the events for 0.5th Anniversary were announced.</p>

Chapter 3 Corporate Governance Report

I. Organization

(I) Corporate Organization and Structure

Organizational Chart of Wayi International Digital Entertainment Co., Ltd.



(II) Department Functions:

(17) Department Functions:

Department	Responsibilities
Audit Office	<div><div>1.</div><div>Establish and maintain the Company's internal audit system.</div></div> <div><div>2.</div><div>Evaluate the efficiency of implementation of policies and provide recommendations for improvement.</div></div> <div><div>3.</div><div>Protect corporate assets from waste, fraud, and inefficiency.</div></div> <div><div>4.</div><div>Implement routine and project audits.</div></div> <div><div>5.</div><div>Follow up tracking and assessment of tasks assigned.</div></div> <div><div>6.</div><div>Inspection and reporting of abnormal matters.</div></div>
General Manager's Office	<div><div>1.</div><div>Integration of artwork design projects.</div></div> <div><div>2.</div><div>New game project planning.</div></div> <div><div>3.</div><div>Group new game development teams.</div></div> <div><div>4.</div><div>Project strategy planning.</div></div> <div><div>5.</div><div>Assist General Manager in handling all affairs.</div></div>
Administration Center	
Finance Department	<div><div>1.</div><div>Planning, auditing and execution of investment affairs.</div></div> <div><div>2.</div><div>Corporate funding and engagement with banks.</div></div> <div><div>3.</div><div>Handling, applying and forecasting of long-term and short-term funds.</div></div> <div><div>4.</div><div>Materials preparation, announcement and convening of the Board of Directors and the Shareholders' Meeting</div></div> <div><div>5.</div><div>Credit and review of customer financial information.</div></div> <div><div>6.</div><div>Handling cashier and stock operation.</div></div> <div><div>7.</div><div>Financial supervision, performance appraisal and coordination and integration of operation strategies of subsidiaries within the Group.</div></div> <div><div>8.</div><div>Function strengthening and convening of the Board of Directors.</div></div>
Accounting Department	<div><div>1.</div><div>Responsible for the compilation of the Company's accounting and tax declaration.</div></div> <div><div>2.</div><div>Application and handling of tax reduction and tax exemption matters.</div></div> <div><div>3.</div><div>Expenditure audit and inventory operation.</div></div> <div><div>4.</div><div>Preparation of all financial statements and analysis statements.</div></div> <div><div>5.</div><div>Convening, coordinating and summarizing the annual budget of the Group.</div></div> <div><div>6.</div><div>Accounts consolidation of subsidiaries.</div></div> <div><div>7.</div><div>Contact with accountants.</div></div> <div><div>8.</div><div>Preparation of declaration materials for SFC, and public announcement.</div></div>
Administration Department	<div><div>1.</div><div>Responsible for inquiries and purchasing of various general services, fixed assets, and product processes.</div></div> <div><div>2.</div><div>Formulation and implementation of the asset inventory plan.</div></div>
Human Resources Department	<div><div>3.</div><div>Acquisition, maintenance, and management of all property equipment of the Company.</div></div> <div><div>4.</div><div>Arrangement of supervisor's schedule and temporary assignments.</div></div>
Legal Affairs Department	<div><div>5.</div><div>Formulation of adhesive contracts, contract review, and the maintenance and management of intellectual property rights.</div></div> <div><div>6.</div><div>Processing of the Company's external legal and litigation operations.</div></div> <div><div>7.</div><div>Formulation and handling of regulations for employee recruitment, employment, transfer, rewards and punishments, assessment, and other personnel-related affairs.</div></div> <div><div>8.</div><div>Insurance and employee salary accounting.</div></div> <div><div>9.</div><div>Education and training and management of labor relations.</div></div>
Technical Center	
Information	<div><div>1.</div><div>Testing, evaluation, installation, and maintenance of all information</div></div>

Department	<p>software/hardware equipment.</p> <ol style="list-style-type: none"> Enforcement, promotion, and management of Personal Information Protection Act. Introduction, management and maintenance of information security procedures. Releasing, building and updating of game products and on-duty maintenance of computer rooms. Information equipment procurement, bandwidth procurement, and IT budget execution. Hardware and software installation and maintenance of the Company's internal information equipment. (ERP, Mail, eHR) Technical support for organizing events; support, installation, and maintenance of information equipment at exhibition sites. Planning and promotion of corporate electronic IT systems. Cloud-based application and big data analytics applications. Membership system development. Development of Wayi membership, cash flow, and game AP systems.
Game Center	
Product Department I	<ol style="list-style-type: none"> Research, proposal and implementation of marketing strategies for all products (including online games and peripheral products). Preparation for launching new games, schedule planning, version and business development, and progress tracking. Business planning and objective achievement, membership maintenance and community management. Schedule planning of version update and holding online and offline activities. Development of WGS cash flow business. Accounting management and other administrative work. Operation and maintenance of the online credit deposit center. Response and handling of customers' questions regarding online point purchase. Provision and analysis of game report data. Planning game project functions.
Product Department II	<ol style="list-style-type: none"> Research, proposal and implementation of marketing strategies for all products (including online games and peripheral products). Preparation for launching new games, schedule planning, version and business development, and progress tracking. Business planning and objective achievement, membership maintenance and community management. Schedule planning of version update and holding online and offline activities. Provision and analysis of game report data. Foreign authorized game operations and foreign language contact window. Collection and analysis of market and industry information. Evaluate and test unsigned games and consolidate internal opinions. Adjust, evaluate, and test the content of new games to be launched.
International Business Department	<ol style="list-style-type: none"> Foreign authorized game operations and foreign language contact window. Overseas market planning and copyright procurement evaluation. Collection and analysis of market and industry information of peer competitors.
Quality Assurance	<ol style="list-style-type: none"> Evaluate and test unsigned games and consolidate internal opinions.

and Customer Service Department	2. Adjust, evaluate, and test the content of new games to be launched. 3. Adjust, evaluate, and test the content of launched games. 4. Answering customer questions and understanding and comforting customer complaints. 5. Dispute coordination in the games and handling of problematic events.
Artwork Design Center	
Artwork Department	1. Producing projects' 2D and 3D artwork special effects. 2. Artistic animation production of all projects.
Design Department	1. The Company's product advertising design. 2. Official game website and image web page design. 3. The Company's public website and brand image design. 4. Design of print media/magazine/advertising.

II. Directors, Supervisors, General Manager, Deputy General Manager, Assistant Vice Presidents and Heads of Departments and Branches

(I) Directors

1. Directors

April 23, 2023																				
Title	Nationality / Place of Incorporation	Name	Gender Age	Date Elected (Appointed)	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangemen		Experience (Education)	Positions concurrently held at the company and other companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
							Number of Shares	Sharehol ding %	Number of Shares	Sharehold ing %	Number of Shares	Sharehol ding %	Number of Shares	Sharehol ding %			Title		Relationship	
Chairman	The Republic of China	Wanin International Co., Ltd.	Male 41-50	June 23, 2022	Three years	June 23, 2022	5,952,000	30.73	6,844,800	30.73	0	0	0	0	Not applicable	The Company: None Other companies: Director, Gamania Digital Entertainment Co., Ltd.	None	None	None	None
	The Republic of China	Wanin International Co., Ltd. Representative Shih, Shu-Kai					0	0	0	0	0	0	0	0	Institute of Business Administration, National Yunlin University of Science and Technology Chief Operating Officer, Wanin International Co., Ltd.	The Company: General Manager Other companies: Director, Wayi Softmagic Investment (Asia) Ltd. Director, Wayi Softmagic Investment (Cayman) Ltd. Chairman, DIT Startup Co., Ltd. Director, Bonus Winner Online Entertainment Co., Ltd. Chairman, Yuman Asset Management Co., Ltd. Director, Honki Games Co., Ltd. Director, Cup Dog Games Co., Ltd.	None	None	None	Note1
Director	Seychelles	Given Business Inc.	Female 51-60	June 23, 2022	Three years	June 25, 2019	3,948,480	20.39	4,540,752	20.39	0	0	0	0	Not applicable	The Company: None Other companies: None	None	None	None	None
	The Republic of China	Given Business Inc. Representative: Wu, Ai-Yun					0	0	79,218	0.36	0	0	0	0	Accounting Department of Ming Chuan University Financial Officer, Jujiao Technology Co., Ltd.	The Company: None Other companies: Supervisor, Pioneer Media Social Enterprise Co., Ltd. Supervisor, Bonus Winner Online Entertainment Co., Ltd. Supervisor, JFI Games Co., Ltd. Director, Soft-World International Co., Ltd.	None	None	None	None
Director	Seychelles	Given Business Inc.	Male 41-50	June 23, 2022	Three years	June 25, 2019	3,948,480	20.39	4,540,752	20.39	0	0	0	0	Not applicable	The Company: None Other companies: None	None	None	None	None
	The Republic of China	Given Business Inc. Representative: Tu, Yao-Jen (Note 2)					0	0	1,150	0.01	0	0	0	0	Ph.D. of Beijing University Graduate Institute of Political Science, Tunghai	The Company: None Other companies: CEO of HE TI HOTEL Lecturer of National Taichung University of Science and	None	None	None	None

Title	Nationality / Place of Incorporation	Name	Gender Age	Date Elected (Appointed)	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangemen		Experience (Education)	Positions concurrently held at the company and other companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
							Number of Shares	Sharehol ding %	Number of Shares	Shareholdi ng %	Number of Shares	Sharehol ding %	Number of Shares	Sharehol ding %			Title	Name	Relati onshi p	
															University Master CEO of HE TI HOTEL	Technology				
Director	The Republic of China	Lin, Wen-Peng	Male 41-50	June 23, 2022	Three years	June 25, 2019	0	0	0	0	0	0	0	0	Department of Law, National Taiwan University Lawyer, Giant Era International Law Office	The Company: None Other companies: Lawyer, Giant Era International Law Office Director of UNI Air Co., Ltd.	None	None	None	None
Independent Director	The Republic of China	Hsiao, Feng-Hsiung	Male Over 60	June 23, 2022	Three years	June 15, 2007	0	0	0	0	0	0	0	0	PhD in Economics, Chinese Cultural University Dean, College Business, Tamkang University Vice Chairperson, Council for Economic Planning And Development, Executive Yuan	The Company: None Other companies: Honorary Professor, Tamkang University Independent Director, CMC Magnetics co., Ltd. Independent Director, EastTech Holding Limited, Co. Ltd. Independent Director, Transtouch Technology Inc. Supervisor, China Town Co., Ltd.	None	None	None	None
Independent Director	The Republic of China	Liang, Mu-Chun	Male Over 60	June 23, 2022	Three years	June 23, 2020	0	0	0	0	0	0	0	0	University of San Francisco Public Administration Director, Taiyen Biotech Co., Ltd. Chairman, Taiyen (Xiamen) Import and Export Co., Ltd.	The Company: None Other companies: Chairman, Big Tom International Co., Ltd.	None	None	None	None
Independent Director	The Republic of China	Gao,Li-Han	Male 41-50	June 23, 2022	Three years	June 23, 2022	0	0	0	0	0	0	0	0	Ph.D., Institute of Technology Management, National Chiao Tung University Associate Professor and Dean, Department of Accounting, Soochow University	The Company: None Other companies: Associate Professor and Dean, Department of Accounting, Soochow University Secretary General, Chinese Association of Valuation Evaluation Standards Committee, Accounting Research and Development Foundation	None	None	None	None

Note1 : The Chairman of the Company concurrently acts as General Manager to enhance operating efficiency and decision-making, and exchanges opinions with Directors on major business decisions at any time. Major business decisions are fully discussed in the Board meetings to fulfill corporate governance. More than half of the Board members are not employees or managerial officers of the Company concurrently.

Note2 : Resigned after the shareholders' meeting on June 23, 2022, and newly appointed after the corporate director changed the representative on August 11, 2022.

2. Major Shareholders of Institutional Shareholders: April 23, 2023

Name of Institutional Shareholders	Major Shareholders of Institutional Shareholders
Wanin International Co., Ltd.	Huang Xin Investment Co., Ltd. 44.08% Hsiao, Cheng-Hao 20.40% Li, Yu-Chi 9.99% Yu Xin Investment Co., Ltd. 8.18% Fantasy Technology Co., Ltd. 5.78% Joydevelopcy.,Ltd. 2.43% Pu Yi Enterprise Co., Ltd. 1.52% Xun Yeh Investment Co., Ltd. 0.88% Te Kao Investment Co., Ltd. 0.82% Cheng Yuo Investment Co., Ltd. 0.75%
Given Business Inc.	Chow Man Cheung Felix 100%

3. Major Shareholders of the Company's Institutional Shareholders: April 23, 2023

Name of Institutional Shareholders	Major Shareholders of Institutional Shareholders
Huang Xin Investment Co., Ltd.	Hsiao, Cheng-Hao (62.82%) 、Li, Yu-Chi (33.34%)Hsiao, Yu-Ching (1.92%) 、Hsiao, Hui-Yu (1.92%)
Yu Xin Investment Co., Ltd.	Li, Yu-Chi (100%)
Fantasy Technology Co., Ltd.	Yu Xin Investment Co., Ltd. (39%) 、During Int'l Investment Inc.(30%) 、Hsiao, Cheng-Hao (29%) 、Li, Yu-Chi (2%)
Joydevelopcy.,Ltd.	Memory Global Investment Inc.(99.99%) 、Wang-Chun-Ming(0.01%)
Pu Yi Enterprise Co., Ltd.	Hsiao, Yu-Ching (48.33%) 、Hsiao, Hui-Yu (48.33%) 、Hsiao, Cheng-Hao (3.34%)
Xun Yeh Investment Co., Ltd.	Chang, Hsieh-Tsung (100%)
Te Kao Investment Co., Ltd.	Huang Xin Investment Co., Ltd. (99%) 、Hsiao, Cheng-Hao (1%)
Cheng Yuo Investment Co., Ltd.	Huang Xin Investment Co., Ltd. (99%) 、Hsiao, Cheng-Hao (1%)

4. Disclosure of Professional Qualifications of Directors and Independence of Independent Directors:

Qualification Name	Professional qualifications and experience	Independence	The number of positions held as Independent Director for other publicly-listed companies
Chairman Wanin International Co., Ltd. Representative Shih, Shu-Kai	Have Work Experience in the Areas of Commerce, Finance, or Accounting, or Otherwise Necessary for the Business of the Company. There is no any violation of the paragraphs of Article 30 of the Companies Act. Education/experience Institute of Business Administration, National Yunlin University of Science Chief Operating Officer, Wanin International Co., Ltd.	NA	None
Director Given Business Inc. Representative Wu, Ai-Yun	Have Work Experience in the Areas of Commerce, Finance, or Accounting, or Otherwise Necessary for the Business of the Company. There is no any violation of the paragraphs of Article 30 of the Companies Act. Education/experience Accounting Department of Ming Chuan University Financial Officer, Jujiao Technology Co., Ltd.	NA	None

Director Given Business Inc. Representative: Tu, Yao-Jen	Have Work Experience in the Areas of Commerce, Finance, or Accounting, or Otherwise Necessary for the Business of the Company. There is no any violation of the paragraphs of Article 30 of the Companies Act. Education/experience Ph.D. of Beijing University Graduate Institute of Political Science, Tunghai University Master CEO of HE TI HOTEL	NA	None
Director Lin, Wen-Peng	Have Work Experience in the Areas of Commerce, Finance, or Accounting, or Otherwise Necessary for the Business of the Company. Passed the national examination and obtained a certificate for the lawyer. There is no any violation of the paragraphs of Article 30 of the Companies Act. Education/experience Department of Law, National Taiwan University Lawyer, Giant Era International Law Office	NA	None
Independent Director Hsiao, Feng-Hsiung	An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university Have Work Experience in the Areas of Commerce, Finance, or Accounting, or Otherwise Necessary for the Business of the Company. There is no any violation of the paragraphs of Article 30 of the Companies Act. Education/experience PhD in Economics, Chinese Cultural University Dean, College Business, Tamkang University Vice Chairperson, Council for Economic Planning And Development, Executive Yuan	1. I, my spouse, and relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or its affiliates. 2. I, my spouse, and relatives within the second degree of kinship (or using the name of another person) do not hold the number and proportion of shares of the Company. 3. Not being a director, supervisor or employee of a company with a specific relationship with the Company (in accordance with Subparagraphs 5~8, Paragraph 1, Article 3 of the Regulations Governing the Establishment and Compliance of Independent Directors of Public Listed Companies). 4. Have not provided any remuneration for business, legal, financial, or accounting services to the Company or its affiliates in the last two years.	3
Independent Director Liang, Mu-Chun	Have Work Experience in the Areas of Commerce, Finance, or Accounting, or Otherwise Necessary for the Business of the Company. There is no any violation of the paragraphs of Article 30 of the Companies Act. Education/experience University of San Francisco Public Administration Director, Taiyen Biotech Co., Ltd. Chairman, Taiyen (Xiamen) Import and Export Co., Ltd.	1. I, my spouse, and relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or its affiliates. 2. I, my spouse, and relatives within the second degree of kinship (or using the name of another person) do not hold the number and proportion of shares of the Company. 3. Not being a director, supervisor or employee of a company with a specific relationship with the Company (in accordance with Subparagraphs 5~8, Paragraph 1, Article 3 of the Regulations Governing the Establishment and Compliance of Independent Directors of Public Listed Companies). 4. Have not provided any remuneration for business, legal, financial, or accounting services to the Company or its affiliates in the last two years.	None
Independent Director Gao, Li-Han	An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university Have Work Experience in the Areas of Commerce, Finance, or Accounting, or Otherwise Necessary for the Business of the Company. There is no any violation of the paragraphs of Article 30 of the Companies Act. Education/experience Ph.D., Institute of Technology Management, National Chiao Tung University Associate Professor and Dean, Department of Accounting, Soochow University	1. I, my spouse, and relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or its affiliates. 2. I, my spouse, and relatives within the second degree of kinship (or using the name of another person) do not hold the number and proportion of shares of the Company. 3. Not being a director, supervisor or employee of a company with a specific relationship with the Company (in accordance with Subparagraphs 5~8, Paragraph 1, Article 3 of the Regulations Governing the Establishment and Compliance of Independent Directors of Public Listed Companies). 4. Have not provided any remuneration for business, legal, financial, or accounting services to the Company or its affiliates in the last two years.	None

5. Board Diversity and Independence:

(1) Board Diversity:

Diversity Policy

To enhance the competencies of the Board of Directors and achieve robust development of its structure, the Company has stipulated diversity policies in “Corporate Governance Best-Practice Principles” and “Procedures for Election of Directors”.

The composition of the Board of Directors shall take into consideration diversity, except that the number of directors who are also managers of the Company shall not exceed one-third of the number of directors, and shall formulate appropriate diversity guidelines with respect to its operation, business model and development needs, including but not limited to the following two major criteria:

- I. Basic requirements and values: gender, age, nationality and culture, etc.
- II. Professional knowledge and skills: professional background (e.g., law, accounting, industry, finance, marketing, or technology), expertise, and industry experience, etc.

Board members should generally possess the knowledge, skills and qualities necessary to perform their duties. To achieve the desired goals of corporate governance, the Board of Directors as a whole shall possess the following competencies: operational judgment, accounting and financial analysis, management and operation capabilities, crisis management, industry knowledge, international market perspective, leadership, and decision-making skills.

Key Management Objectives

The Board of Directors of the Company shall direct the Company's strategies, supervise the management, and be responsible to the Company and its shareholders. The operations and arrangements of the Company's corporate governance system shall ensure that the Board of Directors shall exercise its authority in accordance with the provisions of the Act, the Articles of Association, or the resolutions of the shareholders' meeting.

All members of the Board of Directors of the Company are required to possess sufficient knowledge, skills, background, and ability to make industrial decisions and effectively manage their duties. To enhance their competencies and improve decision-making quality and managerial abilities, the Company provides a variety of on-the-job training courses. Furthermore, the Company places great importance on gender equality within the composition of the Board of Directors. To this end, at least one female director has been appointed to date, and we aspire to have two female directors on the next Board of Directors.

Management Objectives	Achieved Situation
Directors who concurrently serve as company managers should not exceed one-third of the number of directors	Achieved
The board of directors shall include at least one female director	Achieved
The number of independent directors shall not be less than one-third of the number of directors	Achieved

Management Objectives	Achieved Situation
Half of the number of Independent directors should not serve more than three consecutive terms	Achieved

The diversity policies with board composition are implemented as follows:

The Company's Board of Directors is comprised of seven members, including three independent directors. Of these, one director is also an employee of the Company (14%), one is female (14%), and three are independent (43%). In terms of age distribution, four directors are between 41-50 years old (57%), one is between 51-60 years old (14%), and two are above 60 years old (29%). The directors represent different age groups. Furthermore, two-thirds of independent directors have served less than three terms.

The Company's board members possess diverse expertise, with the current Board of Directors consisting of seven members holding educational backgrounds such as Ph.D. degrees in Economics, Technological Management, and Environmental Engineering, as well as Master's degrees in Business Administration and other relevant fields. This diverse range of backgrounds ensures that the board members have the necessary abilities in operational judgment, accounting and financial analysis, management and operation capabilities, crisis management, industry knowledge, international market perspective, leadership, and decision-making skills, etc. Director Shu-Kai Shih brings expertise in the management of the game industry, while Director Li-Han Kao and Ai-Yun Wu have expertise in financial accounting. Director Wen-Peng Lin holds a lawyer license and brings expertise in law, while Director Feng-Hsiung Hsiao has experience as the vice chairman at the Council for Economic Planning and Development and as a dean of a business school, providing expertise in industrial economics. Director Mu-Chun Liang has expertise in tax management and business administration, and Director Yao-Jen Tu brings expertise in environmental engineering and hotel management. Each director has a unique professional background and extensive industrial experience. Overall, the composition of the Board of Directors aligns with the diversity policies in place. The diversity of individual directors (Note 1).

Note 1: Diversity of individual directors

Director Name	Gender	Academic Background	Operational judgment	Accounting and financial analysis	Management and operation capabilities	Crisis management	Industry knowledge	International market perspective	Leadership	Decision-making
Shu-Kai Shih	Male	Business Administration	V	V	V	V	V	V	V	V
Ai-Yun Wu	Female	Finance and Accounting	V	V	V	V	V	V	V	V
Yao-Jen Tu	Male	Environmental Engineering	V	V	V	V	V	V	V	V
Wen-Peng Lin	Male	Law	V	-	V	V	V	V	V	V
Feng-Hsiung Hsiao	Male	Economics	V	V	V	V	V	V	V	V
Mu-Chun Liang	Male	Tax and Business Administration	V	V	V	V	V	V	V	V
Li-Han Gao	Male	Finance and Accounting	V	V	V	V	-	V	V	V

(2) Independence of the Board of Directors:

The current Board has 7 directors, including 3 independent directors accounting for about 40% of all directors.

None of the conditions as stated in Article 26-3, paragraphs 3 and 4, Securities and Exchange Act is found on the current Board, and no director is the spouse or kindred of the second tier of others.

(II) Information of the General Manager, Deputy General Manager, Assistant Vice Presidents and Heads of Departments and Branches

April 23, 2023

Title	Nationality	Name	Gender	Date Elected (Appointed)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Positions Currently Held in Other Companies	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relationship	
General Manager	The Republic of China	Shih, Shu-Kai	Male	June 23, 2022	0	0	0	0	0	0	Institute of Business Administration, National Yunlin University of Science and Technology Chief Operating Officer, Wanin International Co., Ltd.	Director, Wayi Softmagic Investment (Asia) Ltd. Director, Wayi Softmagic Investment (Cayman) Ltd. Chairman, DIT Startup Co., Ltd. Director, Bonus Winner Online Entertainment Co., Ltd. Chairman, Yuman Asset Management Co., Ltd. Director, Honki Games Co., Ltd. Director, Cup Dog Games Co., Ltd.	None	None	None	Note
Administration Center CFO	The Republic of China	Li, Chun-Te	Male	July 10, 2017	0	0	0	0	0	0	PhD in Economics, Fujian Normal University Master of Business Administration, National Chengchi University Director, Counselor, Financial Supervisory Commission of the Executive Yuan Deputy General Manager, Motor Vehicle Accident Compensation Fund	Quanzhou Sansda Asian plastic Co., Ltd. Independent Director Members of the Audit Committee. Members of the Remuneration Committee. Ching Feng Home Fashions Co., Ltd. Independent Director Members of the Audit Committee. Members of the Remuneration Committee. Toplus Global Co., Ltd. Independent Director Members of the Audit Committee. Members of the Remuneration Committee.	None	None	None	None
Accounting Manager	The Republic of China	Huang, Ya-Ling	Female	December 22, 2016	0	0	0	0	0	0	Master of Accounting, National Taipei University Department of Accounting, National Chung Hsing University PwC Taiwan KG Telecommunication/Far EasTone Telecommunications Heaven Skincare Taiwan Co. Ltd.	None	None	None	None	None

Corporate Governance Officer	The Republic of China	Yu, Hsuan-Di	Female	June 1, 2022	2,358	0.01	0	0	0	0	Department of Accounting, National Taipei University Deloitte & Touche Senior Manager of Finance, Wayi International Digital Entertainment Co., Ltd.	None	None	None	None	None
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Note: The Chairman of the Company concurrently acts as General Manager to enhance operating efficiency and decision-making, and exchanges opinions with Directors on major business decisions at any time. Major business decisions are fully discussed in the Board meetings to fulfill corporate governance. More than half of the Board members are not employees or managerial officers of the Company concurrently.

(III) Remuneration of Directors, Independent Directors, Supervisors, General Manager, and Vice General Manager

1. Remuneration of Directors and Independent Directors

December 31, 2022: Unit: NT\$ thousands/Thousand shares

Title	Name	Director Remuneration								Summation of A, B, C, and D and as a % of After Tax Income		Compensation to Directors Also Serving as Company Employees								Summation of A,B,C, D, E, F and G and as a % of After-Tax Income		Compensation from parent company and affiliates other than subsidiaries
		Remuneration (A)		Pensions (B)		Director Earnings Distribution (C)		Business Expenses (D)				Salary, Bonuses, and Special Allowance (E)		Pensions (F)		Employee Earnings Distribution (G)						
		The Company	All consolidated companies	The Company	All consolidated companies	The Company	All consolidated companies	The Company	All consolidated companies	The Company	All consolidated companies	The Company	All consolidated companies	The Company	All consolidated companies	The Company		All consolidated companies		The Company	All consolidated companies	
																Cash	Stock	Cash	Stock			
Chairman (Note 1)	Wanin International Co., Ltd. Representative Shih ,Shu-Kai	120	120	0	0	54	54	30	30	204 0.56%	204 0.56%	1,715	1,715	0	0	14	0	14	0	1,933 5.27%	1,933 5.27%	0
Director	Given Business Inc. Representative Wu, Ai-Yun	170	170	0	0	54	54	45	45	269 0.73%	269 0.73%	0	0	0	0	0	0	0	0	269 0.73%	269 0.73%	0
Director (Note 2)	Given Business Inc. Representative Tu, Yao-Jen	170	170	0	0	54	54	35	35	259 0.71%	259 0.71%	0	0	0	0	0	0	0	0	259 0.71%	259 0.71%	0
Director (Note 3)	Given Business Inc. Representative Chang, Hsieh-Chien	50	50	0	0	0	0	25	25	75 0.20%	75 0.20%	1,442	1,442	0	0	0	0	0	0	1,517 4.14%	1,517 4.14%	0
Director (Note 1)	Lin, Wen-Peng	120	120	0	0	54	54	10	10	184 0.50%	184 0.50%	0	0	0	0	0	0	0	0	184 0.50%	184 0.50%	0

Title	Name	Director Remuneration								Summation of A, B, C, and D and as a % of After Tax Income		Compensation to Directors Also Serving as Company Employees								Summation of A,B,C, D, E, F and G and as a % of After-Tax Income		Compensation from parent company and affiliates other than subsidiaries
		Remuneration (A)		Pensions (B)		Director Earnings Distribution (C)		Business Expenses (D)				Salary, Bonuses, and Special Allowance (E)		Pensions (F)		Employee Earnings Distribution (G)						
		All consolidated companies The Company	The Company	All consolidated companies The Company	The Company	All consolidated companies The Company	The Company	All consolidated companies The Company	The Company	All consolidated companies The Company	The Company	All consolidated companies The Company	The Company	All consolidated companies The Company	The Company		All consolidated companies		The Company	All consolidated companies		
															Cash	Stock	Cash	Stock				
Independent Director	Hsiao, Feng-Hsiung	430	430	0	0	54	54	175	175	659 1.80%	659 1.80%	0	0	0	0	0	0	0	0	659 1.80%	659 1.80%	0
Independent Director	Liang, Mu-Chun	430	430	0	0	54	54	175	175	659 1.80%	659 1.80%	0	0	0	0	0	0	0	0	659 1.80%	659 1.80%	0
Independent Director (Note 1)	Gao, Li-Han	180	180	0	0	54	54	60	60	294 0.80%	294 0.80%	0	0	0	0	0	0	0	0	294 0.80%	294 0.80%	0
<div>1. Please describe the remuneration policy, system, standards, and structure for independent directors, and explain the relationship between the remuneration amount and factors such as responsibilities, risks, and time commitment: In accordance with the Company's Articles of Association, directors (including independent directors) may receive remuneration while performing their duties for the Company. This remuneration is authorized by the Board of Directors and determined based on their level of involvement and contribution to the Company's operations, in line with industry standards. As stipulated in the Articles of Association, independent directors receive a fixed remuneration. Since all independent directors serve as members of both the Audit Committee and the Compensation Committee, their remuneration may be higher than that of regular directors. Independent directors also receive travel allowances for attending board meetings or functional committee meetings.</div> <div>2. Apart from the disclosure in the table above, no remuneration was received by the Company's directors in the most recent fiscal year for providing services (such as serving as a consultant for the parent company, companies included in the financial statements, or investment businesses without being an employee): None.</div>																						

Note 1 : New appointments after the shareholders' meeting on June 23, 2022.

Note 2 : Resigned after the shareholders' meeting on June 23, 2022, and newly appointed after the corporate director changed the representative on August 11, 2022.

Note 3 : Resigned after the corporate director changed the representative on August 11, 2022.

2. Remuneration of Supervisors

December 31, 2022: Unit: NT\$ thousands/Thousand shares

Title	Name	Remuneration of Supervisors						Ratio of Total Remuneration (A+B+C) to Net Income After Tax (%)		Compensation from parent company and affiliates other than subsidiaries
		Base Compensation (A)		Bonus to Supervisors (B)		Allowances (C)				
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	
Supervisors(Note)	Lin,Wen-Peng	50	50	0	0	15	15	65 0.18%	65 0.18%	0
Supervisors(Note)	Huang Xin Investment Co., Ltd Representative Lu, Shih-Yun	50	50	0	0	15	15	65 0.18%	65 0.18%	0

Note : Resigned after the shareholders' meeting on June 23, 2022.

3. Remuneration of General Manager and Deputy General Manager

December 31, 2022; Unit: NT\$ thousands/1000 shares

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Employees' Remuneration (D)				Ratio of Total Compensation (A+B+C+D) to Net Income After Tax (%)		Compensation from parent company and affiliates other than subsidiaries
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
General Manager	Shih, Shu-Kai	1,558	1,558	0	0	157	157	14	0	14	0	1,729 4.72%	1,729 4.72%	0
General Manager (Note)	Chang, Hsieh-Chien	1,442	1,442	0	0	0	0	0	0	0	0	1,442 3.93%	1,442 3.93%	0

Note : Resigned on June 23, 2022.

4. TWSE/TPEX-listed companies with after-tax deficits as shown in the individual or consolidated financial statements in the last three fiscal years; or ranking in the last bracket during the corporate governance evaluation in the most recent year; or rejection for evaluation by the Corporate Governance Evaluation Committee for a request for change of trading method, suspension from trading, termination of listing, or other reasons in the most recent year and until the date of annual report publication shall disclose the reward of each of the five officers with the highest rewards: None.
5. The Name of the Manager who Distributes Employees' Bonuses and the Distribution:

December 31, 2022; Unit: NT\$ thousands/1000 shares

Title	Name	Total Share Remuneration	Total Cash Remuneration	Total	Ratio of the Aggregate Amount to the Net Income After Tax (%)
General Manager	Shih, Shu-Kai	0	71	71	0.19
CFO	Li, Chun-Te				
Accounting Manager	Huang, Ya-Ling				
Corporate Governance Officer	Yu, Hsuan-Di				

(IV) Comparison of remuneration paid by all companies included in the consolidated financial statements for the most recent two fiscal years to the Directors, Supervisors, General Manager and Vice General Manager of the Company, to the net income after tax and Paid by the Company, and the policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance

1. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice presidents of the Company, to the net income after tax

Item Title	2021				2022			
	The Company		All consolidated companies		The Company		All consolidated companies	
	Amount NT\$ thousands	As a % of net income	Amount NT\$ thousands	As a % of net income	Amount NT\$ thousands	As a % of net income	Amount NT\$ thousands	As a % of net income
Director Remuneration	5,228	5.63%	5,228	5.63%	5,774	15.75%	5,774	15.75%
Supervisor Remuneration	381	0.41%	381	0.41%	130	0.35%	130	0.35%
General Manager Remuneration	3,250	3.50%	3,250	3.50%	3,171	8.65%	3,171	8.65%
Net Income After Tax	92,944	-	92,944	-	36,642	-	36,642	-

The increase in the total remuneration of directors and supervisors in 2022 compared to 2021 was primarily due to the establishment of the audit committee and the re-election of independent directors, resulting in an increase in fixed expenses for attendance and directors' remuneration. Conversely, the total amount of earnings distributed in 2022 decreased compared to the previous year. Additionally, the total remuneration of the general manager in 2021 decreased compared to 2020, mainly due to a decrease in bonuses.

2. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance
 - I. According to Article 21 of the Company's Articles of Association, the Company may provide remuneration to directors regardless of business profits or losses. The remuneration is authorized by the board of directors, determined based on the director's involvement and contribution to the Company operations, and according to industry standards. When the Company has profits, additional remuneration is distributed according to Article 25.

The directors (including independent directors) of the Company receive fixed remuneration according to the articles of association. Since all independent directors also serve as members of the Audit Committee and the Remuneration Committee, their remuneration may be higher than that of general directors. Directors (including independent directors) who attend board or functional committee meetings receive additional travel allowances, which are approved by the Remuneration Committee and the board of directors.

- II. According to Article 25 of the Company's articles of association, if the company has annual profits (referring to pre-tax profits before the distribution of employee and director remuneration), director remuneration is not to exceed 3% and employee remuneration not to be less than 1%.

In addition to the above-mentioned director remuneration, the Company allocates director and employee remuneration based on operational results and performance, as prescribed by the articles of association. The performance evaluation results are used as a reference for director remuneration, and related remuneration is deliberated by the Remuneration Committee and approved by the board of directors.

General directors who also serve as employees are compensated according to the Company's "Salary Payment Method" regulations, which takes into account the salary level for the position in the industry, the scope of authority and responsibility within the Company, and the contribution to the Company's operational goals. The salary also considers the risks associated with decision-making, the risk of not achieving operational goals, and the risk of non-compliance with policies and regulations, ensuring a reasonable salary is provided.

Directors' and managers' compensation is determined by considering the Company's overall operational performance, as well as the annual profitability, operational efficiency, and performance evaluation results, providing reasonable compensation. The remuneration for the directors and managers of the Company is reviewed by the Compensation Committee and approved by resolutions of the Board of Directors.

III. Implementation of Corporate Governance:

(I) Board of Directors:

1.As of publication of the Annual Report, there had been a total of 9 meetings of the Board of Directors over the past fiscal year. Director attendance is detailed below:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Remarks
Chairman	Wanin International Co., Ltd. Representative Shih, Shu-Kai	6	0	100	Newly appointed on June 23, 2022 Required to attend 6 meetings
Director	Given Business Inc. Representative Wu, Ai-Yun	9	0	100	Reappointed on June 23, 2022 Required to attend 9 meetings
Director	Given Business Inc. Representative Tu, Yao-Jen	8	0	100	Resigned on June 23, 2022 and Newly appointed on Aug 11, 2022 Required to attend 8 meetings
Director	Given Business Inc. Representative Chang, Hsieh-Chien	4	0	100	Resigned on Aug 11, 2022 Required to attend 4 meetings
Director	Lin, Wen-Peng	4	1	67	Newly appointed on June 23, 2022 Required to attend 6 meetings
Independent Director	Hsiao, Feng-Hsiung	7	2	78	Reappointed on June 23, 2022 Required to attend 9 meetings
Independent Director	Liang, Mu-Chun	9	0	100	Reappointed on June 23, 2022 Required to attend 9 meetings
Independent Director	Gao, Li-Han	6	0	100	Newly appointed on June 23, 2022 Required to attend 6 meetings

Other mentionable items:

I. If any of the following circumstances occurs, the dates of the meetings, sessions, contents of motion, all Independent Directors' opinions and the Company's response shall be specified

(I) Matters referred to in Article 14-3 of the Securities and Exchange Act :

Please refer to important resolutions of the board of directors. The above proposal was passed without objection after the chairman consulted all the directors present, and independent directors had no other opinions.

(II) Other matters involving objections or expressed reservations by Independent Directors that were recorded or stated in writing that require a resolution by the Board of Directors: None.

II. If there are Directors' avoidance of motions in conflict of interest, the Directors' names, contents of motion, causes for avoidance and voting shall be specified:

Board meeting	Name of Director	Resolution Content	Resolution Content	Voting Results
The 19th meeting of 10th term 3/24/2022	Chang, Hsieh-Chien Wu, Ai-Yun Tu, Yao-Jen Hsiao, Feng-Hsiung Liang, Mu-Chun	Distribution of directors' and supervisors' and employees' remuneration for 2021	Relation with personal interest	Vote withdrawal in accordance with the law
The 20th meeting of 10th term 5/12/2022	Chang, Hsieh-Chien Wu, Ai-Yun	Proposal on lifting the non-competition restrictions for new	Relation with personal interest	Vote withdrawal in accordance with the law

		Tu, Yao-Jen Hsiao, Feng-Hsiung Liang, Mu-Chun	directors and their representatives		
The 1st meeting of 11th term 6/23/2022		Shih, Shu-Kai	Personnel change of managerial officers	Relation with personal interest	Vote withdrawal in accordance with the law
		Hsiao, Feng-Hsiung Liang, Mu-Chun Gao, Li-Han	Appointment of members to the Fifth Remuneration Committee	Relation with personal interest	Vote withdrawal in accordance with the law
The 2nd meeting of 11th term 8/11/2022		Shih, Shu-Kai Wu, Ai-Yun	Proposal on related party transactions	Relation with personal interest	Vote withdrawal in accordance with the law
		Shih, Shu-Kai	Proposal on the general manager's remuneration	Relation with personal interest	Vote withdrawal in accordance with the law
		Shih, Shu-Kai Wu, Ai-Yun Tu, Yao-Jen Hsiao, Feng-Hsiung Liang, Mu-Chun Gao, Li-Han	Proposal on the directors' remuneration (including independent directors)	Relation with personal interest	Vote withdrawal in accordance with the law
The 3rd meeting of 11th term 11/10/2022		Shih, Shu-Kai	Proposal on a contract with a related party	Relation with director's interest	Vote withdrawal in accordance with the law
The 4th meeting of 11th term 1/5/2023		Shih, Shu-Kai	Disposition of real estate assets to related parties	Relation with director's interest	Vote withdrawal in accordance with the law
			Proposal on a contract with a related party	Relation with director's interest	Vote withdrawal in accordance with the law
			Proposal on the year-end bonus distribution for managerial officers in 2022	Relation with personal interest	Vote withdrawal in accordance with the law
The 5th meeting of 11th term 3/27/2023		Shih, Shu-Kai Wu, Ai-Yun Tu, Yao-Jen Lin, Wen-Peng Hsiao, Feng-Hsiung Liang, Mu-Chun Gao, Li-Han	Distribution of directors' and employees' remuneration for 2022	Relation with personal interest	Vote withdrawal in accordance with the law

- III. TWSE/GTSM listed companies shall disclose evaluation cycles, periods, scopes, methods, and details used to conduct general self-evaluations (or peer evaluations) for their boards: The company will hold company board meetings, the Audit Committee and Remuneration Committees, to conduct self-evaluations and peer evaluations and report the results before the end of the first quarter of the following year starting in 2022.
- IV. Measures taken to strengthen the functionality of the Board (e.g. the establishment of Audit Committee, or the improvement of information transparency) during the year:
- (I) To continue improving the board members' professional and legal knowledge for the efficient function of the Board, the Company held on-job training courses for directors twice in 2022.
 - (II) To strengthen corporate governance, the head of corporate governance was appointed on June 1st, 2022, upon a board resolution.
 - (III) The "Rules of Procedure for Board Meetings" has been amended twice since 2022, to establish an effective system of the Board of Directors and the supervision function.
 - (IV) The Company established an audit committee on June 23rd, 2022 to oversee the presentation of the Company's financial statements, the selection/removal of certified public accountants and their independence and performance, the effective implementation of the Company's internal controls, the Company's compliance with relevant laws and regulations, and the management and control of the

- Company's existing or potential risks.
- (V) The Company carries out the performance evaluation of the Board of Directors and the functional committees regularly in accordance with the provisions of the "Performance Evaluation Measures of the Board of Directors. The external performance evaluation of the Board of Directors (including the functional committees) which shall be done once every three years was conducted in 2022.

2. Evaluation of the Board performance:

Frequency	Period	Scope	Method	Content
Internal evaluation, once a year.	From January 1, 2022 to December 31, 2022	The Board of Directors	Performance Evaluation of the Board of Directors	1. Involvement in the operation of the Company. 2. Improvement in the decision making quality of the Board of Directors. 3. Composition and structure of the Board of Directors. 4. Selection and continuing education of directors. 5. Internal control.
		Individual directors	Self-evaluation of Performance Evaluation of Directors	1. Mastery of the Company's goals and tasks. 2. Cognition of the directors' roles and responsibilities. 3. Involvement in the operation of the Company. 4. Management and communication of the internal relations. 5. Expertise and continuing education of directors. 6. Internal control.
		The Remuneration Committee The Audit Committee	Self-evaluation for Performance Evaluation of Functional Committees	1. Involvement in the operation of the Company. 2. Cognition of the duties of the functional committees. 3. Improvement in the quality of decision making by the functional committees. 4. Composition of the functional committees and the election of their members. 5. Internal control.

External evaluation, once every 3 years.	From January 1, 2022 to December 31, 2022	Performance evaluation of the overall board and functional committees conducted by external professional organizations upon the Company's request.	Evaluation conducted by Taiwan Investor Relations Institute upon the Company's request.	Board of Directors 1. Composition and professional development of the board of directors. 2. The quality of board decision-making. 3. The effectiveness of the board of directors. 4. Internal control and risk management. 5. The degree of board involvement in corporate social responsibility. Functional committee 1. Level of involvement in company operations 2. Cognition of functions of the functional Committee 3. Improve the decision-making quality of functional committees 4. Composition and selection of members of the functional Committee 5. Internal control
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(II) Audit Committee (or Attendance of Supervisors at Board Meetings):

1. As of publication of the Annual Report, there had been a total of 5 meetings of the Audit Committee over the past fiscal year. Independent Director attendance is detailed below:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Remarks
Convener	Gao, Li-Han	5	0	100	Set up the audit committee on June 23, 2022 Required to attend 5 meetings
Members	Hsiao, Feng-Hsiung	3	2	60	
Members	Liang, Mu-Chun	5	0	100	

Other mentionable items:

- I. If the operation of the audit committee falls under any of the following circumstances, the meeting date of the audit committee, the number of the meeting, the content of the proposals, the independent directors' objections, reservations or major suggestions, the results of the audit committee's resolutions, and the Company's handling based on the audit committee's opinions shall be stated.

(I) The matters listed in Article 14-5 of the Securities Exchange Act:

Board meeting	Resolution Content
The 1st meeting of 1st term 8/11/2022	Proposal on related party transactions Proposal on consolidated financial statements for the first half of 2022 Proposal on the additional amendment to the hiring process in the payroll and personnel cycle
The 2nd meeting of 1st term 11/10/2022	Proposal on 2023 Annual Audit Work Plan Proposal on the amendment to the "Procedures for Handling Material Inside Information" Proposal on the change of an accountant due to the accounting firm's internal rotation Proposal on consolidated financial statements for 2022 Q1~Q3 Proposal on a contract with a related party
The 3rd meeting of 1st term 1/5/2023	Disposition of real estate assets to related parties Proposal on a contract with a related party Proposal on the amendment of the "product testing process in research and development cycle"

	The 4th meeting of 1st term 3/27/2023	Assessment of the accountant’s independence and suitability and appointment Proposal on the business report and financial statement for 2022 Distribution of earnings for 2022 Proposal on the capital increase from earnings to issue new shares Proposal on 2022 “Statement of Internal Control”																															
	The 5th meeting of 1st term 5/9/2023	Proposal on consolidated financial statements for 2023 Q1 Proposal on the establishment of the verification regulations for the pre-concurrence of non-assurance services provided by the CPA firm. Proposal on the establishment of the “IT security maintenance plan”																															
	The above proposals Resolutions of the Audit Committee meeting: All the attending members approved and submitting to the Board of Directors for resolution. The Company’s handling of the opinions of the Audit Committee: All the attending directors approved. The independent directors' objections, reservations or major suggestions: None.																																
	(II) Unless otherwise provided the above, others were approved by Audit Committee, but approved with the consent of two-thirds or more of all Directors: None.																																
II.	Any conflict of interest among independent directors: None																																
III.	Communication among independent directors, internal audit officer and accountants (for example, any matters, methods, and results of communication for the company's financial status and business operations)																																
	(I) In addition to internal audit office that shall submit audit report to each independent director for review monthly, auditing officer also shall report audit implementation to independent directors in the Audit Committee on a quarterly basis.																																
	(II) It is required to track the improvement on deficiencies and abnormal of events reported in each audit report and submit follow up report to track the progress on a quarterly basis.																																
	(III) When the Audit Committee meeting discusses financial statements and CPAs’ audit and certification, CPAs is invited to attend as required.																																
	(IV) Independent Directors and CPA shall hold regular meetings at least four times each year. CPA shall report to Independent Directors the matters concerning the Company's financial situation and internal control and audit. And with which shall fully communicate any material adjustments of accounting entries, or whether amendment of laws and regulations may affect accounting/journal entry. In the event of major unusual matters, the audit committee may convene meeting at any time.																																
	(V) Regular communication is as the Schedule below:																																
	<table><tr><th rowspan="2">Date</th><th colspan="2">Communication situation with the internal audit</th><th colspan="2">Communication situation with the CPA</th></tr><tr><th>Communicated matters</th><th>Results of the communication</th><th>Communicated matters</th><th>Results of the communication</th></tr><tr><td>The 1st meeting of 1st term 8/11/2022</td><td>The company's report on the lack of internal control and abnormal events in June 2022</td><td>No recommendations</td><td>Proposal on consolidated financial statements for the first half of 2022</td><td>No recommendations</td></tr><tr><td>The 2nd meeting of 1st term 11/10/2022</td><td>Proposal on 2023 Annual Audit Work Plan</td><td>No recommendations</td><td>Proposal on the change of an accountant due to the accounting firm’s internal rotation Proposal on consolidated financial statements for 2022 Q1~Q3</td><td>No recommendations</td></tr><tr><td>The 4th meeting of 1st term 3/27/2023</td><td>Proposal on 2022 “Statement of Internal Control”</td><td>No recommendations</td><td>Proposal on the business report and financial statement for 2022</td><td>No recommendations</td></tr><tr><td>The 5th meeting of 1st term 5/9/2023</td><td>Report on the implementation of the audit plan in February-March 2023</td><td>No recommendations</td><td>Proposal on consolidated financial statements for 2023 Q1 Proposal on the establishment of the verification regulations for the pre-concurrence of non-assurance services provided by the CPA firm.</td><td>No recommendations</td></tr></table>				Date	Communication situation with the internal audit		Communication situation with the CPA		Communicated matters	Results of the communication	Communicated matters	Results of the communication	The 1st meeting of 1st term 8/11/2022	The company's report on the lack of internal control and abnormal events in June 2022	No recommendations	Proposal on consolidated financial statements for the first half of 2022	No recommendations	The 2nd meeting of 1st term 11/10/2022	Proposal on 2023 Annual Audit Work Plan	No recommendations	Proposal on the change of an accountant due to the accounting firm’s internal rotation Proposal on consolidated financial statements for 2022 Q1~Q3	No recommendations	The 4th meeting of 1st term 3/27/2023	Proposal on 2022 “Statement of Internal Control”	No recommendations	Proposal on the business report and financial statement for 2022	No recommendations	The 5th meeting of 1st term 5/9/2023	Report on the implementation of the audit plan in February-March 2023	No recommendations	Proposal on consolidated financial statements for 2023 Q1 Proposal on the establishment of the verification regulations for the pre-concurrence of non-assurance services provided by the CPA firm.	No recommendations
Date	Communication situation with the internal audit		Communication situation with the CPA																														
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2. Attendance of Supervisors at Board Meetings:

A total of 6 meetings of the Board of Directors were held in the previous period. The attendance of supervisors was as follows:

Title	Name	Attendance in Person	Attendance Rate (%)	Remarks
Supervisor	Lin, Wen-Peng	3	100	Resigned on June 23, 2022 Required to attend 3 meetings
Supervisor	Huang Xin Investment Co., Ltd Representative Lu, Shih-Yun	3	100	

Other mentionable items:

I. Composition and responsibilities of Supervisors:

The Company's Supervisors regularly attend the Company's Board of Directors and discuss major resolutions.

(I) Communications between Supervisors and the Company's employees and Shareholders (e.g. communication channels, methods, etc.): The Supervisors of the Company can learn about the Company's performance through the audit reports provided by the Board of Directors and the auditors or by accessing relevant information of the Company's finance and business at any time, and can request relevant units for reports submission. Employees or Shareholders, stakeholders, and substantial Shareholders of the Company may contact the Company's Supervisors by letter.

(II) Communications between Supervisors and the Company's chief internal auditor and CPA (e.g. items, methods and results of the audits of corporate finance or operations): The auditing unit of the Company will regularly provide internal auditing reports to the Supervisors, and report the latest audit situation on the Board of Directors. The Supervisors are allowed to check the financial and business execution status of the Company at any time. If the Supervisor has any question about the operation of the Company, he can communicate with the head of the relevant unit and review the improvement. Besides, if the Supervisor has any questions about the Company's financial and business status, he may communicate with the Company's accountants at any time and direct the relevant units for shortage review and improvement.

II. If a supervisor expresses an opinion during a meeting of the Board of Directors, the dates of the meetings, sessions, contents of motion, resolutions of the Directors' meetings and the Company's response to the Supervisor's opinion shall be specified: None.

(III) Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
I. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		In order to establish a good corporate governance system, the Company has established the "Corporate Governance Best-practice Principles" and disclosed the principles on the Market Observation Post System (MOPS).	No deviation
II. Shareholding Structure & Shareholders' Rights				
(I) Does the Company establish an internal operating procedure to deal with Shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		The Company has a spokesperson system and staff in place to handle shareholder relations. The legal department will assist with legal matters.	No deviation
(II) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		The Company keeps track of the shareholdings of directors, and major shareholders holding 10% or more of the shares, and files reports in accordance with the information reporting regulations.	
(III) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	V		The Company's affiliated enterprises are all independent corporate entities, with internal control systems.	
(IV) Does the Company establish internal rules against insiders trading with undisclosed information?	V		The Company has formulated "Code of Ethical Conduct " and "Internal Material Information Processing Procedures," which prohibit insiders from trading securities using undisclosed information in the market.	
III. Composition and Responsibilities of the Board of Directors				
(I) Does the Board of Directors prepare diversified guidelines and concrete management objectives in response to the organization of members and actualize the execution?	V		The Company's "Corporate Governance Best-Practice Principles" and "Procedures for the Election of Directors" specify that the composition of the Board of Directors shall take into account diversity, and that a diversity policy shall be formulated with respect to the Company's operations, business model and development needs, including but not limited to gender, age and professional background. Please refer to page 23for details of the implementation of the policy on diversity of Board	No deviation

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(II) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		members. The Company has established Remuneration Committee and Audit Committee in accordance with law and will establish other functional committees in the future depending on business needs.	
(III) Does the Company establish standards to measure the performance of the Board, and does the Company implement such annually? Are the results submitted to the Board of Directors and used as references for Directors' remuneration and nomination for reappointment?	V		The Company has established Board of Directors' performance evaluation method, and the performance evaluation is conducted and reported to the Board of Directors on a regular basis every year, and is used as a reference for salary and compensation and nomination for reappointment. Please refer to page 36 for details of the evaluation of the Board of Directors' performance in 2022.	
(IV) Does the Company regularly evaluate the independence of CPAs?	V		Our Audit Committee conducts an annual assessment to evaluate the independence and suitability of our certified public accountants. In addition to the "Declaration of Detached Independence" and "Audit Quality Indicators (AQI)" provided by certified public accountants, the certified public accountants are also assessed based on the accountant's independence assessment criteria (Remark) and 13 AQI indicators. We have confirmed that the accountants have no financial interest or business relationship with our company, aside from fees for visa and tax-related services, and that their family members do not violate independence requirements. We also reviewed the AQI index information and found that the accountants and their firm are comparable to industry standards in terms of audit experience and training hours. Additionally, we are continually introducing digital audit tools to enhance the quality of our audits. The results of our most recent annual evaluation were discussed and approved by the Audit Committee on March 27 th , 2023, and submitted to the Board on the same day for	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>approval of the independence and suitability of the accountant assessment.</p> <p>Note: The criteria for assessing the independence of the company's CPA are as follows</p> <ol style="list-style-type: none"> 1. Whether it has direct or indirect material financial interests with the Company 2. Whether it has financing or guarantee activities with the Company or the directors and supervisors of the Company 3. Whether it has close business relationship or potential employment relationship with the Company 4. Whether the CPAs and members of the audit team serve as directors, supervisors or managerial officers or holding positions with significant influence on the audit work of the Company at present or in the past 2 years 5. The non-audit services provided do not directly affect the materiality of the audit case 6. Whether the CPAs promote or broker the shares or other securities issued by the Company 7. Whether the CPAs serve as a defense counsel of the Company or represent the Company in mediating conflicts with third parties 8. Whether the CPA is a family member or relative of a supervisor, director or managerial officer or person holding a position that has a significant impact on the audit work of the Company 	
IV. Does the Company have an adequate number of corporate governance personnel with appropriate qualifications and appoint a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs (including but not limited to providing Directors and Supervisors with information needed for undertaking their duties, assisting Directors and Supervisors with legal compliance, handling matters		V	<p>On May 12, 2022, the Board of Directors resolved to appoint Yu Hsuan Di, a senior manager of the Finance Department, as the Corporate Governance Officer of the Company effective June 1, 2022, to safeguard the interests of shareholders and strengthen the functions of the Board of Directors. The Corporate Governance Officer has more than three years of experience as a financial officer of public listed companies. The Corporate Governance</p>	No deviation

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																												
	Yes	No	Abstract Illustration																													
relating to Board meetings and shareholders' meetings according to laws, producing minutes of Board meetings and shareholders' meetings)?			Officer is mainly responsible for handling matters related to Board of Directors and shareholders' meetings, preparing minutes of Board of Directors and shareholders' meetings, assisting directors in their appointment and continuing education, providing information necessary for directors to perform their duties, and assisting directors in complying with laws and regulations. The Corporate Governance Officer of the Company was established on June 1, 2022. As of the publication date of the annual report, the corporate governance officer has studied for 18 hours, and the learning status is as follows:																													
			<table><tr><th>Date</th><th>Organizer</th><th>Course Name</th><th>Hours</th></tr><tr><td>8/11/2022</td><td>Securities and Futures Institute (SFI Taiwan)</td><td>The Latest Practical Development of Insider Trading and the Prevention Countermeasures for Corporations</td><td>3</td></tr><tr><td>8/25/2022</td><td>Taipei Exchange</td><td>Lecture on the Equity of OTC and ESB listed Companies’ Insiders</td><td>3</td></tr><tr><td>11/3/2022</td><td>Taiwan Corporate Governance Association</td><td>ESG Trends and Risk Management Seminar by Fubon Insurance</td><td>3</td></tr><tr><td>11/10/2022</td><td>Securities and Futures Institute (SFI Taiwan)</td><td>The Function of Board Members from Enterprise Fraud Prevention</td><td>3</td></tr><tr><td>4/12/2023</td><td>Taiwan Independent Director Association</td><td>How to construct a sustainable governance strategy for the Board? The latest ESG sustainable Disclosure Governance Specification</td><td>3</td></tr><tr><td>5/9/</td><td>Securities</td><td>How to monitor and supervise</td><td>3</td></tr></table>		Date	Organizer	Course Name	Hours	8/11/2022	Securities and Futures Institute (SFI Taiwan)	The Latest Practical Development of Insider Trading and the Prevention Countermeasures for Corporations	3	8/25/2022	Taipei Exchange	Lecture on the Equity of OTC and ESB listed Companies’ Insiders	3	11/3/2022	Taiwan Corporate Governance Association	ESG Trends and Risk Management Seminar by Fubon Insurance	3	11/10/2022	Securities and Futures Institute (SFI Taiwan)	The Function of Board Members from Enterprise Fraud Prevention	3	4/12/2023	Taiwan Independent Director Association	How to construct a sustainable governance strategy for the Board? The latest ESG sustainable Disclosure Governance Specification	3	5/9/	Securities	How to monitor and supervise	3
			Date		Organizer	Course Name	Hours																									
			8/11/2022		Securities and Futures Institute (SFI Taiwan)	The Latest Practical Development of Insider Trading and the Prevention Countermeasures for Corporations	3																									
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			4/12/2023		Taiwan Independent Director Association	How to construct a sustainable governance strategy for the Board? The latest ESG sustainable Disclosure Governance Specification	3																									
5/9/	Securities	How to monitor and supervise	3																													

Evaluation Item	Implementation Status					Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration			
			2023	and Futures Institute (SFI Taiwan)	the company's enterprise risk management and crisis management for the Board	
V. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to Shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		Depending on the situation, the Company shall instruct the legal, personnel, business, technical and finance departments to communicate with stakeholders. The Company's website and annual report both includes contact information. The spokesperson will speak to the public and announce the latest important information.			No deviation
VI. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company has appointed the Taishin Securities Co. Ltd’s Stock Affairs Agency to handle Shareholders' Meetings.			No deviation
VII. Information Disclosure (I) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance? (II) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)? (III) Does the Company announce and register the annual financial statements within two months after the close of each fiscal year and the quarterly financial statements and the monthly operating status within the given time limits?	V V V		The Company discloses the corporate status and governance information over the corporate website at http://www.wayi.net . The Company has a spokesperson system and discloses financial information and corporate governance information on the company’s website and the MOPS The Company announces the quarterly financial statements and the monthly operating status within the given time limits.			No deviation
VIII. Is there any other important information to facilitate a better understanding of the Company’s corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, Directors’ and Supervisors’ training records, the implementation of risk	V		About the Company's employee rights and employee wellness, please refer to "5. Labor Relations" in "V. Operational Highlights." For investor relations of the Company, please refer to the Company's website at http://www.wayi.net . Directors’ Training records: The Company holds advanced			No deviation

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for Directors and Supervisors)?			<p>studies for Directors each year. The contents include corporate governance-related themes. As of the end of 2022, all training hours of in-service Directors (including Independent Directors) are in compliance with requirements prescribed in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies."</p> <p>Status of liability insurance for directors: Since 2004, the Company has continuously purchased liability insurance for all directors and supervisors to insure against liability for damages arising out of the scope of their duties and reported to the Board of Directors. The insurance is underwritten by Fubon Insurance Company Limited in the amount of US\$5 million.</p>	
<p>IX. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures.</p> <p>Through continual improvement corporate governance, we were rated the top 6-20% among TPEX-listed companies at the 9th Corporate Governance Evaluation.</p>				

(IV) Composition, Responsibilities and Operations of the Remuneration Committee

1. Profiles of the Members of the Remuneration Committee

Position	Qualification	Professional qualifications and experience	Independence	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
	Name			
Independent Director Convener	Hsiao, Feng-Hsiung	An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university Have Work Experience in the Areas of Commerce, Finance, or Accounting, or Otherwise Necessary for the Business of the Company. There is no any violation of the paragraphs of Article 30 of the Companies Act. Education/experience PhD in Economics, Chinese Cultural University Dean, College Business, Tamkang University Vice Chairperson, Council for Economic Planning And Development, Executive Yuan	1. I, my spouse, and relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or its affiliates. 2. I, my spouse, and relatives within the second degree of kinship (or using the name of another person) do not hold the number and proportion of shares of the Company. 3. Not being a director, supervisor or employee of a company with a specific relationship with the Company (in accordance with Subparagraphs 5~8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange). 4. Have not provided any remuneration for business, legal, financial, or accounting services to the Company or its affiliates in the last two years.	3
Independent Director	Liang, Mu-Chun	Have Work Experience in the Areas of Commerce, Finance, or Accounting, or Otherwise Necessary for the Business of the Company. There is no any violation of the paragraphs of Article 30 of the Companies Act. Education/experience University of San Francisco Public Administration Director, Taiyen Biotech Co., Ltd. Chairman, Taiyen (Xiamen) Import and Export Co., Ltd.	1. I, my spouse, and relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or its affiliates. 2. I, my spouse, and relatives within the second degree of kinship (or using the name of another person) do not hold the number and proportion of shares of the Company. 3. Not being a director, supervisor or employee of a company with a specific relationship with the Company (in accordance with Subparagraphs 5~8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange). 4. Have not provided any remuneration for business, legal, financial, or accounting services to the Company or its affiliates in the last two years.	None
Independent Director	Gao, Li-Han	An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university Have Work Experience in the Areas of Commerce, Finance, or Accounting, or Otherwise Necessary for the Business of the Company. There is no any violation of the paragraphs of Article 30 of the Companies Act. Education/experience Ph.D., Institute of Technology Management, National Chiao Tung University Associate Professor and Dean, Department of Accounting, Soochow University	1. I, my spouse, and relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or its affiliates. 2. I, my spouse, and relatives within the second degree of kinship (or using the name of another person) do not hold the number and proportion of shares of the Company. 3. Not being a director, supervisor or employee of a company with a specific relationship with the Company (in accordance with Subparagraphs 5~8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange). 4. Have not provided any remuneration for business, legal, financial, or accounting services to the Company or its affiliates in the last two years.	None
Others	Li, Ji-Fang Resigned on June 23, 2022	Have Work Experience in the Areas of Commerce, Finance, or Accounting, or Otherwise Necessary for the Business of the Company. There is no any violation of the paragraphs of Article 30 of the Companies Act. Education/experience Deputy Director, Business Office, Chinese National Federation of Industries Ph.D. Candidate, School of Social Development and Public Policy, Fudan University Institute of Business Administration, National Chiao Tung University College of Law, Department of Law, National Taiwan University	1. I, my spouse, and relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or its affiliates. 2. I, my spouse, and relatives within the second degree of kinship (or using the name of another person) do not hold the number and proportion of shares of the Company. 3. Not being a director, supervisor or employee of a company with a specific relationship with the Company (in accordance with Subparagraphs 5~8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange). 4. Have not provided any remuneration for business, legal, financial, or accounting services to the Company or its affiliates in the last two years.	None

2. Duties of the Remuneration Committee

The Committee shall faithfully perform the following duties and responsibilities as a good manager, and submit its recommendations to the Board of Directors for discussion.

- (1) Establish and regularly review the policies, systems, standards and structures for the evaluation of performance and remuneration of directors and managers.
- (2) Regularly evaluate and determine the remuneration of directors and managers, and submit recommendations to the Board of Directors for discussion.

3. Operations of the Remuneration Committee

- (1) The Company's Remuneration Committee consists of three members.
- (2) Term of office: June 23, 2022 to June 22, 2025. As of publication of the Annual Report, there had been a total of 5 meetings of the Remuneration Committee over the past fiscal year. The qualifications and attendance record of the Remuneration Committee members are as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Remarks
Convener	Hsiao, Feng-Hsiung	4	1	80	Reappointed on June 23, 2022; Required to attend 5 meetings
Members	Liang, Mu-Chun	5	0	100	Reappointed on June 23, 2022; Required to attend 5 meetings
Members	Gao, Li-Han	3	0	100	Newly appointed on June 23, 2022; Required to attend 3 meetings
Members	Li, Ji-Fang	2	0	100	Resigned on June 23, 2022; Required to attend 2 meetings

Other mentionable items:

- I. The Remuneration Committee convened five meetings on January 13th, 2022, March 24th, 2022, June 23rd, 2022, January 5th, 2023 and March 27th, 2023 for following matters:
 - (1) Proposal on the year-end bonus distribution for managerial officers in 2021
 - (2) Distribution of directors' and employees' remuneration for 2021
 - (3) Election of the convener of the Remuneration Committee
 - (4) Proposal on the general manager's remuneration
 - (5) Proposal on the directors' remuneration
 - (6) Proposal on the year-end bonus distribution for managerial officers in 2022
 - (7) Proposal of adjustment of managerial officers' remuneration
 - (8) Distribution of directors' and employees' remuneration for 2022
 The above proposals were approved by the Committee.
- II. If the Board of Directors declines to adopt or modifies a recommendation of the Remuneration Committee, it shall specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the Remuneration Committee's opinion (e.g., if the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified): None.
- III. Resolutions of the Remuneration Committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion shall be specified: None.

(V) Fulfillment of Sustainability Development, Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons:

Items Promoted	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
I. Does the company establish a dedicated or concurrent unit in charge of promoting sustainability development with senior management authorized by the board to take charge of proposing sustainability development policies and reporting to the board?	V		<p>In order to promote the sustainable development of the Company, a “Sustainable Development Committee” composed of the general manager and the directors of each center was established in January 2023 based on a board resolution, as well as "sustainable development promotion groups" composed of each unit.</p> <p>Since 2022, the Company has held quarterly meetings to formulate and review ESG policies, systems, and management guidelines, and has reported the current status and result of sustainable development implementation to the Board of Directors after summarization.</p> <p>The Company began to compile its first ESG report in 2022 in an attempt to understand the needs and concerns of stakeholders, communicate with all stakeholders, and show the results of the company's efforts in corporate sustainability, aspire to truly implement the sustainability commitment by improving the environment, society, and corporate governance with the company's power.</p> <p>Based on the Global Reporting Initiative (GRI) Standards, the Company uses a systematic analysis model to identify major topics of concern to stakeholders, formulate management policies, and develop concrete and feasible work standards for implementation.</p> <p>The promotion result is reported to the Board of Directors at least once a year. The implementation report of sustainable development in 2022 was submitted to the Board of Directors on November 10th, 2022.</p> <p>The Company's Board of Directors supervises the</p>	No deviation

Items Promoted	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons									
	Yes	No	Abstract Illustration										
			company's sustainable development policies and results in a proactive manner.										
II. Does the Company conduct risk assessment of environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		<div><div>The boundary of the Company's risk assessment covers the subsidiaries included in the Company's consolidated financial statements.</div><div>The Company conducts risk assessment on important issues per the principle of materiality and formulates relevant risk management policies or strategies based on the risks assessed. Please refer to the Company's Sustainability Report for details, which are summarized as follows.</div><table><tr><th>Material topic</th><th>Risk evaluation item</th><th>Risk management policies and strategies</th></tr><tr><td>Corporate governance</td><td>Economic performance, governance operation and information transparency, ethical management, sustainable strategy planning and implementation</td><td>To realize corporate governance, the Company has stipulated ethical management policies such as the “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” to foster a corporate culture of ethical management and information transparency. The “Regulations for the Performance Evaluation of the Board” have been formulated according to legal regulations and requirements to conduct an internal evaluation of the board’s performance and ensure the soundness of the Company’s governance system.</td></tr><tr><td>Society</td><td>Employee benefits and remuneration, talent cultivation and retention</td><td>The Company sees employees as its close partners, hence we have established management and human resources-related units, as well as the Employee Welfare Committee in a bid to provide employees with an</td></tr></table></div>	Material topic	Risk evaluation item	Risk management policies and strategies	Corporate governance	Economic performance, governance operation and information transparency, ethical management, sustainable strategy planning and implementation	To realize corporate governance, the Company has stipulated ethical management policies such as the “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” to foster a corporate culture of ethical management and information transparency. The “Regulations for the Performance Evaluation of the Board” have been formulated according to legal regulations and requirements to conduct an internal evaluation of the board’s performance and ensure the soundness of the Company’s governance system.	Society	Employee benefits and remuneration, talent cultivation and retention	The Company sees employees as its close partners, hence we have established management and human resources-related units, as well as the Employee Welfare Committee in a bid to provide employees with an	No deviation
Material topic	Risk evaluation item	Risk management policies and strategies											
Corporate governance	Economic performance, governance operation and information transparency, ethical management, sustainable strategy planning and implementation	To realize corporate governance, the Company has stipulated ethical management policies such as the “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” to foster a corporate culture of ethical management and information transparency. The “Regulations for the Performance Evaluation of the Board” have been formulated according to legal regulations and requirements to conduct an internal evaluation of the board’s performance and ensure the soundness of the Company’s governance system.											
Society	Employee benefits and remuneration, talent cultivation and retention	The Company sees employees as its close partners, hence we have established management and human resources-related units, as well as the Employee Welfare Committee in a bid to provide employees with an											

Items Promoted	Implementation Status					Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration			
					outstanding work environment, remuneration, and benefits.	
			Society	Customer service and satisfaction	Respond to customer service emails immediately and report to project managers. Furthermore, implement a follow-up mechanism to make sure the customers’ needs are met or communicated. Administer an annual customer feedback survey, continue to optimize the interview content, and provide the information to relevant teams as a reference for making operational adjustments.	
			Society	Customer privacy and information and communication safety	The Company adopts a comprehensive customer and employee privacy and information security policy by creating a “zero trust environment”, and a dedicated information security management unit has been formed responsible for formulating and implementing the information security system.	
			Corporate governance	Socioeconomic Compliance	The Company’s business is conducted in accordance with relevant laws and regulations. In addition, we strive to keep up with the latest development trends of different government policies as well as updates and changes to laws and regulations. This is to make sure the Company’s businesses comply with relevant laws and regulations.	

Items Promoted	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>III. Environmental issues</p> <p>(I) Does the Company establish proper environmental management systems based on the characteristics of its industry?</p>	V		<p>The Company is currently implementing an environmental management system based on ISO 14001. The main measures being implemented are as follows.</p> <ol style="list-style-type: none"> 1.The Company is an online game service provider, and its products are mainly online stored value, with no physical product packages. 2.The Company does resource recycling in accordance with the building, such as paper, plastic, iron and aluminum cans, and general garbage. 3.The Company uses electricity mainly to save electricity, such as switching to LED lighting and setting the computer screen to sleep automatically. 4.The Company uses automatic water supply device (using the water-saving label), so as not to waste water, and uses water-saving toilets to achieve the goal of water saving. <p>The Company is committed to continuing its environmental management efforts. While no relevant verification standards have been passed yet, the company aims to gradually promote them in the future.</p>	No deviation
<p>(II) Does the Company endeavor to upgrade the utilization efficiency of various resources, and use the regenerated material with a low impact on environmental load?</p>	V		<ol style="list-style-type: none"> 1.The Company switches to online signature system for official documents to reduce the use of paper. 2.When the Company retires and replaces computers, 3C products, servers, etc., the usable parts are dismantled for spare use, and the remaining parts are collected by resource recycling. 3.When the Company retires office furniture, it sells (gives) the usable furniture to colleagues and sells the remaining to second-hand furniture companies. 4.Recycled paper and environmentally friendly toner are used for photocopy. 	No deviation

Items Promoted	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons												
	Yes	No	Abstract Illustration													
(III) Does the Company evaluate the potential risks and opportunities caused by climate change to the Company now and in the future, as well as taking corresponding measures to issues regarding the climate?	V		1. Due to the temperature rising caused by climate change, the Company's greenhouse gas emissions, as well as operating costs, increased as the government has been promoting eco-friendly policies such as carbon taxes, mass control measures and carbon footprint, etc. To reduce greenhouse gas emissions, the Company continues to strive for emission reduction. 2.The Company has no significant capital expenditure on environmental protection due to its operational characteristics. The Company has posted energy-saving and carbon-reduction policy slogans internally, and has promoted relevant regulations during education and training. 3.The air conditioning in the Company is adjusted to 26 degrees or higher. 4.The Company turns off unnecessary power during lunch break and after work. 5.The Company's office environment is planted with potted plants, which can shade the sunlight and reduce direct sunlight, thus saving energy and reducing carbon emissions. 6.All luminaires will be gradually switched to LED ones.	No deviation												
(IV) Does the Company add up the amount of greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies on energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?	V		<table><tr><th>Item</th><th>2021</th><th>2020</th><th>Increase (Decrease)</th></tr><tr><td>Greenhouse gas emissions (metric tons of CO2e) Category II</td><td>157.56</td><td>155.14</td><td>2.42</td></tr><tr><td>Water consumption(de gree)</td><td>1,483.17</td><td>521.00</td><td>962.17</td></tr></table>	Item	2021	2020	Increase (Decrease)	Greenhouse gas emissions (metric tons of CO2e) Category II	157.56	155.14	2.42	Water consumption(de gree)	1,483.17	521.00	962.17	No deviation
Item	2021	2020	Increase (Decrease)													
Greenhouse gas emissions (metric tons of CO2e) Category II	157.56	155.14	2.42													
Water consumption(de gree)	1,483.17	521.00	962.17													

Items Promoted	Implementation Status				Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No	Abstract Illustration			
			Category II			
			Amount of waste generated per capita (ton/person)	0.075	0.077	-0.002
			In 2022, the total greenhouse gas emissions were 157.56 tons of CO2e, which is an increase of 2.42 tons compared to 155.14 tons in 2021. To achieve the international target of net-zero carbon emissions by 2050, the company's carbon reduction measures in terms of strategy, energy saving, production, and environment are as follows.			
			1. The Company does not belong to the manufacturing industry, so there are no emissions, with a small amount of office waste. In line with the building, the Company carries out resource recycling and sorting, such as paper, plastic, iron and aluminum cans to minimize the amount of waste.			
			2. The Company posts energy saving and carbon reduction slogans in prominent areas to remind employees and promote them in education and training.			
			3. In order to reduce greenhouse gas generation and carbon emissions, the Company plants potted plants in the office, sets the air conditioning temperature above 26 degrees, sets automatic power saving for 3C products, uses products with national electricity saving labels, and replaces lighting equipment with LED energy-saving lighting equipment.			
			4. The Company has installed automatic water-saving systems in the toilets with the National Electricity Saving Label.			
			5. The Company’s shredded documents, 3C products,			

Items Promoted	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			toner cartridges are recycled, and the office furniture are recycled by second-hand furniture companies. The Company aims to reduce carbon emissions by 5%-10% annually and make progress towards its carbon reduction goals. While no relevant verification standards have been passed yet, the company aims to gradually promote them in the future.	
IV. Social Issues (I) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		<p>The Company recognizes and supports the spirit and basic principles of human rights protection embodied in the " Universal Declaration of Human Rights", " The United Nations Global Compact ", " ILO Convention " and other international human rights conventions, embodies the responsibility to respect and protect human rights and abide by labor-related laws and regulations, with a human rights policy established.</p> <p>Following the Labor Standard Act, the Company formulates various provisions to protect the rights and interests of employees. For non-native employees in the Group, the treatment is the same as that of domestic employees, without employment discrimination.</p> <p>In accordance with the Company's human rights policy, the Company conducts staff education and trainings to share the basic principles and spirit of human rights protection and follows labor laws and regulations to prohibit forced labor and other violations of human rights and prohibit discrimination or differential treatment for any reason, to guarantee employees' human rights in the workplace.</p> <p>The Company publicizes the management rules and methods and holds labor-management meetings to create communication channels between the two sides. Also,</p>	No deviation

Items Promoted	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			the Company follows and disseminates the relevant laws and regulations on labor protection, so that employees can enjoy legitimate rights and interests.	
(II) Does the Company establish and offer proper employee benefits (including compensation, leave, and other benefits) and reflect the business performance or results in employee compensation appropriately?	V		<p>The Company considers its employees to be its most important asset and implements various employee benefit measures from various aspects. Please refer to Chapter 5 Operational Highlights- V. Labor Relation of this annual report for more information on the Company's employee welfare measures.</p> <p>The Company places a high value on the development and utilization of diverse talent and is dedicated to fostering an equal and welcoming workplace. By the end of 2022, the Company had 39 male employees (53%) and 35 female employees (47%). Furthermore, 33% of senior managers (at or above the manager level) were female.</p> <p>The Company has established the "Wayi Remuneration Payment Plan" as the basis for employee remuneration, actively captures market salary level and reviews the market salary environment at any time for timely reference and adjustment in the hope of recruiting excellent employees to serve the Company.</p> <p>The Company maintains a high correlation between operating results and employee compensation. Article 25 of the Company's Articles of Association states that "If the Company makes a profit in a year, after deducting the accumulated losses, the Company shall pay not more than 3% of the remuneration to the directors and not less than 1% of the remuneration to the employees" in appreciation of the employees' efforts to contribute and grow together with the Company.</p> <p>The Company has also established a performance appraisal system and work rules to clearly define the</p>	No deviation

Items Promoted	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			criteria for remuneration, rewards and sanctions. The performance appraisal of each employee is used as a reference for promotion, transfer, remuneration, bonus payment, education and training, and career planning.	
(III) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		<p>Please refer to Chapter 5 Operational Highlights- V. Labor Relation of this annual report for more information on the Company's provision of a safe and healthy working environment for its employees. The Company fully complies with the Labor Standards Act, and from time to time implements safety and health education and conducts regular health checks for employees to understand their health status. The Company attaches great importance to providing employees with a safe and healthy working environment, invests various resources to improve the safety and health of the working environment, sets up a "WHS Code of Practice", and sets up occupational safety and health personnel to handle occupational safety and health management related matters.</p> <p>During the COVID-19 pandemic, the Company implemented an emergency response plan that included providing personal protective equipment, conducting frequent temperature checks, offering work-from-home arrangements, implementing flexible working hours to disperse commuter traffic during peak hours, conducting regular environmental disinfection, and other preventive measures. These efforts effectively reduced the potential negative impact on employees' health.</p> <p>The Company attaches great importance to providing a safe and healthy working environment for employees and invests various resources to improve the working environment's safety and health. During the reporting period, no occupational disaster case has occurred.</p>	No deviation

Items Promoted	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(IV) Does the Company provide its employees with career development and training sessions?	V		<p>The Company's human resources development strategy focuses on strengthening the management functions of all supervisors and the training of professional functions in all departments, supplemented with the promotion system and cultivating talent needed by the Company. The Company has stipulated the “Employee Educational Training Regulations” to encourage colleagues to engage in continuing education and receive educational training to improve their professional knowledge and vocational skills, as well as to enrich their knowledge, wisdom, skills and potential.</p> <p>The company provides employees with a sound learning environment and a complete educational training framework, including new employee training, professional training, statutory educational training, and irregular seminars.</p> <p>The company also supports on-the-job continuing education and provides tuition fee or credit fee subsidies to encourage colleagues to pursue further education. In 2022, 79 people received educational training, accumulating 334 hours of training at a cost of NT\$136 thousand; the content of educational training encompassed financial accounting, management, internal audit and new employees’ on-board training.</p>	No deviation
(V) Does the Company comply with relevant laws and regulations and international standards for customer health and safety, customer privacy, marketing and labeling of products and services, and develop relevant consumer protection policies and grievance mechanism?	V		<p>The Company’s business is conducted in accordance with relevant laws and regulations. In addition, we strive to keep up with the latest development trends of different government policies as well as updates and changes to laws and regulations. This is to make sure the Company’s service and marketing products all comply with relevant laws and regulations.</p> <p>The Company is engaged in the gaming industry and it is</p>	No deviation

Items Promoted	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>required to comply with regulations such as the “Game Software Rating Management Regulations”, “Consumer Protection Act”, “The Protection of Children and Youths Welfare and Rights Act”, and “Mandatory Provisions and Prohibitory Provisions of Standard Form Contract to Be Included for Online Games”. The Company engages in business activities in accordance with laws and regulations to protect the legal rights and interests of all stakeholders.</p> <p>The Company has established a dedicated customer service unit and offers a range of solutions to meet the consumers' need and provides various timely services.</p>	
(VI) Does the Company formulate a supplier management policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health or labor rights, and their implementation?	V		<p>1. Policy and Regulation</p> <p>To ensure the quality of supply and delivery time, and to enhance the independent management ability of the suppliers, the Company requires them to follow relevant standards in environmental protection, occupational safety and health, and labor human rights. We implement appropriate supplier management operations to establish a close working relationship with our suppliers, facilitating the sustainable development of the company and enhancing our social responsibility.</p> <p>In terms of environmental protection, suppliers reduce waste of energy and waste generation to ensure that while pursuing operation and business performance, they also abide by the spirit of environmental management and actively cooperate with government policies to improve environmental management performance.</p> <p>In terms of occupational safety and health, suppliers are expected to provide a safe and well-lit work environment and prevent workplace injuries.</p> <p>In terms of labor rights, suppliers must pay attention to</p>	No deviation

Items Promoted	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>workplace bullying and sexual harassment. The Company also requires suppliers to follow legal labor recruitment practices, and prohibits the use of illegal labor and child labor.</p> <p>2. Implementation Status</p> <p>The Management Department conducts an annual review of the "Supplier Supply Condition Record Form", which summarizes the grades of each supplier for the current year. Routine supplier evaluations and regular performance evaluations are carried out accordingly. The Company employs various forms of communication to guide suppliers towards the objective of reducing carbon emissions and increasing energy efficiency, effectively enhancing productivity.</p>	
V. Does the Company, following internationally recognized guidelines or principles, prepare and publish reports such as sustainable development reports to disclose non-financial information? Does the Company receive assurance or certification of the aforesaid reports from a third party accreditation institution?	V		The published 2021 ESG Report is based on the core options of GRI Standards and has obtained an independent statement of assurance from BSI, a third-party verification agency.	No deviation
VI. If the Company has established the sustainable development best practice principles based on “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe any discrepancy between the Principles and their implementation: The Company has not established the Sustainable Development Best Practice Principles.				
VII. Other important information to facilitate better understanding of the Company’s sustainable development practices :				
(I) When recruiting and appointing personnel, the Company does not discriminate on the bases of gender, race, or nationality. We also spare no effort to safeguard the rights and interests of our employees. All employees participate in Labor Insurance and National Health Insurance according to law. The Company allocates the retirement reserve pursuant to the law to protect employees' rights and interests and provide employees with a healthy working environment.				
(II) Regarding environmental protection, the Company conforms to environmental protection laws and regulations to mitigate the impact on the environment and move towards the goal of pollution-free.				
(III) With regard to the investor relationship and the rights of the stakeholders, the Company shall maintain an open communication channel at all times, give full play to the spokesperson mechanism, and, in accordance with the principle of good faith, immediately update public information to protect investor relations				

Items Promoted	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
and the rights and interests of the stakeholders.				

(VI) Ethical Corporate Management, Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and Reasons Thereof:

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>I. Establishment of Ethical Corporate Management Policies and Programs</p> <p>(I) Does the Company declare its ethical corporate management policies and procedures in its guidelines and external documents, and do the Board of Directors and management work proactively to implement their commitment to those management policies?</p> <p>(II) Does the Company establish appropriate precautions against high-potential unethical conduct or listed activities stated in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(III) Does the Company establish policies to prevent unethical conduct, with clear statements regarding relevant procedures, conduct guidelines, punishments for violation, and rules for appeal, and does the Company regular review such policies?</p>	V		<p>The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures and Guidelines for Ethical Corporate Management", as well as relevant internal rules and regulations to declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from the Board of Directors and management to implement the policies.</p> <p>The Company has set forth in the "Procedures and Guidelines for Ethical Corporate Management" the rules of conduct to be followed by all employees in the performance of their duties, and the disciplinary actions to be taken against those who violate these rules. In addition, to ensure the implementation of ethical corporate management, the Company has established an effective accounting system and internal control system. The internal auditors regularly review the compliance of each system and report to the Board of Directors.</p> <p>The Company's "Procedures and Guidelines for Ethical Corporate Management" provides for the prevention of dishonest conduct, including operating procedures, conduct guidelines, and education and training. If the Company's personnel are found to have committed dishonest acts, they will be dealt with in accordance with the relevant laws and regulations and the Company's "Work Rules" after verification.</p>	No deviation
<p>II. Fulfill Operations Integrity Policy</p> <p>(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p>	V		<p>Before conducting business transactions, the Company shall launch a credit investigation to dodge counterparties with illegal or dishonest conduct records. When signing a contract, the terms</p>	No deviation

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>(II) Does the Company establish an exclusively dedicated unit under the Board to implement ethical corporate management, and report to the Board on a regular basis (at least once a year)?</p> <p>(III) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?</p> <p>(IV) Does the Company establish effective accounting systems and internal control systems to implement ethical corporate management and have its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?</p> <p>(V) Does the Company regularly hold internal and external educational trainings on operational integrity?</p>	V		<p>that the Company may terminate or rescind the contract at any time, once the counterparty gets involved in unethical acts, will be included as required by the actual situation.</p> <p>The Company has designated the Legal Department as the dedicated unit responsible for promoting and monitoring the implementation of the ethical corporate management policies and preventive programs, and reports to the Board of Directors at least once a year. The most recent board report date is November 10, 2022.</p> <p>If any Directors or Managers get involved with transaction or decision-making that incurs conflicts of interest, such personnel should recuse themselves from operating the transaction or decision-making.</p> <p>The Company has established the accounting system according to the regulations of the competent authority and prepared financial statements following the Financial Statements Standards. Regarding the internal control system, the aforementioned policies shall be checked regularly by auditors to reduce the risk rate of unethical conducts.</p> <p>During recruit training, the Administration Department of the Company shall regularly promote the concept of ethical management and organize education and training when relevant acts and regulations are revised, or significant policies are promulgated.</p>	
<p>III. Operation of the Whistleblowing System</p> <p>(I) Does the Company establish both a reward/punishment system and a whistleblowing channel? Can the accused be reached by an appropriate person for follow-up?</p>	V		<p>The Company has stipulated the "Regulations for Handling Dishonest Behavior Cases Reported". Reports on violations of laws or fraudulent behavior can be submitted to the General Manager's Office, Audit Office, or Legal Department by email or in writing accordingly.</p>	No deviation

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(II) Does the Company establish standard operating procedures for investigating any reported misconduct, follow-up measures to be adopted after investigations, and relevant confidentiality mechanisms?	V		After accepting the violation report, the Company will conduct a private investigation to protect the privacy of the parties concerned and allow them to raise the defense.	
(III) Does the Company provide proper whistleblower protection?	V		The Company provides comprehensive protection measures to the whistleblower to ensure the quality of investigations while avoiding unfair retaliation or treatment of whistleblowers.	
IV. Strengthening Information Disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company’s website and MOPS?	V		The Company has disclosed the ethical corporate management policies and the results of its implementation on the Company’s website and MOPS.	No deviation
V. If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: The Company has established and complied with the "Ethical Corporate Management Best Practice Principles" and the "Procedures and Guidelines for Ethical Corporate Management". There has been no deviation as of the date.				
VI. Other important information to facilitate a better understanding of the Company’s ethical corporate management policies (e.g., review and amend its policies): The Company complies with the Company Law, the Securities and Exchange Act and the regulations related to the management of public listed companies as the basis for the implementation of the Company's ethical corporate management. The Company also keeps abreast of the changes in regulations and reviews the Company's internal rules and regulations in a timely manner.				

(VII) If the Company has established the Governance Best-Practice Principles and related regulations, the methods to access them shall be disclosed:

The Corporate Governance Best Practice Principles and relevant regulations can be found on the Company’s website and the "Corporate Governance Section" of the Market Observation Post System (MOPS).

(VIII) Other material information that is helpful for understanding the status of implementation of corporate governance shall be disclosed together:

1. The Company takes the rights and interests of Shareholders seriously; to properly manage material information, the Company has formulated "Material Information Standard Operating Procedures" and make them familiar to employees, Managers, and Directors in the Company by promotion.
2. To improve the corporate governance mechanism and reduce the risks to the Company's Directors, and key staff, the Company

has taken out Directors and Officers Liability Insurance.

3. Personnel concerned with transparency of financial information obtain certificates designated by the competent authority:
Personnel passed the Enterprise Internal Control Basic Competency Test: 2 (Audit Office)

(IX) Implementation of the Company's internal control system shall furnish the following:

1. Statement of Internal Control System

Wayi International Digital Entertainment Co., Ltd.

Statement of Internal Control System

Date: March 27, 2023

Based on the assessment of the internal control system for 2022, we hereby declare the following:

- I. The Company does understand that the establishment, implementation, and maintenance of the internal control system is the responsibility of the Board of Directors and Managers of the Company, and the Company has established this system. Its purpose is to ensure the achievement of operational effectiveness and efficiency (including profit, performance and asset security), reliability, timeliness, and transparency of reports, and compliance with relevant regulations and laws.
- II. The internal control system has its limitations. No matter how the design is perfected, an efficient internal control system can only ensure the achievement of the aforementioned three objectives. In addition, the efficiency of the internal control system can vary according to the changes of the environment and situations. However, the Company's Internal Control System is a self-monitoring mechanism. Once the deficiencies are identified, the Company will take corrective action.
- III. Based on the judgment items of the effectiveness of the internal control system stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "Processing Guidelines"), the Company judges whether the design and implementation of the internal control system have achieved the desired results. The judgment items adopted by the "Governing Regulations" is the process of management control. A public company's internal control systems shall comprise the following constituent elements: 1. Controlling the environment, 2. Risk assessment, 3. Control operations, 4. Information and communications, and 5. Monitoring activities. Each elements includes several sub-items. For the above items, please refer to the provisions of the Processing Guidelines.
- IV. The Company has already adopted the aforementioned ICS assessment items to evaluate the effectiveness of ICS design and implementation.
- V. Based on the results of such evaluation, the Company believes that, on December 31, 2022, it had maintained, in all material respects, an effective internal control system (including the supervision and management of subsidiaries), to provide reasonable assurance over the operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws, and regulations.
- VI. This Statement will become the primary content of the Company's Annual Report and prospectus, and shall be made public. If any of the above-mentioned contents are false, concealed, or other illegality in the content made public, it will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement had been approved by the Board of Directors on March 27, 2023. All seven attending Directors agree with the contents of this Statement in unanimity and make this statement.

Wayi International Digital Entertainment Co., Ltd.

Chairman: Shih, Shu-Kai

General Manager: Shih, Shu-Kai

2. If any CPA is commissioned to conduct a project review of the ICS, the CPA's audit report shall be disclosed: None.
- (X) In the most recent year and up to the publication date of the Annual Report, where the Company and its internal personnel were penalized according to laws or the Company had punished its personnel for violating the provisions of the internal control system, and the result of the penalty might have significant impacts on shareholders' rights or securities prices, the content of the penalty, the major deficiencies and the improvements shall be stated: None.
- (XI) Significant resolutions made in/by the Shareholders' Meeting and the Board of Directors in the most recent fiscal year up to the publication date of the Annual Report:
1. Important resolutions of the shareholders' meeting and the implementation

The Company held one regular shareholders' meeting from 2022 up to the date of publication of the Annual Report. The 2022 annual general meeting of shareholders of the Company was held on June 23rd, 2022. The major resolutions of the shareholders' meeting are summarized as follows.

 - (1) Proposal on the business report, individual and consolidated financial statements for 2021

Status: The declaration to the competent authorities was completed.
 - (2) Distribution of earnings for 2021

Status: It is approved by vote that the cash dividend shall be distributed at NT\$2 per share and the stock dividend shall be distributed at NT\$1.5 per share on September 5th, 2022 as the base date for the distribution. Cash and stock dividends were paid on September 30th, 2022.
 - (3) Proposal on the capital increase from earnings to issue new shares

Status: It is approved by vote that the stock dividend shall be distributed at NT\$1.5 per share on September 5th, 2022 as the base date for the distribution. Stock dividends were paid on September 30th, 2022.
 - (4) Proposal on amending the "Articles of Incorporation"

Status: It has been announced via the Company's website and is effective.
 - (5) Proposal on the amendment to the "Rules of Procedure for Shareholders' Meetings"

Status: It has been announced via the Company's website and is effective.
 - (6) Proposal on the amendment to the "Measure governing Election of Directors and Supervisors"

Status: It has been announced via the Company's website and is effective.
 - (7) Proposal on the amendment to the "Procedures for Acquisition or Disposal of Assets"

Status: It has been announced via the Company's website and is effective.
 - (8) Proposal on the amendment to the "Procedures for Loaning of Funds and Making of Endorsements/Guarantees".

Status: It has been announced via the Company's website and is effective.
 - (9) Proposal on the overall re-election of directors

Status: The approval of change registration was completed and announced on the company website
 - (10) Proposal on lifting the non-competition restrictions for new directors and their representatives

Status: The execution was completed according to the resolution of the Board of shareholders.

2. Important Resolutions of Board Meetings

(1) The 18th Board Meeting of the 10th Board of Directors on January 13, 2022

Proposal on the renewal of transaction contracts with related parties

Proposal on the year-end bonus distribution for managerial officers in 2021

(2) The 19th Board Meeting of the 10th Board of Directors on March 24, 2022

Assessment of the independence of CPAs

Distribution of directors' and supervisors' and employees' remuneration for 2021

Proposal on the business report, individual and consolidated financial statements for 2021

Distribution of earnings for 2021

Cash dividend earnings distribution for 2021

Proposal on the capital increase from earnings to issue new shares

Proposal on the Company's "Statement on Internal Control System" for 2021

Proposal on the renewal of directors, supervisors and major employees' liability insurance

Proposal on amending of the "Articles of Incorporation"

Proposal on the amendment to the "Rules of Procedure for Shareholders' Meetings"

Proposal on the amendment to the "Measure governing Election of Directors and Supervisors"

Proposal on the amendment to the "Procedures for Acquisition or Disposal of Assets"

Proposal on the amendment to the "Procedures for Loaning of Funds and Making of Endorsements/Guarantees".

Proposal on the amendment to the "Rules of Procedure for Board Meetings"

Proposal on the amendment to the "Code of Ethical Conduct for Directors, Supervisors and Managers"

Proposal on the amendment to the "Audit Committee Charter"

Proposal on the amendment to the "Accounting System"

Proposal on the additional amendment to the Internal Control Measures

Proposal on the overall re-election of directors

Proposal on lifting the non-competition restrictions for new directors and their representatives

Proposal on the supplemental public offering and over-the-counter trading application of private placement of common shares

Proposal on the convention of the regular meeting of shareholders in 2022

- (3) The 20th Board Meeting of the 10th Board of Directors on May 12, 2022
 - Proposal on the consolidated financial report for the first quarter of 2022
 - Proposal on the nomination of candidates for director (including independent director)
 - Proposal on lifting the non-competition restrictions for new directors and their representatives
 - Proposal on the establishment of the “Corporate Governance Best-Practice Principles”
 - Proposal on the establishment of a corporate governance officer
- (4) The 1st Board Meeting of the 11th Board of Directors on June 23, 2022
 - Election of the Chairman of the Board
 - Appointment of members to the Fifth Remuneration Committee
 - Personnel change of managerial officers
 - Personnel change of managerial officer of Taichung’s branch
- (5) The 2nd Board Meeting of the 11th Board of Directors on August 11, 2022
 - Proposal on related party transactions
 - Proposal on consolidated financial statements for the first half of 2022
 - Proposal on the additional amendment to the hiring process in the payroll and personnel cycle
 - Proposal on the capital increase from earnings to issue new shares, cash dividends and the base date
 - Proposal on the general manager’s remuneration
 - Proposal on the corporate governance officer’s remuneration
 - Proposal on the directors' remuneration (including independent directors)
- (6) The 3rd Board Meeting of the 11th Board of Directors on November 10, 2022
 - Proposal on 2023 Annual Audit Work Plan
 - Proposal on the amendment to the “Procedures for Handling Material Inside Information”
 - Proposal on the change of an accountant due to the accounting firm’s internal rotation
 - Proposal on consolidated financial statements for 2022 Q1~Q3
 - Proposal on a contract with a related party
 - Discussion of the 2023 annual budget and annual operating plans
- (7) The 4th Board Meeting of the 11th Board of Directors on January 5, 2023
 - Proposal on the Company’s loan limit
 - Proposal on the establishment of the “Articles of Association of the Sustainable Development Committee”
 - Cancellation of Taichung branch’s relocation to Taichung Software Park and Proposal of Taichung branch’s relocation

Disposition of real estate assets to related parties

Proposal on a contract with a related party

Proposal on the amendment of the “product testing process in research and development cycle”

Proposal on the year-end bonus distribution for managerial officers in 2022

Proposal of adjustment of managerial officers’ remuneration

(8) The 5th Board Meeting of the 11th Board of Directors on March 27, 2023

Assessment of the accountant’s independence and suitability and appointment

Distribution of directors' and employees' remuneration for 2022

Proposal on the business report and financial statement for 2022

Distribution of earnings for 2022

Cash dividend earnings distribution for 2022

Proposal on the capital increase from earnings to issue new shares

Proposal on 2022 “Statement of Internal Control”

Proposal on the amendment to the "Rules of Procedure for Shareholders' Meetings"

Proposal on the amendment to the “Rules of Procedure for Board Meetings”

Proposal on the convention of the regular meeting of shareholders in 2023

(9) The 6th Board Meeting of the 11th Board of Directors on May 9, 2023

Proposal on consolidated financial statements for 2023 Q1

Proposal on the establishment of the verification regulations for the pre-concurrence of non-assurance services provided by the CPA firm.

Proposal on the establishment of the “IT security maintenance plan”

Proposal on the amendment to the “Corporate Governance Best-Practice Principles”

(XII) During the most recent fiscal year or during the current fiscal year up to the publication date of the Annual Report, if any Directors or Supervisors have expressed any dissenting opinions with respect to a material resolution passed by the Board of Directors, which has been recorded or prepared as a written declaration, the principal content thereof shall be disclosed: None

(XIII) A summary of resignation and dismissal, during the most recent fiscal year or during the current fiscal year up to the publication date of the Annual Report, of the Company's personnel related to financial reports (including Chairman, General Manager, chief accounting officer, chief financial officer, chief internal auditor, Chief corporate governance officer and chief research and development officer):

Title	Name	Date of Appointment	Date of Dismissal	Reasons for Resignation or Dismissal
Chairman.	Given Business Inc. Representative Chang, Hsieh-Chien	June 22, 2017	June 23, 2022	Board of Directors re-elected chairman.
General manager	Chang, Hsieh-Chien	June 22, 2017	June 23, 2022	Family reasons

IV. Information Regarding the Company's Audit Fee

(I) Audit Fee

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-Audit Fee(Note2)	Total	Remarks
Deloitte & Touche	Chi, Rui-Quan	2022.1.1~2022.12.31	2,340	80	2,420	Note 1: Internal rotation adjustment of accounting firms. Note 2: Earnings distribution accountant review opinion and checklist.
	Guo, Nai-Hua (Note1)	2022.1.1~2022.6.30				
	Chou, I-Lung (Note1)	2022.7.1~2022.12.31				

(II) If the Company is in any one of the following conditions, the following information shall be disclosed:

1. Where the CPA firm is replaced, and the audit fee in the fiscal year, when the replacement is made, is less than that in the previous fiscal year before replacement, the amount of audit fee paid before/after replacement and reasons for paying this amount shall be disclosed: Not applicable.
2. When the audit fee paid for the current fiscal year is lower than that for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fee, reduction percentage, and reasons shall be disclosed: Not applicable.

V. Replacement of CPAs:

(I) Regarding the former CPA:

Replacement Date	2022.11.10		
Replacement reasons and explanations	Internal adjustment of Deloitte Taiwan		
Describe whether the Company terminated or the CPA did not accept the appointment	Part Status	CPA	The Company
	Termination of appointment	Not applicable	Not applicable
	No longer accepted (continued) appointment	Not applicable	Not applicable
Opinions other than unmodified opinion issued in the last two years and the reasons for the said opinions	Not applicable		
Differences with the company	Yes	-	Accounting principles or practices
		-	Disclosure of financial statements
		-	Audit scope or steps
		-	Others
	None	None	
	Remarks/specify details		
Other disclosures Disclosures specified in Article 10.6.1.4–7 of the Standards	Not applicable		

(II) Regarding the successor CPAs:

Name of accounting firm	Deloitte & Touche
Name of CPA	Chi, Rui-Quan Chou, I-Lung
Date of appointment	2022.11.10
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the Company's financial reports that the CPA might issue prior to the engagement	Not applicable
Succeeding CPA's written opinion of disagreement toward the former CPA	Not applicable

(III) The reply of the former CPA on Article 10.6.1 and Article 10.6.2.3 of the Standards:
Not Applicable

VI. If the Company's Chairman, General Manager, and managers in charge of its finance and accounting operations hold a position in the accounting firm or its affiliated company in the most recent one year, the name, position title, and period shall be disclosed: Not applicable.

VII. Conditions of share transfer and changes in equity pledge from the Chairman, Supervisors, managers, and shareholders who hold more than 10% of shares, from the past year up to the publication date of the Annual Report

(I) Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Title	Name	2022		As of April 23, 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Wanin International Co., Ltd.	892,800(Note 4)	0	0	0
Representative Director and General Manager	Shih, Shu-Kai	0	0	0	0
Director	Given Business Inc.	592,272(Note 4)	0	0	0
Representative Director	Wu, Ai-Yun	10,332(Note 4)	0	0	0
Representative Director(Note2)	Tu, Yao-Jen	150(Note 4)	0	0	0
Representative Director (Note3)	Chang, Hsieh-Chien	0	0	N/A	N/A
Director	Lin, Wen-Peng	0	0	0	0
Independent Director	Hsiao, Feng-Hsiung	0	0	0	0
Independent Director	Liang, Mu-Chun	0	0	0	0
Independent Director	Gao, Li-Han	0	0	0	0
Supervisor(Note1)	Lin, Wen-Peng	0	0	N/A	N/A
Supervisor(Note1)	Huang Xin Investment Co., Ltd.	0	0	N/A	N/A
Representative Supervisor(Note1)	Lu, Shih-Yun	0	0	N/A	N/A
General Manager(Note1)	Chang, Hsieh-Chien	0	0	N/A	N/A
Chief Financial Officer	Li, Chun-Te	0	0	0	0
Accounting Manager	Huang, Ya-Ling	0	0	0	0
Corporate Governance Officer	Yu, Hsuan-Di	307(Note 4)	0	0	0
Major Shareholders	Wanin International Co., Ltd.	892,800(Note 4)	0	0	0
Major Shareholders	Given Business Inc.	592,272(Note 4)	0	0	0

Note1: Resigned on June 23, 2022. Note 2: Resigned on June 23, 2022, and newly appointed on August 11, 2022. Note 3: Resigned on August 11, 2022. Note 4: Stock dividends.

(II) Shares trading information:

No shares trading of Directors, Supervisors, Managers and major Shareholders who hold more than 10% of shares to related parties.

(III) Shares pledge information:

No Directors, Supervisors, managers and Shareholders holding more than 10% of shares have been pledged to related parties.

VIII. Top 10 shareholders who are related parties, spouses, or within second degree of kinship to each other

April 23, 2023

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees.		Remarks
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Title (or Name)	Relationship	-
Wanin International Co., Ltd. Representative: Hsiao, Cheng-Hao	6,844,800	30.73	0	0	0	0	Huang Xin Investment Co., Ltd.	The same chairman	None
	0	0	69,000	0.31	0	0			
Given Business Inc. Representative: Chow Man Cheung Felix	4,540,752	20.39	0	0	0	0	None	None	None
	0	0	0	0	0	0	None	None	None
KGI Bank in Custody for the investment account of Tilun International Development Co. Ltd.	1,715,653	7.70	0	0	0	0	None	None	None
Huang Xin Investment Co., Ltd. Representative: Hsiao, Cheng-Hao	1,261,320	5.66	0	0	0	0	Wanin International Co., Ltd.	The same chairman	None
	0	0	69,000	0.31	0	0			
Joy Develop Co., Ltd. Taiwan Branch. Representative: Wang, Chun-Ming	1,129,209	5.07	0	0	0	0	None	None	None
	0	0	0	0	0	0	Wang, Jia-Jen Chang, Hsieh-Tsung	Second-degree relative Second-degree relative	None
Investment Account, Federal Commercial Bank Platinum Giant Holdings Limited.	823,763	3.70	0	0	0	0	None	None	None
Wang, Jia-Jen	494,017	2.22	121,702	0.55	0	0	Chang, Hsieh-Tsung Wang, Chun-Ming	Spouse Second-degree relative	None
Huang, Yi-Jing	421,710	1.89	0	0	0	0	None	None	None
Zhou, Ding-Chen	192,791	0.87	0	0	0	0	None	None	None
Chang, Hsieh-Tsung	121,702	0.55	494,017	2.22	0	0	Wang, Jia-Jen Wang, Chun-Ming	Spouse Second-degree relative	None

- IX. The number of shares held by the Company, its Directors, Supervisors, Managers and businesses directly or indirectly controlled by the Company in the same reinvestment business and the consolidated calculation of the comprehensive share-holding ratio

April 23, 2023

Investee	Investments of the Company		Investments of Directors, Supervisors, Managers and directly or indirectly Controlled Businesses		Total Ownership	
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio
Wayi Softmagic Investment (Asia) Ltd.	Note	100.00%	Note	0.00%	Note	100.00%
Wayi Softmagic Investment (Cayman) Ltd.	Note	0.00%	Note	100%	Note	100.00%
DIT Startup Co. Ltd.	1,296,774	10.72%	0	0.00%	1,296,774	10.72%

Note: No shares issued.

Chapter 4 Capital Overview

I. Capital and Shares

(I) Source of Capital

1. Capital Formation

Unit: 1000 shares; NT\$ thousands

Month/Year	Issue price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Number of Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Other
1993/08	10	1,000	10,000	1,000	10,000	Founding	None	820812 Ching-Shang-Tze No.767559
1996/07	10	1,500	15,000	1,500	15,000	Cash capital increase of NT\$ 5,000,000	None	850710 Ching-Shang-Tze No.85310812
1999/10	10	5,000	50,000	5,000	50,000	Cash capital increase of NT\$ 35,000,000	None	881203 Ching-Shang-Tze No.88357667
2000/04	10	20,000	200,000	10,000	100,000	Cash capital increase of NT\$ 50,000,000	None	890511 Ching-(89)-Shang-Tze No.114372
2000/06	10	20,000	200,000	11,000	110,000	Capitalization by capital reserves of NT\$ 10,000,000	None	890907 Ching-(89)-Shang-Tze No.133181
2000/11	10	20,000	200,000	19,000	190,000	Cash capital increase of NT\$ 80,000,000	None	891220 Ching-(89)-Shang-Tze No.147156
2001/12	10	34,000	340,000	23,625	236,245	Capitalization by retained earnings of NT\$ 46,245,000	None	910115 Ching-Shou-Shang-Tze No.09101014890
2002/01	10	34,000	340,000	24,325	243,245	Cash capital increase of NT\$ 7,000,000	None	910311 Ching-Shou-Shang-Tze No.09101083070
2002/07	10	34,000	340,000	31,158	311,580	Capitalization by retained earnings of NT\$ 47,655,000 Capitalization by capital reserves of NT\$ 20,680,000	None	910812 Ching-Shou-Shang-Tze No.09101318750
2003/08	10	65,000	650,000	42,842	428,420	Capitalization by retained earnings of NT\$ 116,840,000	None	920812 Fu-Chan-Shang-Tze No.09217523000
2004/09	10	70,000	700,000	48,197	481,970	Capitalization by retained earnings of NT\$ 53,550,000	None	930922 Fu-Chan-Shang-Tze No.09320097400
2007/11	10	70,000	700,000	63,197	631,970	Cash capital increase of NT\$ 150,000,000	None	961101 Ching-Shou-Shang-Tze No.09601266880
2007/11	10	70,000	700,000	62,697	626,970	Treasury stock retired of NT\$ 5,000,000	None	961102 Ching-Shou-Shang-Tze No.09601266890
2007/12	10	70,000	700,000	60,651	606,510	Treasury stock retired of NT\$ 20,460,000	None	961205 Ching-Shou-Shang-Tze No.09601298120
2008/06	10	70,000	700,000	60,286	602,860	Treasury stock retired of NT\$ 3,650,000	None	970624 Ching-Shou-Shang-Tze No.09701146880
2009/04	10	100,000	1,000,000	70,286	702,860	Cash capital increase of NT\$ 100,000,000	None	980410 Ching-Shou-Shang-Tze No.09801070750
2012/08	10	100,000	1,000,000	73,800	738,003	Capitalization by retained earnings of NT\$ 35,143,000	None	1010824 Ching-Shou-Shang-Tze No.10101175420
2014/10	10	100,000	1,000,000	59,251	592,510	Capital reduction for making up losses of NT\$ 145,493,000	None	1031003 Ching-Shou-Shang-Tze No.10301208960
2015/06	10	100,000	1,000,000	59,786	597,863	Conversion of	None	1040602

Month/Year	Issue price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Number of Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Other
						convertible bonds of 535,254 shares		Ching-Shou-Shang-Tze No.10401100110
2015/12	10	100,000	1,000,000	59,811	598,117	Conversion of convertible bonds of 25,488 shares	None	1041209 Ching-Shou-Shang-Tze No.10401249560
2016/05	10	100,000	1,000,000	60,976	609,757	Conversion of convertible bonds of 1,163,972 shares	None	1050530 Ching-Shou-Shang-Tze No.10501109460
2016/08	10	100,000	1,000,000	62,870	628,703	Conversion of convertible bonds of 1,894,637 shares	None	1050830 Ching-Shou-Shang-Tze No.10501207760
2016/11	10	100,000	1,000,000	62,921	629,213	Conversion of convertible bonds of 50,976 shares	None	1051128 Ching-Shou-Shang-Tze No.10501274430
2017/02	10	100,000	1,000,000	31,166	311,661	Capital reduction for making up losses of NT\$ 317,552,000	None	1060222 Fu-Chan-Ye-Shang-Tze No.10651462600
2017/11	10	100,000	1,000,000	61,166	611,661	Private placement of 30,000 thousand shares	None	1061115 Ching-Shou-Shang-Tze No.10601153650
2019/11	10	160,000	1,600,000	13,417	134,174	Capital reduction for making up losses of NT\$477,487,000	None	1081129 Fu-Chan-Ye-Shang-Tze No.10856494310
2020/12	10	160,000	1,600,000	19,369	193,694	Private placement of 5,952 thousand shares	None	1091215 Fu-Chan-Ye-Shang-Tze No.10956972700
2022/9	10	160,000	1,600,000	22,275	222,748	Capitalization by retained earnings of NT\$ 29,054,000	None	1110908 Fu-Chan-Ye-Shang-Tze No.11152901000

2. Types of Shares Issued

Unit: shares

Type of Shares	Authorized Capital				Note
	Outstanding Shares	Treasury Stock	Unissued shares	Total Shares	
Registered Ordinary Shares	22,274,810	0	137,725,190	160,000,000	Stocks of listed companies at OTC market

3. Information for Shelf Registration: Not applicable.

(II) Status of Shareholders

April 23, 2023

Status of Shareholders Items	Government Agencies	Financial Institutions	Other Juridical Persons	Individuals	Foreign Institutions & Natural Persons	Total
Number of Shareholders	0	3	25	5,914	14	5,956
Shareholding (Shares)	0	209,586	8,112,107	5,678,740	8,274,377	22,274,810
Shareholding Percentage (%)	0.00	0.94	36.42	25.49	37.15	100.00

(III) Shareholding Distribution Status (face value of NT\$10 per share)

April 23, 2023

Class of Shareholding	Number of Shareholders	Shareholding (Shares)	Shareholding Percentage (%)
1 ~ 999	4,713	495,063	2.22
1,000 ~ 5,000	1,091	1,908,316	8.57
5,001 ~ 10,000	78	537,420	2.41
10,001 ~ 15,000	24	298,761	1.34
15,001 ~ 20,000	13	222,746	1.00
20,001 ~ 30,000	11	289,500	1.30
30,001 ~ 40,000	4	131,873	0.59
40,001 ~ 50,000	3	127,400	0.57
50,001 ~ 100,000	7	510,440	2.29
100,001 ~ 200,000	4	522,067	2.34
200,001 ~ 400,000	0	0	0.00
400,001 ~ 600,000	2	915,727	4.11
600,001 ~ 800,000	0	0	0.00
800,001 ~ 1,000,000	1	823,763	3.70
1,000,001 or more	5	15,491,734	69.55
Total	5,956	22,274,810	100.00

Preferred stock: None

(IV) List of Major Shareholders

Names, shareholding, and shareholding percentage of Shareholders who hold more than 5% of shares or who are the top 10 Shareholders

April 23, 2023

Shareholder's Name	Shareholding Shares	Shareholding Percentage (%)
Wanin International Co., Ltd.	6,844,800	30.73
Given Business Inc.	4,540,752	20.39
KGI Bank in Custody for the investment account of Tilun International Development Co. Ltd.	1,715,653	7.70
Huang Xin Investment Co., Ltd.	1,261,320	5.66
Joy Develop Co., Ltd. Taiwan Branch.	1,129,209	5.07
Investment Account, Federal Commercial Bank Platinum Giant Holdings Limited	823,763	3.70
Wang, Jia-Jen	494,017	2.22
Huang, Yi-Jing	421,710	1.89
Zhou, Ding-Chen	192,791	0.87
Chang, Hsieh-Tsung	121,702	0.55

(V) Market Price, Net Worth, Earnings, and Dividends per Share in the Past 2 Years

Unit: NT\$/share

Item \ Year		2021	2021	Current year up to March 31, 2023
Market Price per Share	Highest Market Price	204.50	173.00	83.10
	Lowest Market Price	61.90	58.70	74.00
	Average Market Price	121.46	134.64	80.12
Net Worth per Share	Before Distribution	16.31	14.08	13.41
	After Distribution	14.31	Note 4	Not applicable
Earnings per Share	Weighted Average Shares		19,369,000 shares(Note 5)	22,274,000 shares
	Earnings per Share	Before Adjustment	4.80	1.65
		After Adjustment	4.17	Note 4
Dividends per Share	Cash Dividends		2.00	0.6
	Stock Dividends	Dividends from Retained Earnings	1.50	0.6
		Dividend for Capital Surplus	0	0
	Accumulated Undistributed Dividends		0	0
Return on Investment	Price / Earnings Ratio (Note 1)		25.30	81.60
	Price / Dividend Ratio (Note 2)		60.73	224.40
	Cash Dividend Yield Rate (Note 3)		1.65	0.45

Note 1: Price / Earnings Ratio = Average Market Price / Earnings per Share

Note 2: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share

Note 3: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price

Note 4: Earnings distribution to be approved by the Shareholders' Meeting

Note 5: It is the weighted average number of outstanding shares before retrospective adjustment of gratis allotment.

(VI) Dividend Policy and Implementation Status

1. Dividend Policy

If earnings are available for distribution at the end of a fiscal year, 10% of net earnings – that is, after offsetting any loss from prior year(s) and paying all taxes and dues – shall be set aside as legal reserve, or it can be exempted if the legal reserve amount is equivalent to the Company's paid-in capital amount. The remaining balance thereafter shall be applied to have a special reserve appropriated or reversed as required by the Company's operations or law. The Board of Directors shall present a proposal for the distribution of the remaining amount, if any, plus the accumulated unappropriated earnings as Shareholders' dividend and bonuses in the Shareholders' Meeting.

The Company's dividend policy adopts the principle of stable balance and takes into account factors such as profitability, financial structure, and future development of the Company.

The Company pays dividends at a rate of not less than 10% of the current

year's earnings, except that the accumulated available-for-distribution earnings may not be distributed if they are less than 25% of the paid-in capital.

Shareholder dividends can be distributed in the form of cash dividends and stock dividends, of which the cash dividends shall not be less than 10% of the total dividends of the Shareholders in the current year. However, the Board of Directors may adjust the proportion according to the overall operating conditions at that time and submit it to the Shareholders' Meeting for resolution.

2. Proposed Distribution of Dividend at the Shareholders' Meeting

The Board of Directors' meeting on March 27, 2023 approved the distribution of cash dividends of NT\$0.6 per share and the earnings distribution of NT\$0.6 per share.

3. Anticipated Changes in Dividend Policy: None.

(VII) The impacts of issuing stock grants in the Shareholder's Meeting on the Company's operational performance and dividend per share: In accordance with the "Regulations Governing the Publication of Financial Forecasts of Public Companies", the Company is not required to disclose financial projection information. Therefore, the effect on the Operating Performance and Earnings per Share of Distribution of Stock Dividends Proposed or Adopted in the Most Recent Shareholders' Meeting, N/A.

(VIII) Compensation of Employees, Directors and Supervisors

1. Information Relating to Compensation of Employees, Directors and Supervisors in the Articles of Incorporation:

If earnings are available for distribution at the end of a fiscal year, the Board of Directors will make distribution in accordance with the following ration, and submit the resolution to the Shareholders' Meeting:

I. The remuneration of Directors shall be no more than 3%.

II. Employee remuneration shall be not less than 1%, which shall be distributed in the form of shares or cash resolved by the Board. The counterparties who receive the remuneration may include the employees of parents or subsidiaries of the Company meeting certain specific requirements. The Board shall be authorized to set the requirements.

However, the Company shall reserve a sufficient amount to compensate its accumulated deficits in advance before appropriating according to the previous ratio as the remuneration of Employees and Directors.

The earnings mentioned previously refer to the pre-tax earnings before deducting the remuneration of Employees and Directors.

2. The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

The Company's Board of Directors resolved on March 27, 2023 to distribute the remuneration to employees and directors. If the actual distribution amount differs from the estimated amount, it will be treated as a change in accounting estimate and recorded as profit or loss in 2023.

3. Distribution of Compensation Approved in the Board of Directors Meeting:

- (1) If there is discrepancy between the amount of compensation of employees, Directors, and Supervisors distributed in cash or share and the estimated amount of recognized expenses for the current fiscal year, the amount, causes and treatment of such discrepancy shall be disclosed: On March 27, 2023, the Board of Directors resolved to distribute NT\$378,000 to employees and NT\$378,000 to directors, which did not differ from the estimated amount of expenses to be recognized.
 - (2) The amount of employee compensation distributed by stock and the ratio of the amount to the after-tax net profit in the individual or individual financial statements and the total employee remuneration: On March 27, 2023, the Board of Directors resolved to distribute employees' remuneration in cash, therefore, it is not applicable.
4. When there is a discrepancy between the actual status of distribution (including the number of shares, the amount, and stock price) to employees, Directors, and Supervisors in the previous year and the recognized amount of compensation, the amount, causes, and response to such discrepancy shall be stated: No discrepancy in 2021.

(IX) Buyback of Treasury Stock: None

II. Status of Corporate Bonds: None.

III. Preferred Stocks: None.

IV. Global Depository Receipts: None.

V. Employee Stock Options: None.

VI. Restricted Employee Shares: None.

VII. Issuance of New Shares in Connection with the Merger or Acquisition of Other Companies: None.

VIII. Implementation of Capital Utilization Plan

For each uncompleted public issue or private placement of securities, and for such issues and placements that were completed in the most recent three years but have not yet fully yielded the planned benefits. The explanation is as follows:

(I) Content:

The Company's first extraordinary Shareholders' Meeting on October 23, 2020, approved the private placement of common shares within 10,000 thousand shares. On November 13, 2020, the Board of Directors approved the price of private common shares and agreed on the candidates. This private placement of 5,952,000 common shares, with NT \$16.80 per share, totals NT \$99,993,600, which was fully collected on November 25, 2020. This private placement is intended to replenish working capital, repay loans and other capital needs in response to the Company's future development. It is expected to improve the financial structure, increase the sources of long-term funding and enhance the competitiveness of the Company, and have a positive impact on shareholders' equity.

(II) Implementation:

Unit: NT\$ thousands

Unit: MY\$ thousands

Planned Item	Implementation				Reasons for Running Schedule Ahead or Behind and Improvement Plans
	Amount of Expenses		Implementation Progress (%)		
	Planned	Actual	Planned	Actual	
Replenish working capital	23,693	23,693	100.00	100.00	Completed in the first quarter of 2021
Repayment of borrowings	76,300	76,300	100.00	100.00	Completed in the first quarter of 2021
Total	99,993	99,993	100.00	100.00	

Description of the Financial Structure:

After the private placement and the fund is invested in working capital, it will increase the current assets compared with that before capital increase with cash, increase the long-term capital source, strengthen the Company's competitiveness, and have a positive benefit to shareholders' equity.

Chapter 5 Operational Highlights

I. Business Activities

(I) Scope of Business:

1. Business Scope

- (1) CC01110 Computers and Computing Peripheral Equipment Manufacturing
- (2) F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
- (3) F113020 Wholesale of Household Appliance
- (4) F113050 Wholesale of Computing and Business Machinery Equipment
- (5) F118010 Wholesale of Computer Software
- (6) F209060 Retail Sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
- (7) F213010 Retail Sale of Household Appliance
- (8) F213030 Retail Sale of Computing and Business Machinery Equipment
- (9) F218010 Retail Sale of Computer Software
- (10) F401010 International Trade
- (11) I103060 Management Consulting Services
- (12) I301010 Software Design Services
- (13) I301020 Data Processing Services
- (14) I301030 Digital Information Supply Services
- (15) I401010 General Advertising Services
- (16) J303010 Magazine and Periodical Publication
- (17) J304010 Book Publishers
- (18) J305010 Audio Tape and Record Publishers
- (19) J602010 Agents and Managers for Performing Arts, Entertainers, and Models
- (20) J701040 Recreational Activities grounds and Facilities
- (21) JE01010 Rental and Leasing Business
- (22) JZ99050 Agency Services
- (23) J399010 Software Publication
- (24) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Proportion of Business

Unit: NT\$ thousands

Product Name	Total Sales in Year 2022	Percentage
Online games and digital content	42,274	28.71
Income of artwork design and foundry services	104,494	70.96
Labor income-other	70	0.05
Other Income	428	0.28
Total	147,266	100.00

3. Current products (services) offered by the Company

New products of mobile phones and online games will continue to be launched, and subsequent versions will be updated. Income of artwork design and foundry services will also be maintained.

4. New goods (services) and services under development:

New products of mobile phones and online games will continue to be launched, and subsequent versions will be updated.

(II) Industry Overview

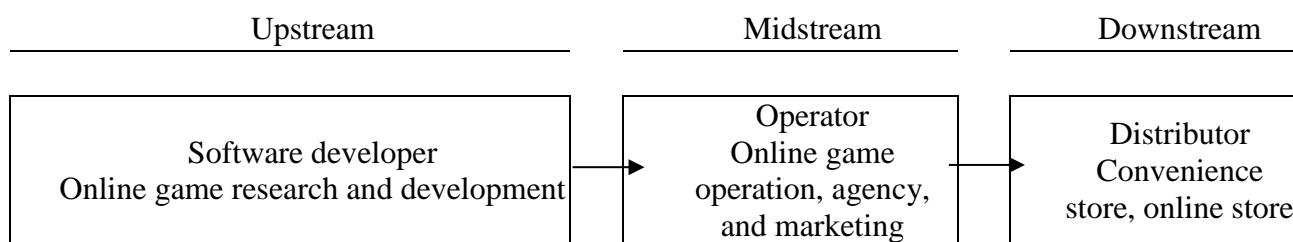
1. Current Status and Future Development

The game industry can be divided into categories of PC games, console games, tablets, and mobile games, depending on the platform it performs. Due to the popularity of broadband networks and smartphones, mobile games have become the fastest growing category in the overall game industry.

According to the Global Game Market Size Survey Report of game research company Newzoo, the size of global game market reached US\$184.4 billion in 2022, of which the mobile game market size reached US\$92.2 billion, accounting for 50%, and console game revenue reached US\$51.8 billion, accounting for 28%; computer game revenue reached US\$40.5 billion, accounting for 22%. Divided by region, the Asia-Pacific region is still the world's largest regional game market, and the global game market revenue continues to grow. It is estimated in the report that by 2025, the annual revenue of the global gaming market will reach US\$211.2 billion.

2. Relationship with Up-, Middle- and Downstream Companies

The upstream of the game software industry is the software developer, who designs the story structure, adds programming and artists to create characters and scenes to complete the development of the game; midstream is the game operator, responsible for marketing, online operation, and customer service; the downstream is the access provider, which helps operators sell point cards or product packages. At present, most of them are sold in convenience stores, virtual online stores, and mobile phone platforms, so that players can easily consume.



3. Product Trends

(1) Cross-platform Development

As hardware vendors of video game consoles and mobile devices are developing different game platforms, game development has moved towards multi-platforms to expand the market and increase competitiveness.

(2) Diversified Game Types

As the population of mobile games is increasing dramatically, developers are developing a variety of games to meet the needs of different groups of customers to open up new sectors of game markets for women, children, and the elderly.

(3) Combination of Game and Community

Computer users in Taiwan have the highest landing rate of social websites, which shows that social websites have become an indispensable part of computer users' lives. At the same time, due to the rise of social network sites, with the impact of users' high cohesion, install-free, easy-to-operate games will attract the players' attention. Mobile website games are usually social-focused, for it has much lower technical doorsill and often attracts various manufacturers.

4. Product Competition

With the popularity of mobile devices, smart phones, and tablets, almost everyone has one of them, which has driven the development of the mobile game industry. Game manufacturers continue to launch lots of mobile game products to seize the market, heating the competition. In addition to the original online game operators occupying the mobile game market, there are more new game agents have joined the market.

(III) Research and Development Overview:

1. Research and Development Expenses for the Past Three Years (Unit: NT\$ thousands)

Year	2020	2021	2022
Amount	3,681	2,182	225

2. Research and Development Results

Year	Product Name	Product Function or Usage	Launch Date
2006	Stone Age, version 8.5	Online games	2006.07
2007	Ely Sium, version 4.5	Online games	2007.03
	Formosa Club - Taik Mahjong	Online games	2007.05
	Bao-Dao Club - MahJong	Online games	2007.12
2008	Bao-Dao Club - Big Two	Online games	2008.01
	Bao-Dao Club - Five Card Stud	Online games	2008.03
	Formosa Club - Texas Hold'em	Online games	2008.05
	81 KEYS	Online games	2008.06
	Bao-Dao Club - Platform	Online games	2008.07
2011	MoneyMoney Club - Texas Hold'em	Online games	2011.01
	81Keys	Online games	2011.02
2014	G.O.D, God of Destiny	Online games	2014.06
2017	Far Away Kingdom 2	Mobile Games	2017.10

3. Future R&D Plans and Estimated Expenses

The Company will keep developing and updating subsequent game versions according to the release schedule, expecting to provide better game services and products for gamers to improve the competitiveness of the Company's game products.

(IV) Long-term and Short-term Development

1. Short-term Plan:

(1) Stable supply of products

Actively acts as an agent for foreign mobile games to increase the variety of products and market share.

(2) Diversification-oriented products

The scope of game products released by the Company includes online games and mobile games. Online games can be divided into different genres, including role-playing, leisure games, web games, etc. The Company also actively acts as an agent for many mobile games playing in different ways, and keeps launching new games to enhance revenue growth momentum.

2. Long-term Plan

The Company is positioned as digital entertainment service providers to conduct market strategies. With the popularity of the Internet, the life, consumption, learning, and entertainment habits of the online population change accordingly. There are still existing considerable potential business opportunities and development space for the development and application of digital content industry. With the combination of the Internet, communication, entertainment, and fashion, digital entertainment services are worth to invest and will become the future direction of the Company's business development. Wayi possesses substantial advantages over content production capability, complete operation mechanisms, and rich experience in integrated marketing. In the near future, the Company is expected to develop a more diversified digital entertainment service market to create higher corporate profit.

II. Market and Sales Overview

(I) Market Analysis

1. Sales (Service) Region:

Unit: NT\$ thousand; %

Main Product	Area	Sales	Weight
Online games and digital content	Domestic sales	42,274	28.71
Income of artwork design and foundry services	Domestic sales	104,494	70.96
Labor income-other	Domestic sales	70	0.05
Other income	Domestic sales	428	0.28
Total		147,266	100.00

2. Market Share, Demand and Supply Conditions and the Potential

According to the Global Game Market Size Survey Report of game research company Newzoo, the size of global game market reached US\$184.4 billion in 2022, of which the mobile game market size reached US\$92.2 billion, accounting for 50%, and console game revenue reached US\$51.8 billion, accounting for 28%; computer game revenue reached US\$40.5 billion, accounting for 22%. Divided by region, the Asia-Pacific region is still the world's largest regional game market, and the global game market revenue continues to grow. It is estimated in the report that by 2025, the annual revenue of the global gaming market will reach US\$211.2 billion.

3. Competitive Niches, Favorable and Unfavorable Factors for Future Development, and Response Measures:

(1) Competitive Niches

A. Experience accumulated in online games

The Company successfully launched its first online game in 2000, becoming the first domestic online game software manufacturer making profits. The self-built rooms also make the Company a rare domestic manufacturer with the ability to manage and maintain the computer room, which helps the Company to maintain game stability and solve problems in a timely manner. In addition to owning professional network management specialists, responsible for the operation of the computer rooms, the specialists, along with R&D Department and Customer Service Department also build a complete service maintenance system; with marketing strategies and promotion, all together accumulated the Company's large number of paid members.

B. Favorable Customer Service

To meet customers' satisfaction, the Company highly values customer service, establishing a comprehensive customer service system to timely solve players' problems. The Company also establishes a VIP service mechanism, provides many privileges and services for exclusive members, carefully listens to the players' needs, and creates different enjoyments in the physical and mental senses for players.

C. Integrated Marketing Experience

Game software industry combines other industries, such as the Internet, communication, entertainment, and popularity, so innovative marketing methods have replaced the traditional

marketing model. The Company adopts innovative and flexible marketing practices, such as placement marketing, and cross-industry alliance with physical stores, to integrate corporate image and product information with daily life, and even makes use of the fads of online game products to drive the purchasing power of customers to peripheral products.

D. Stable Operation Platform and Mature Paid Membership

The Company puts the concept of community management in the cash flow payment platform, providing members with space for interaction and community management. Members have always maintained high loyalty and the number paid members is stable.

(2) Favorable Factors

- A. The high penetration rate of computers and mobile devices, the mature broadband market, the growing game market in the Asia-Pacific region, the expansion of customer groups, and the developed light player groups, all contribute to the immense potential of the target market.
- B. A large-scale operation platform has been built and completed. In operation, it has a considerable number of membership bases, and provides various services and community functions for members. Sales channels are gradually mature. New sales channels, such as online cafes, e-commerce, micropayment, and consumption scale, are steadily developed to enhance products' visibility and further stimulate consumers' desire to purchase.

(3) Unfavorable Factors and Countermeasures

A. Limited domestic market size

The game market in Taiwan is small; at present, there are many competitors in the game industry producing game products with high homogeneity. There is no apparent market segregation, which makes the operation of the game market more difficult.

Countermeasures:

The Company continues to act as an agent to launch more games, focus on the goals of increasing market share of the game products, select game products with quality, novelty, and originality for operating, in order to highlight the market segmentation and expand market share.

B. Insufficient game professionals and recruitment difficulty

With the vigorous development of the game software market, the growth of game professionals lags behind the market demand, resulting in difficult recruitment.

Countermeasures:

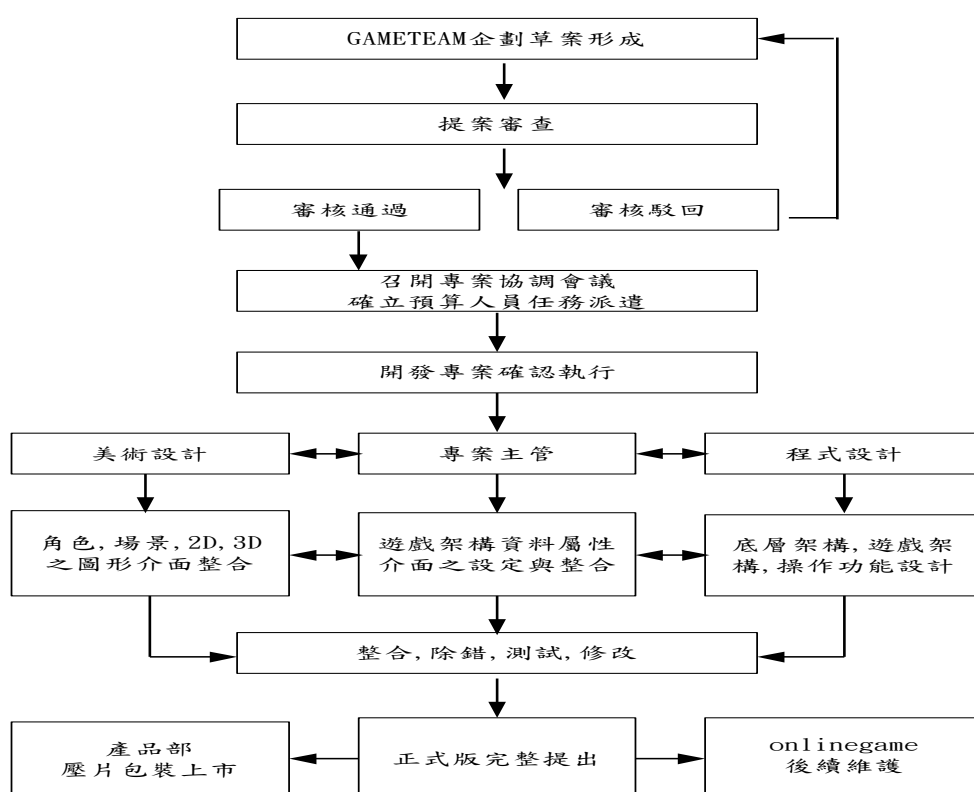
1. Introduce more game products and increase exposure, attracting professionals who are enthusiastic about games to join in the Company.
2. Provide a well-developed welfare system, a comfortable working environment, an education and training system, and regular assessment of promotion, in order to enhance the centripetal force of employees toward the Company and reduce turnover rate.

(II) Applications and Production Procedure of Major Products

1. Major Products and Their Main Uses

Products or Services	Representative Products or Services	Main Uses or Function
Online games Mobile games	"Kemono Friends 3" "La Corda d'Oro Starlight Orchestra" "MASS FOR THE DEAD" "Granado Espada"	Provide online connection or online casual games and interact with the community.
Wayi Entertainment Net	http://www.wayi.com.tw/	Provide services, such as Internet community, multimedia, audio-video entertainment, information, news, and game websites' portal collecting.

2. Major Products and Their Production Processes



GAMETEAM Draft Plan Formation		
Proposal Review		
Approval of Review		Rejection of Review
Convening of Project Coordination Meetings Budget Establishment and Task Assignment		
Confirmation of Implementation of Development Projects		
Artwork Design	Project Manager	Programming
2D and 3D Graphic Interface Integration of Game Characters and Scenes	Setting and Integration of the Interface and Data Attributes	Design of Underlying Architecture, Game Architecture and Operation Function
Integration, Debugging, Testing and Correction		
Product Department OEM Mass Replication, Packaging for Sale on the Market	Presentation of the Official Edition	Subsequent Maintenance of Online Games

(III) Supply Status of Major Outsourcings:

In addition to casual games, the development of mobile games also tends to be more focused on hardcore users, and various themes and playing methods. In addition to the operation of online games, in response to the trend of the industry, the Company also actively acts as an agent for mobile game products to be distributed on major channels, Google and Apple platforms, to provide players with richer choices. Besides, the Company provides a variety of payment channels, allowing gamers to purchase game points, in order to provide more convenient consumer services.

Raw materials, Components, or Outsourced Items	Company Name	Comment
Bandwidth	New Century InfoComm, Digicentre, Ikala and Taiwan So-net	Providing bandwidth for online games
Online games	Trys, Kakao, Hanbit, Koei Tecmo	Providing contents for online games
Channel costs	Apple, Google, and Gash Point	Providing channels for sales services

(IV) Suppliers and Clients Accounting for 10% or More of the Company's Total Procurement (Sales) Amount in Either of the 2 Most Recent Years

1. Suppliers Accounting for 10% or More of the Company's Total Procurement Amount in the 2 Most Recent Years

Although the royalties paid by the Company to act as agent for the games are not included in the procurement amount (attributable to other operating costs), the cost is the primary expenditure. Also, bandwidth is also an indispensable element of online game management. So here is a list of the suppliers and net purchases whose amount exceeds 10% in terms of royalties, bandwidth, access costs, and procurement. The list is as follows:

Unit: NT\$ thousands, %

Ranking	2021				2022				2023 up to the end of the first quarter			
	Name	Amount	Percentage of annual net procurement	Relationship with the issuer	Name	Amount	Percentage of annual net procurement	Relationship with the issuer	Name	Amount	Percentage of annual net procurement	Relationship with the issuer
1	Seednet	5,564	17.65	None	TRYs, INC.	9,105	22.98	None	KOEI TECMO	2,780	25.58	None
2	TRYs, INC.	4,551	14.43	None	Seednet	6,721	16.96	None	Seednet	1,907	17.55	None
3	Kakao	4,258	13.50	None	Kakao	5,630	14.21	None	TRYs, INC.	1,552	14.28	None
4	Apple	4,113	13.04	None	Digicentre	4,294	10.83	None	Others	4,627	42.59	None
5	Google	3,285	10.42	None	Others	13,878	35.02	None	-	-	-	-
6	Others	9,760	30.96	None	-	-	-	-	-	-	-	-
-	Total	31,531	100.00	-	Total	39,628	100.00	-	Total	10,866	100.00	-

Reason for changes: Cost per sales and distribution costs are changed depending on the sales revenue, which makes the suppliers change.

2. List of Clients Accounting for 10% or More of the Company's Total Sales Amount in the 2 Most Recent Years

Unit: NT\$1,000, %

Ranking	2021				2022				2023 up to the end of the first quarter			
	Name	Amount	Percentage of net sales in the year (%)	Relationship with the issuer	Name	Amount	Percentage of net sales in the year (%)	Relationship with the issuer	Name	Amount	Percentage of net sales in the year (%)	Relationship with the issuer
1	Wanin International	192,184	77.38	Related party in substance	Wanin International	104,147	70.72	Related party in substance	Wanin International	23,409	76.53	Related party in substance
2	Others	56,180	22.62	None	Others	43,119	29.28	None	Others	7,179	23.47	None
-	Total	248,364	100.00	-	Total	147,266	100.00	-	Total	30,588	100.00	-

Reasons for change: None.

(V) Production in the Last Two Years

Unit: Set; NT\$ thousands

Year	2021			2022		
	Capacity (Note 1)	Quantity	Amount	Capacity (Note 1)	Quantity	Amount
Output						
Major Products						
Online games	0	0	0	0	0	0
Others (Note 2)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Note 1: The Company is a professional software developer that is not a manufacturing industry and thus there is no production capacity.

Note 2: There are many other peripheral products, each with a different unit.

Reasons for change:

The new products launched in 2022 are mainly mobile games, and no online game packages are produced. Therefore, the relevant quantity and amount are zeros.

(VI) Sales in the Last Two Years

Unit: Set; NT\$ thousands

Sales Quantity Major Products	Year		2021				2022			
			Domestic sales		Export sales		Domestic sales		Export sales	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Online games and digital content	-	55,006	-	-	-	42,274	-	-	-	-
Income of artwork design and foundry services	-	188,633	-	-	-	104,494	-	-	-	-
Labor income-other	-	4,431	-	-	-	70	-	-	-	-
Royalty income	-	-	-	103	-	-	-	-	-	-
Other income	-	191	-	-	-	428	-	-	-	-
Total	-	248,261	-	103	-	147,266	-	-	-	-

III. Human Resources

Unit: Person

Year		2021	2022	As of 31 March 2023
Number of Employees	Marketing	25	21	19
	R&D	9	4	4
	Management	13	14	14
	Others	27	12	13
	Total	74	51	50
Average Age		35.09	37.81	38.21
Average Years of Services		3.95	5.45	5.7
Education Distribution Ratio	Doctor	1.35%	1.96%	2.00%
	Master	5.41%	5.88%	6.00%
	University/College	86.49%	88.24%	88.00%
	High school	6.76%	3.92%	4.00%
	Below Senior High School	0.00%	0.00%	0.00%

IV. Environmental Protection Expenditure

- (I) In the most recent years up to the publication date of the Annual Report, the losses suffered due to the environmental pollution (including indemnity and environmental protection audit results that violate environmental protection laws and regulations, the punishment date, the punishment font size, the provisions of the statute violated, the content of the statute violated, and the punishment content), current and future estimated amounts that may occur, and responding measures: None.
- (II) Whether RoHS related information is fully disclosed: Our products are not exported directly or indirectly to Europe or related to the EU Environmental Protection Directive (RoHS).

V. Labor Relation

- (I) The Company's employee welfare policies, continuing education, training, retirement systems and implementation status, the agreement between employees and employer, and employees' rights and interests:

1. Employee Benefits

- (1) Enrollment in labor insurance and health insurance

In accordance with the provisions of the Labor Insurance and National Health Insurance Act, all employees will be enrolled in insurance from the date of their employment.

- (2) Enrollment in employee group insurance

The Company provides group insurance for all employees, and the Company bears the cost of group insurance for employees. The scope of group insurance for employees includes term life insurance, cancer death insurance, cancer surgery insurance, accident insurance, critical illness insurance, accident medical insurance, and hospitalization medical insurance.

- (3) Provide annual bonuses or gifts depending on the Company's operating conditions.

- (4) Provide funds to establish an Employee Welfare Committee.

- (5) Implement flexible working hours: provide flexible two-hour working hours, so that colleagues can adjust their commuting time according to their family or traffic conditions.

- (6) Subsidize annual travel for employees.

- (7) Employees are entitled to education and training inside and outside the Company.

- (8) According to the company's articles of association, employee bonus according to the Company's operation.

- (9) The company provides snack cabinets, and employees can take them according to their needs, so as to replenish their energy at any time.

- (10) Employee health checkups: Once every three years, we cooperate with hospitals or medical institutions to provide health checkups for employees.

- (11) Group activities: Various educational or recreational clubs are established within the Company to provide employees with various leisure activities, and the Company provides related subsidies.

- (12) Leisure Center: The Company has a leisure center with basketball court, gym, swimming pool and other facilities to provide employees with a variety of activities related to physical and mental relaxation.

- (13) Welfare activities: Our employees enjoy discounts on Company products, occasional dinners, occasional afternoon teas, occasional movie shows, and other related activities.

- (14) Employee Welfare Committee related subsidies: The Employee Welfare Committee provides employee related subsidies including birthday gifts, three festivals gifts or presents, wedding subsidies, maternity subsidies, funeral subsidies, medical comfort subsidies, emergency relief, etc.

2. Employee Continuing Education and Training:

- (1) Through the Company's "Staff Education and Training Methods," we

encourage our colleagues to participate in education training to enhance their professional knowledge, work skills, wisdom, and potential.

- (2) The Company provides a comprehensive learning environment and a complete education and training framework for its employees, including new employee training, professional training, statutory education training and occasional seminars, etc.
- (3) The Company also encourages employees to pursue further studies at the workplace and provides subsidies for tuition and fees/credits for employees who pursue further studies.
- (4) In 2022, there were 79 trainees with a total of 334 hours, and the cost of training for 2022 was NT\$136,000; the training includes financial accounting, management, internal audit and new personnel training.

3. Retirement system, and the Status of Implementation:

- (1) The retirement system and method for our employees are governed by the Labor Standards Act and the Labor Pension Act.
- (2) Contribution to pension: For employees subject to the pension system (new system of labor retirement) of the Labor Pension Act, the Company contributes 6% of their monthly wages to their individual pension accounts. Employees who have voluntarily contributed pensions, according to their voluntary contribution rate (maximum 6%), will be withheld from their salary every month to the individual pension account of the Labor Insurance Bureau.
- (3) Employees of the Company may apply for retirement under the following circumstances: (I) If they have worked for at least fifteen years and have reached the age of 55. (II) Those who have worked for more than 25 years. (III) If the employee has worked for at least ten years and has reached the age of 60.
- (4) At present, the retirement system and methods applicable to the employees of the company are handled in accordance with the relevant provisions of the "Labor Pension Act". At present, the company has no employees who apply the old labor pension system.

4. The Agreement Between Employees and Employers: The Company's employees and employers work in harmony, and there is no employee-employer dispute.

5. Employee Code of Conduct or Ethics

In order to clearly regulate the relationship between rights and obligations between employers and employees, and allow employees to understand ethical concepts, rights, duties and codes of conduct, the Company has formulated relevant policies and measures, including employees' services, employment, assumption of office, work, vacation, leave of absence, salary, work overtime, discipline, rewards & punishments, resignation, laying off, retirement, disaster compensation, welfare, performance appraisal, safety & health, and professional training. Also, relevant policies and measures are disclosed on the Company's website for the staff.

6. Protective Measures for Workplace and Personal Safety of Employees:

■ Protective measures for the work environment:

- (1) The working environment of the Company is all in compliance with the security inspection of the office building environment, and in accordance with the provisions of the fire safety regulations to set up a fire

protection system, and cooperate with the fire department to conduct fire drills every year.

- (2) We regularly replace the water dispenser filters in the pantry every quarter and cooperate with the office building management unit to clean the water tower to ensure the quality of drinking water.
- (3) We regularly conduct quarterly air conditioning system maintenance operations, and cooperate with the office building management unit to carry out air conditioning system renewal operations to ensure the quality of air at work.
- (4) We cooperate with the office building management unit to carry out daily cleaning of office areas and toilets to maintain a clean and comfortable working environment.
- (5) In response to the immediate epidemic situation, the company distributes personal disinfection and protective equipment to colleagues, measures body temperature at any time, and conducts environmental disinfection operations every week to ensure a relatively safe working environment.

■ Protective measures for personal safety of employees:

- (1) The Company has a security monitoring system to monitor the working environment in order to provide a safe and secure working environment for employees.
- (2) The Company cooperates with the office building management unit to carry out entrance and exit control operations, and regular patrol inspection of the floors.
- (3) The Company cooperates with the office building management unit to carry out access control operations, and set access control privileges according to the operational needs of each employee.

- (II) In the most recent year up to the publication date of the Annual Report, the losses caused by labor disputes (including matters and punishment due to violating the Labor Standards Act after the labor inspection, the date of punishment, Letter No. of punishment, provisions of laws and regulations violated, contents of laws and regulations violated, and the content of the punishment), the estimated amount that may occur at present and in the future, and countermeasures (where the amount cannot be reasonably estimated, the fact that the amount cannot be reasonably estimated shall be stated): None.

VI. Cyber security management

- (I) Describe the information security risk management framework, information security policy, specific management plan and resources invested in information security management, etc.

1. Cyber security risk management structure:

The management of cyber security is in the responsibility of the Cyber Security Team, which consists of a supervisor and team members. The team holds an annual meeting to review their management practices and presents a report to the Board of Directors for further explanation.

2. Cyber security policy objectives:

The Company set policies and objectives to prevent unauthorized access, use, control, leakage, destruction, tampering, destruction or other infringement of

information or information systems and to ensure their confidentiality, integrity and availability for the smooth operation of its business. The employees attend cyber security training for at least 3 hours annually. The Cyber Security Team members are required to complete at least 12 hours of training.

In case of any emergency information security vulnerabilities are found, they will be immediately announced to all staff in the company with proper guides. The number of unexpected network service outages each year is being recorded for reviewing the implementation results to meet the criteria in the service-level agreement.

3. Specific management plans:

In accordance with the regulations governing the classification of cyber security obligations, the Company is classified as Grade C. To fulfill its obligations, the Company has three cyber security specialists responsible for conducting asset inventory of the cyber security system, assessing risks in cooperation with relevant business units, and grading risks based on a comprehensive assessment form that considers the degree, urgency, and availability of risk treatment, etc. Based on the graded risks, the acceptable risk level is determined, and treatment plans are developed, implemented, and reviewed for their effectiveness and appropriateness.

Firewalls are built on the external gateway side with intrusion detection system and anti-virus system to prevent and alert information security immediately, and to block advanced and continuous targeted attacks in addition to detection and regular review and adjustment of information policy. All external VPN connections are also subject to dynamic password or secondary authentication to strengthen the security of the connection.

Host vulnerability scans are also conducted for the year to evaluate the internal environment for security vulnerabilities.

The computer environment is regularly updated to new versions and anti-virus software is installed internally. In addition to system updates, we also control computer access privileges, regularly review the issuance of special privileges for system access, prevent special privileges from being obtained without formal authorization, and set up a data backup restoration system for file hosts according to the risk level.

In order to raise employees' awareness of information security and reduce information security risks, the Company arranges annual education and training to educate employees on information security and personal data protection, so that they can follow information security policies, management measures and standard procedures.

4. Investment of resources in cyber security management:

According to the Company's project budget, the completion rate is 90%. We execute the maintenance contract of information security protection and management every year to update and fix the vulnerability of the operating system and application software. The endpoint protection is achieved by the combination of anti-virus software and abnormal connection to achieve prevention and protection.

Education and training: The Company conducts a series of training sessions on information security and personal data protection law for new employees during the year.

- (II) The aggregate total of impairment and penalty fines undertaken due to cyber security incidents in the most recent year and as of the printing date of this Annual Report.
- In 2022 and up to the date of the annual report, the Company has not suffered any major cyber security incidents and has no related losses or impacts.

VII. Important Contracts

Up to the publication date of the Annual Report, the valid supply/distribution contracts, technical cooperation contracts, engineering and construction contracts, long-term loan contracts, and other vital contracts which can affect shareholders' rights and interests are as follows:

Contract Type	Counterparty	Period	Major Content	Restrictions
Software copyright				
Software Licensing Agreement	HanbitSoft, Inc., and IMC Games, Co., Ltd.	Until January 7, 2024	Granado Espada, online game	Taiwan
Software Licensing Agreement	Koei Tecmo Games Co., Ltd.	Two years after the date of issue	La Corda d'Oro Starlight Orchestra, mobile game	Taiwan, Hong Kong and Macau
Software Licensing Agreement	Trys,	Two years after the date of issue	MASS FOR THE DEAD, mobile game	Taiwan, Hong Kong and Macau
Software Licensing Agreement	Appirits Inc.,	Two years after the date of issue	Kemono Friends 3, mobile game	Taiwan, Hong Kong and Macau
Authorization agent				
Virtual Products Distribution Agreement	Gash Point Co, Ltd.	2023.01.01~2023.12.31	Wayi's products shall be sold by the distribution channel of GASH POINT Co, Ltd.	None
Virtual Products Distribution Contract	Wanin International Co., Ltd.	2023.01.01~2023.12.31	Wayi's products shall be sold by the distribution channel of Wanin International Co., Ltd.	None
Co-development				
Game Cooperative Development and Operation Agreement	Wanin International Co., Ltd.	2023.01.01~2023.12.31	Co-developed games are operated on the Star City platform	None

Chapter 6 Financial Information

I. Condensed Balance Sheet, Comprehensive Income Statement, and the Name of CPA and the Audit Opinion Thereof for the Most Recent Five Years

(I) Consolidated Condensed Balance Sheet–Based on IFRS

Unit: NT\$ thousands

Item \ Year		Financial Summary for The Last Five Years (Note 1)					Financial Summary for the Current Year as of March 31, 2023 (Note 1)
		2018	2019	2020	2021	2022	
Current assets		215,952	177,167	193,631	262,748	243,873	242,394
Property, plant and equipment		80,679	75,976	58,130	59,627	59,483	59,551
Intangible assets		4,242	363	1,660	6,019	12,018	10,141
Other assets		38,931	47,355	57,478	60,462	33,925	32,616
Total assets		339,804	300,861	310,899	388,856	349,299	344,702
Current liabilities	Before distribution	158,269	115,313	87,678	65,956	31,573	43,622
	After distribution	158,269	115,313	87,678	65,956	31,573	43,622
Non-current liabilities		47,360	64,429	328	7,063	3,986	2,346
Total liabilities	Before distribution	205,629	179,742	88,006	73,019	35,559	45,968
	After distribution	205,629	179,742	88,006	73,019	35,559	45,968
Equity attributable to owners of the parent company		134,175	121,119	222,893	315,837	313,740	298,734
Capital stock		611,661	134,174	193,694	193,694	222,748	222,748
Capital surplus		10,575	0	41,690	29,199	29,199	29,199
Retained earnings	Before distribution	(488,061)	(13,055)	(12,491)	92,944	61,793	46,787
	After distribution	(488,061)	(13,055)	(12,491)	92,944	61,793	46,787
Other equity		0	0	0	0	0	0
Treasury stock		0	0	0	0	0	0
Non-controlling equity		0	0	0	0	0	0
Total equity	Before distribution	134,175	121,119	222,893	315,837	313,740	298,734
	After distribution	134,175	121,119	222,893	315,837	313,740	298,734

Note 1: Financial information for each year is reviewed or audited by CPA.

(II) Consolidated Condensed Statement of Comprehensive Income—Based on IFRS:

Unit: NT\$ thousands

Item \ Year	Financial Summary for The Last Five Years (Note 1)					Financial Summary for the Current Year as of March 31, 2023 (Note 1)
	2018	2019	2020	2021	2022	
Operating revenue	77,833	123,407	115,951	248,364	147,266	30,588
Gross profit	23,273	63,385	74,551	187,971	97,745	18,466
Income from operations	(46,794)	(8,841)	1,788	95,928	20,389	(1,539)
Non-operating income and expenses	(6,682)	(4,215)	(1,224)	(2,984)	16,432	210
Income before tax	(53,476)	(13,056)	564	92,944	36,821	(1,329)
Income from operations of continued segments	(60,388)	(13,056)	564	92,944	36,642	(1,641)
Income from discontinued operations	0	0	0	0	0	0
Net income	(60,388)	(13,056)	564	92,944	36,642	(1,641)
Other comprehensive income (income after tax)	5,883	0	0	0	0	0
Total comprehensive income	(54,505)	(13,056)	564	92,944	36,642	(1,641)
Net income attributable to owners of the parent company	(60,325)	(13,056)	564	92,944	36,642	(1,641)
Net income attributable to non-controlling interest	(63)	0	0	0	0	0
Total comprehensive income attributable to owners of the parent company	(54,442)	(13,056)	564	92,944	36,642	(1,641)
Total comprehensive income attributable to non-controlling interests	(63)	0	0	0	0	0
Earnings per share	(3.70)	(0.80)	0.03	4.17	1.65	(0.07)

Note 1: Financial information for each year is reviewed or audited by CPA.

(III) Condensed Individual Balance Sheet–Based on IFRS

Unit: NT\$ thousands

Item \ Year	Financial Summary for the Last Five Years (Note 1)				
	2018	2019	2020	2021	2022
Current assets	187,483	145,367	163,652	233,935	212,112
Property, plant and equipment	80,679	75,976	58,130	59,627	59,483
Intangible assets	4,242	363	1,660	6,019	12,018
Other assets	71,627	79,155	87,457	89,275	65,686
Total assets	344,031	300,861	310,899	388,856	349,299
Current liabilities	Before distribution	162,470	115,313	87,678	65,956
	After distribution	162,470	115,313	87,678	65,956
Non-current liabilities	47,386	64,429	328	7,063	3,986
Total liabilities	Before distribution	209,856	179,742	88,006	73,019
	After distribution	209,856	179,742	88,006	73,019
Capital stock	611,661	134,174	193,694	193,694	222,748
Capital surplus	10,575	0	41,690	29,199	29,199
Retained earnings	Before distribution	(488,061)	(13,055)	(12,491)	92,944
	After distribution	(488,061)	(13,055)	(12,491)	92,944
Other equity	0	0	0	0	0
Treasury stock	0	0	0	0	0
Equity Total	Before distribution	134,175	121,119	222,893	315,837
	After distribution	134,175	121,119	222,893	315,837

Note 1: Financial information for each year is reviewed or audited by CPA.

(IV) Condensed Individual Statement of Comprehensive Income–Based on IFRS:

Unit: NT\$ thousands

Item \ Year	Financial Summary for the Last Five Years (Note 1)				
	2018	2019	2020	2021	2022
Operating revenue	78,126	123,407	115,951	248,364	147,266
Gross profit	25,225	63,385	74,551	187,971	97,745
Income from operations	(44,018)	(8,572)	2,137	96,327	20,833
Non-operating income and expenses	(16,307)	(4,484)	(1,573)	(3,383)	15,988
Income before tax	(60,325)	(13,056)	564	92,944	36,821
Income from operations of continued segments	(60,325)	(13,056)	564	92,944	36,821
Income from discontinued operations	0	0	0	0	0
Net income	(60,325)	(13,056)	564	92,944	36,642
Other comprehensive income (income after tax)	5,883	0	0	0	0
Total comprehensive income	(54,442)	(13,056)	564	92,944	36,642
Earnings per share	(3.70)	(0.80)	0.03	4.17	1.65

Note 1: Financial information for each year is reviewed or audited by CPA.

(V) Name of the CPA and audit opinions for the most recent five fiscal years:

Year	Accounting Firm	Name of CPA	Audit Opinion
2018	Deloitte & Touche	Weng, Po-Jen, Lin, Yi-Hui	Unqualified opinion
2019	Deloitte & Touche	Weng, Po-Jen, Guo, Nai-Hua	Unqualified opinion
2020	Deloitte & Touche	Weng, Po-Jen, Guo, Nai-Hua	Unqualified opinion
2021	Deloitte & Touche	Chi, Rui-Quan, Guo, Nai-Hua	Unqualified opinion
2022	Deloitte & Touche	Chi, Rui-Quan, Chou, I-Lung	Unqualified opinion

II. Five-Year Financial Analysis

(I) Consolidated Financial Analysis – Based on IFRS:

Item \ Year		Financial Analysis for the Last Five Years (Note 1)					For the current year as of March 31, 2023 (Note 1)
		2018	2019	2020	2021	2022	
Financial structure (%)	Debt Ratio	60.51	59.74	28.31	18.78	10.18	13.34
	Ratio of long-term capital to property, plant and equipment	224.76	238.39	383.44	529.69	527.44	501.64
Solvency (%)	Current ratio	136.45	153.64	220.84	398.37	772.41	555.67
	Quick ratio	128.97	148.73	201.85	377.46	736.18	538.13
	Interest coverage ratio	-15.48	-4.36	1.27	338.98	384.55	-43.30
Operation performance	Accounts receivable turnover (times)	7.07	10.94	6.26	7.05	4.91	6.42
	Average collection period	51.65	33.37	58.33	51.80	74.38	56.81
	Inventory turnover (times)	34.69	45.63	38.87	56.71	46.50	45.53
	Accounts payable turnover (times)	7.46	9.69	7.27	4.77	4.33	13.51
	Average days in sales	10.52	8.00	9.39	6.44	7.85	8.02
	Property, plant and equipment turnover (times)	0.91	1.58	1.73	4.22	2.47	2.06
	Total assets turnover (times)	0.19	0.39	0.38	0.71	0.40	0.35
Profitability	Return on total assets (%)	-13.79	-3.47	0.72	26.63	9.95	-1.86
	Return on equity (%)	-37.38	-10.23	0.33	34.50	11.64	-2.14
	Pre-tax income to paid-in capital (%)	-8.74	-9.73	0.29	47.98	16.53	-2.39
	Profit ratio (%)	-77.59	-10.58	0.49	37.42	24.88	-5.36
	Earnings per share (NT\$)	-3.70	-0.80	0.03	4.17	1.65	-0.07
Cash flow	Cash flow ratio (%)	-36.63	33.68	-30.02	164.47	124.77	37.90
	Cash flow adequacy ratio (%)	-551.55	-2645.48	-3424.85	232.53	229.99	308.00
	Cash reinvestment ratio (%)	-13.49	10.28	-6.23	23.85	0.15	0.74
Leverage	Operating leverage	-0.50	-7.17	41.70	1.96	4.79	-12.00
	Financial leverage	0.94	0.78	-6.70	1.00	1.00	0.98

Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)

1. Liability to assets ratio: due to the decrease in borrowings in the current period.
2. Current ratio and quick ratio: due to the decrease in current liabilities in the current period.
3. Accounts receivable turnover rate and average cash collection days: due to the decrease in current revenue and ending accounts receivable.
4. Inventory turnover rate and average sales days: due to the decrease in operating costs in the current period.
5. Real estate, plant and equipment turnover rate, total asset turnover rate: due to the decrease in operating income in the current period.
6. Return on assets, return on equity, ratio of pre-tax net profit to paid-in capital, net profit ratio, and earnings per share: due to the decrease in pre-tax net profit for the current period.
7. Cash flow ratio, cash flow allowable ratio, and cash reinvestment ratio: due to the decrease in net cash inflow from operating activities in the current period.
8. Operating leverage: due to the decrease in operating profit in the current period.

Note 1: Financial information for each year is reviewed or audited by CPA.

Note 2: Formula for calculating the financial analysis:

1. Financial structure
 - (1) Debt Ratio = Total Liabilities / Total Assets
 - (2) Ratio of Long-Term Capital to Property, Plant and Equipment = (Total Equity + Non-current Liabilities) / Net Property, Plant and Equipment
2. Solvency
 - (1) Current Ratio = Current Assets / Current Liabilities
 - (2) Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities
 - (3) Interest Earned Ratio = Net Profit before Tax and Interest / Interest Expenses
3. Operating performance
 - (1) Accounts Receivable Turnover (including bills receivable resulting from accounts receivable and business operations) = Net Sales / Average Accounts Receivable in Various Periods (including bills receivable resulting from accounts receivable and business operations)
 - (2) Average Collection Period = 365 / Accounts Receivable Turnover
 - (3) Inventory Turnover = Cost of Sales / Average Inventory
 - (4) Accounts Payable Turnover (including bills payable resulting from accounts payable and business operations) = Cost of Sales / Average Accounts Payable in Various Periods (including bills payable resulting from accounts payable and business operations).
 - (5) Average Days in Sale = 365 / Inventory Turnover
 - (6) Property, Plant, and Equipment Turnover = Net Sales / Average Net Property, Plant, and Equipment
 - (7) Total Assets Turnover = Net Sales / Average Total Assets
4. Profitability
 - (1) Return on Total Assets = [Income After Tax + Interest Expenses x (1 - Interest Rates)] / Average Total Asset Value
 - (2) Return on Equity = Income After Tax / Average Equity
 - (3) Profit Ratio = Income After Tax / Net Sales
 - (4) Earnings per Share = (Income Attributable to Owners of the Parent Company – Dividends on Preferred Shares) / Weighted Average Number of Issued Shares (Note 4)
5. Cash flow
 - (1) Cash Flow Ratio = Net Operating Cash Flow / Current Liabilities
 - (2) Cash Flow Adequacy Ratio = Net Cash Flow from Operating Activities for the Most Recent Five Years / (Capital Expenditures + Inventory Increase + Cash Dividend) for the Most Recent Five Years
 - (3) Cash Reinvestment Ratio = (Net Cash Flow from Operating Activities–Cash Dividend) / (Gross Property, Plant and Equipment Value + Long-Term Investment + Other Non-current Assets + Working Capital) (Note 5)
6. Leverage:
 - (1) Operating Leverage = (Net Operating Revenue - Variable Operating Costs and Expenses) / Operating Income (Note 6)
 - (2) Financial Leverage = Operating Income / (Operating Income - Interest Expenses)

Note 3: Special attention shall be paid to the following matters when using the calculation formula of earnings per share above:

1. Based on the weighted average number of shares of ordinary share, not the number of issued shares at the end of the year.
2. For cash capital increase or transaction of treasury stock, the circulation period should be considered when calculating the weighted average number of shares.

3. For capital increase by retained earnings or capital surplus, the Company shall retrospectively adjust the earnings per share for the past fiscal year and the semi-annual earnings ratio retrospectively, without considering the issuance period of the capital increase.
4. If the preferred stocks are nonconvertible cumulative preferred stocks, its dividend of the year (whether is being distributed or not) shall add or subtract the net loss from the net income. If the preferred stock is non-cumulative, the dividend of the preferred stock should be deducted from the net profit after tax if the Company has net profit after tax; if the Company has deficiency, it shall not be adjusted.

Note 4: Special attention should be paid to the following matters when measuring cash flow analysis:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the statement of cash flows.
2. Capital expenditure is the annual cash outflow of capital investment.
3. The increase in inventory is included only when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory decreases at the end of the year, it is counted as zero.
4. Cash dividends include cash dividends from ordinary shares and preferred stocks.
5. Gross property, plant and equipment refers to the total value of PP&E minus accumulated depreciation.

Note 5: The issuer shall classify the operating costs and operating expenses as fixed or variable in accordance with their nature. If it involves estimation or subjective judgment,

Note 6: If the Company's shares have no par value or a par value other than NT\$10, any calculations that involve paid-in capital ratio shall be replaced with the equity ratio attributable to owners of the parent company, as shown in the balance sheet.

(II) Individual Financial Analysis - IFRS:

Item \ Year		Financial Analysis for the Past 5 years (Note 1)				
		2018	2019	2020	2021	2022
Financial structure (%)	Debt ratio	61.00	59.74	28.31	18.78	10.18
	Ratio of long-term capital to fixed assets	224.76	238.39	383.44	529.69	527.44
Solvency (%)	Current ratio	115.40	126.06	186.65	354.68	671.81
	Quick ratio	108.22	121.17	167.87	334.06	636.23
	Interest earned ratio	-17.60	-4.36	1.27	338.98	384.55
Operating performance	Accounts receivable turnover (times)	7.12	10.94	6.26	7.05	4.91
	Average collection period	51.23	33.37	58.33	51.80	74.38
	Inventory turnover (times)	33.71	45.63	38.87	56.71	46.50
	Accounts payable turnover (times)	7.31	9.69	7.27	4.77	4.33
	Average days in sales	10.83	8.00	9.39	6.44	7.85
	Property, Plant and Equipment turnover (Times)	0.93	1.58	1.73	4.22	2.47
	Total assets turnover	0.19	0.38	0.38	0.71	0.40
Profitability	Return on total assets (%)	-13.80	-3.44	0.72	26.63	9.95
	Return on equity (%)	-37.38	-10.23	0.33	34.50	11.64
	Pre-tax income to paid-in capital (%)	-9.86	-9.73	0.29	47.98	16.53
	Profit ratio (%)	-77.22	-10.58	0.49	37.42	24.88
	Earnings per share (NT\$)	-3.70	-0.80	0.03	4.17	1.65
Cash flow	Cash flow ratio (%)	-27.64	31.47	-27.72	166.20	115.81
	Cash flow adequacy ratio (%)	-432.13	-1995.48	-3040.85	572.97	254.38
	Cash flow reinvestment ratio (%)	-10.45	9.61	-5.76	24.10	-0.49
Leverage	Operating leverage	-0.57	-7.39	34.89	1.95	4.69
	Financial leverage	0.93	0.78	26.06	1.00	1.00
Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)						
<ol style="list-style-type: none"> Liability to assets ratio: due to the decrease in borrowings in the current period. Current ratio and quick ratio: due to the decrease in current liabilities in the current period. Accounts receivable turnover rate and average cash collection days: due to the decrease in current revenue and ending accounts receivable. Inventory turnover rate and average sales days: due to the decrease in operating costs in the current period. Real estate, plant and equipment turnover rate, total asset turnover rate: due to the decrease in operating income in the current period. 						

6. Return on assets, return on equity, ratio of pre-tax net profit to paid-in capital, net profit ratio, and earnings per share: due to the decrease in pre-tax net profit for the current period.
7. Cash flow ratio, cash flow allowable ratio, and cash reinvestment ratio: due to the decrease in net cash inflow from operating activities in the current period.
8. Operating leverage: due to the decrease in operating profit in the current period.

Note 1: Financial information for each year is reviewed or audited by CPA.

Note 2: The end of the Annual Report shall list the formula as follows:

1. Financial structure
 - (1) Debt Ratio = Total Liabilities / Total Assets
 - (2) Ratio of Long-Term Capital to Property, Plant and Equipment = (Total Equity + Non-current Liabilities) / Net Property, Plant and Equipment
2. Solvency
 - (1) Current Ratio = Current Assets / Current Liabilities
 - (2) Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities
 - (3) Interest Earned Ratio = Net Profit before Tax and Interest / Interest Expenses
3. Operating performance
 - (1) Accounts Receivable Turnover (including bills receivable resulting from accounts receivable and business operations) = Net Sales / Average Accounts Receivable in Various Periods (including bills receivable resulting from accounts receivable and business operations)
 - (2) Average Collection Period = 365 / Accounts Receivable Turnover
 - (3) Inventory Turnover = Cost of Sales / Average Inventory
 - (4) Accounts Payable Turnover (including bills payable resulting from accounts payable and business operations) = Cost of Sales / Average Accounts Payable in Various Periods (including bills payable resulting from accounts payable and business operations).
 - (5) Average Days in Sale = 365 / Inventory Turnover
 - (6) Property, Plant, and Equipment Turnover = Net Sales / Average Net Property, Plant, and Equipment
 - (7) Total Assets Turnover = Net Sales / Average Total Assets
4. Profitability
 - (1) Return on Total Assets = [Income After Tax + Interest Expenses x (1 - Interest Rates)] / Average Total Asset Value
 - (2) Return on Equity = Income After Tax / Average Equity
 - (3) Profit Ratio = Income After Tax / Net Sales
 - (4) Earnings per Share = (Income Attributable to Owners of the Parent Company – Dividends on Preferred Shares) / Weighted Average Number of Issued Shares (Note 4)
5. Cash flow
 - (1) Cash Flow Ratio = Net Operating Cash Flow / Current Liabilities
 - (2) Cash Flow Adequacy Ratio = Net Cash Flow from Operating Activities for the Most Recent Five Years / (Capital Expenditures + Inventory Increase + Cash Dividend) for the Most Recent Five Years
 - (3) Cash Reinvestment Ratio = (Net Cash Flow from Operating Activities–Cash Dividend) / (Gross Property, Plant and Equipment Value + Long-Term Investment + Other Non-current Assets + Working Capital) (Note 5)
6. Leverage:
 - (1) Operating Leverage = (Net Operating Revenue - Variable Operating Costs and Expenses) / Operating Income (Note 6)

(2) Financial Leverage = Operating Income / (Operating Income - Interest Expenses)

Note 3: Special attention shall be paid to the following matters when using the calculation formula of earning per share above:

1. Based on the weighted average number of shares of ordinary share, not the number of issued shares at the end of the year.
2. For cash capital increase or transaction of treasury stock, the circulation period should be considered when calculating the weighted average number of shares.
3. For capital increase by retained earnings or capital surplus, the Company shall retrospectively adjust the earnings per share for the past fiscal year and the semi-annual earnings ratio retrospectively, without considering the issuance period of the capital increase.
4. If the preferred stocks are nonconvertible cumulative preferred stocks, its dividend of the year (whether is being distributed or not) shall add or subtract the net loss from the net income. If the preferred stock is non-cumulative, the dividend of the preferred stock should be deducted from the net profit after tax if the Company has net profit after tax; if the Company has deficiency, it shall not be adjusted.

Note 4: Special attention should be paid to the following matters when measuring cash flow analysis:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the statement of cash flows.
2. Capital expenditure is the annual cash outflow of capital investment.
3. The increase in inventory is included only when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory decreases at the end of the year, it is counted as zero.
4. Cash dividends include cash dividends from ordinary shares and preferred stocks.
5. Gross property, plant and equipment refers to the total value of PP&E minus accumulated depreciation.

Note 5: The issuer shall classify the operating costs and operating expenses as fixed or variable in accordance with their nature. If it involves estimation or subjective judgment,

Note 6: If the Company's shares have no par value or a par value other than NT\$10, any calculations that involve paid-in capital ratio shall be replaced with the equity ratio attribute to the owner of the parent company, as shown in the balance sheet.

III. Audit Committee' Audit Report on the Financial Statements for the Most Recent Year

Audit Committee's Review Report

The Board of Directors has submitted the Company's 2022 financial statements and consolidated financial statements, which have been audited and completed by Rui-Quan Chi and I-Lung Chou of Deloitte & Touche accounting firm. Along with the business report and profit distribution proposal, the Audit Committee has thoroughly reviewed and found no discrepancies. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, a report has been prepared for your examination.

Sincerely,

2023 Annual Shareholders Meeting of Wayi International Digital Entertainment Co., Ltd.

Convener of Audit Committee: Gao, Li-Han

March 27, 2023

- IV. For the most recent year Consolidated Financial Statements and the audit report of CPA: Please refer to pages 118-183.
- V. For the most recent year Individual Financial Statements and the audit report of CPA: Please refer to pages 184-251.
- VI. Impact of financial difficulties of the Company and related companies on the financial status of the Company in the most recent year up to the publication date of the Annual Report: None.

Chapter 7 Review of Financial Conditions, Operating Results, and Risk Management

I. Financial Status

Unit: NT\$ thousands

Item	Year	2021	2022	Difference	
				Amount	%
Current Assets		262,748	243,873	(18,875)	(7.18)
Property, Plant and Equipment		59,627	59,483	(144)	(0.24)
Net amount of investment real estate		15,775	15,157	(618)	(3.92)
Intangible Assets		6,019	12,018	5,999	99.67
Other Assets		44,687	18,768	(25,919)	(58.00)
Total Assets		388,856	349,299	(39,557)	(10.17)
Current Liabilities		65,956	31,573	(34,383)	(52.13)
Non-current Liabilities		7,063	3,986	(3,077)	(43.57)
Total Liabilities		73,019	35,559	(37,460)	(51.30)
Capital		193,694	222,748	29,054	15.00
Capital Surplus		29,199	29,199	0	0
Retained Earnings		92,944	61,793	(31,151)	(33.52)
Other Equity		0	0	0	0
Non-controlling Equity		0	0	0	0
Total Equity		315,837	313,740	(2,097)	(0.66)

Explanation: (Please specify the difference if the difference exceed 20%)

1. Intangible assets: Mainly related to the launch of new games in this period, the payment of software royalties and licensing fees, etc.
2. Other assets: mainly due to the settlement of the old pension special account in the current period.
3. Current liabilities: mainly due to the decrease in the payable sharing costs and payable channel costs of the game in the current period.
4. Non-current liabilities: mainly due to the decrease in non-current lease liabilities due to lease contracts.
5. Retained surplus: mainly due to the decrease in revenue for the current period.
6. Future contingency plan: The working capital generated by the company's future operating activities and part of the funds obtained from financing from financial institutions will be sufficient to meet the company's future operating needs.

II. Financial Performance

(I) Comparative Analysis of Financial Performance

Unit: NT\$ thousands

Item \ Year	2021	2022	Increase (decrease) Amount	Variable Proportion (%)	Analysis of changes
Operating Income	248,364	147,266	(101,098)	(40.71)	1
Operating Costs	60,393	49,521	(10,872)	(18.00)	
Gross Profit	187,971	97,745	(90,226)	(48.00)	2
Operating Expenses	92,043	77,356	(14,687)	(15.96)	
Operating Profit	95,928	20,389	(75,539)	(78.75)	3
Non-operating Income and Expenses	(2,984)	16,432	19,416	650.67	4
Pre-Tax Profit (Loss)	92,944	36,821	(56,123)	(60.38)	
Income Tax Benefit (Expense)	0	(179)	(179)	(100.00)	5
Net profit (loss)	92,944	36,642	(56,302)	(60.58)	
Other Comprehensive Income for the Period	0	0	0	0	
Total Comprehensive Income	92,944	36,642	(56,302)	(60.58)	
Net profit (loss) Attributable to					
Owners of the Company	92,944	36,642	(56,302)	(60.58)	
Non-controlling Equity	0	0	0	0	
Total Comprehensive Income Attributable to					
Owners of the Company	92,944	36,642	(56,302)	(60.58)	
Non-controlling Equity	0	0	0	0	

Analysis of changes: (Please specify the difference if the difference exceeds 20%)

- Operating income: The main reason is that the income of art design OEM in this period did not meet expectations, resulting in a decrease in revenue compared with last year.
- Gross profit: the income from the main art design OEM has decreased compared with last year, and the cost of fixed personnel expenses has not changed with the increase or decrease in operating income move, resulting in a decrease in operating profit.
- Operating profit: Mainly due to the decrease in operating gross profit..
- Non-operating income and expenses: Mainly due to the increase in exchange benefits due to changes in the US dollar exchange rate.
- Income tax expenses: mainly related to undistributed surplus plus income tax.
- To sum up, the income from art design foundry in this period decreased, resulting in a decrease in net profit in this period.
- Reasons for changes in the Company's main business: There was no significant change in the Company's business.
- Expected sales volume in the coming year and its basis, possible impact on the Company's future finance and business and response plans: The Company's operating income includes game and digital revenue; as the Company has no financial forecasting, there is no statistical value of sales. The Company will continue to increase the operation of its game and digital products and pursue the growth of its business scale and profit.

III. Cash flow

(I) Cash Flow Analysis in the Most Recent Two Years

Unit: NT\$ thousands

Item \ Year	2021	2022	Increase (decrease) in Amounts
Operating activity	108,480	39,393	(69,087)
Investment activity	(31,968)	4,439	36,407
Financing activity	(40,689)	(43,844)	(3,155)
Net cash inflow and outflow	35,823	(12)	(35,835)

Analysis of ratio changes:

1. Decrease in net cash flow from operating activities: mainly due to the decrease in operating income in the current period.
2. Increase in net cash inflows from investing activities: mainly due to the disposal of financial assets measured at fair value through profit or loss in the current period.
3. Increase in net cash outflow from financing activities: mainly the distribution of cash dividends in the current period.

(II) Cash Liquidity Analysis for the Following Year

Unit: NT\$ thousands

Cash and cash equivalents at the beginning of the period (Note)	Estimated Net Cash Flow from Operating Activities for the Year	Estimated Cash Outflow for the Year	Estimated Cash Surplus (Deficit)	Remedy for Cash Deficit	
				Investment plan	Financial plan
213,365	173,459	155,804	231,020	-	-
Remedy for the cash flow deficit for 2023: None.					

Note: Sum of cash and cash equivalents and time deposits.

IV. Major Capital Expenditure Items and Impacts on the Company's Finance and Business for the Most Recent Year

The Company's major capital expenditures are the royalty of game vicarious authority and online devices. This capital expenditure is expected to increase the number of products in order to increase operating income, which has a positive impact on the Company's finance.

V. Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

Review and Analysis of Significant Expenditures and Source of Capital:

Item	Explanation	Recognized Investment Gain or Loss in 2022 (NT\$ thousands)	Policy	Main reasons for Gain or Loss	Improvement Plan	Other Investment Plans in the Future
WAYI SOFTMAGIC INVESTMENT (ASIA) LTD.		2,948	Reinvestment Company	Exchange gains	Searching for good investment and expanding revenue	depending on its operating conditions
DIT Startup Limited		(1,057)	Entrepreneurship, crowdfunding and venture capital investment	Scale of operating not yet achieved	Searching for good investment and expanding revenue	depending on its operating conditions

VI. Risk Analysis and Evaluation in the Most Recent Year up to the Publication Date of the Annual Report

(I) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on the Company's Finance, and Future Response Measures:

1. Interest rate: The interest income from the consolidated company is mainly derived from the interest income from time deposits and interest expenses on borrowings. According to the balance estimate at the end of 2022, if the market interest rate changes by 1%, the net profit after tax will not change. The Company will pay attention to the trend of future interest rate and adjust it at any time.
2. Exchange rates: The foreign currency deposits of the consolidated company will expose the consolidated company to exchange rate changes. If the US dollar exchange rate changes by 1%, the impact on profit and loss will be NT\$1,215 thousand. The Company will pay attention to the trend of future exchange rates and take timely measures to avoid risks.
3. Inflation: Inflation in the economic environment has increased. Due to the Company's business characteristics, inflation has little impact on the Company. However, the Company will keep abreast of fluctuations in market prices and provide timely information and management as a basis for decision-making and review.

(II) Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions: For derivative financial product transactions, please refer to financial instruments in the financial report.

(III) Future Research & Development Projects and Corresponding Budget: Please refer to the Technical and R&D Overview, Operational Highlights of the Annual Report.

(IV) Effects of and Response to Changes in Domestic and Oversea Policies and Regulations Relating to the Company's Finance and Sales: None.

(V) Financial impacts of and responses to technological and industry changes (includes information security risk):

With the development of science and technology, the risk of information and communication security breaches has significantly increased for enterprises. As a result, in 2023, the Company established a dedicated unit for information security to ensure effective control and management. The Company has established "IT

security maintenance plan" and related operational details, and implemented information work plans to manage important data, personal information utilization and privilege security maintenance. We also carry out employees' information security education and training to realize such goals. In addition, firewall equipment is adopted to prevent malicious links and file viruses. We monitor abnormal connection behavior to alert, continuously update the patches for vulnerabilities, and finally commence regular scanning of endpoint anti-virus software to achieve risk control and management.

The information system structure establishes a database backup mechanism according to the risk level and stores it off-site to reduce the risk of data loss, and simulates drills on a regular basis to ensure the normal operation of the information system and data preservation, which can reduce the risk of system interruption caused by unpredictable natural disasters and human errors and meet the target time for expected system recovery.

- (VI) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures: Not applicable.
- (VII) Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: Not applicable.
- (VIII) Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans: Not applicable.
- (IX) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration:

The Company's main source of goods and sales targets have different industrial characteristics and staged operational background. In view of the future growth trend of the Company and industry, the Company will further diversify future sources of procurement and sales targets in order to maintain a balanced and stable operation result. This is the goal of continuous efforts for the Company.

- (X) Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: None.
- (XI) Effects of, Risks Relating to and Response to the Changes in Management Rights: None.
- (XII) If major ongoing lawsuits, non-lawsuits or administrative lawsuits caused by Directors, Supervisors or Shareholders with over 10% shareholdings may have an impact on Shareholder's right or the price of the securities, the facts of the lawsuits, the amount of the subject matter, the commencement date of the lawsuit, the parties involved in the proceedings, and the status up to the publication date of the Annual Report shall be disclosed: None.
- (XIII) Other Major Risks and Response Measures: None.

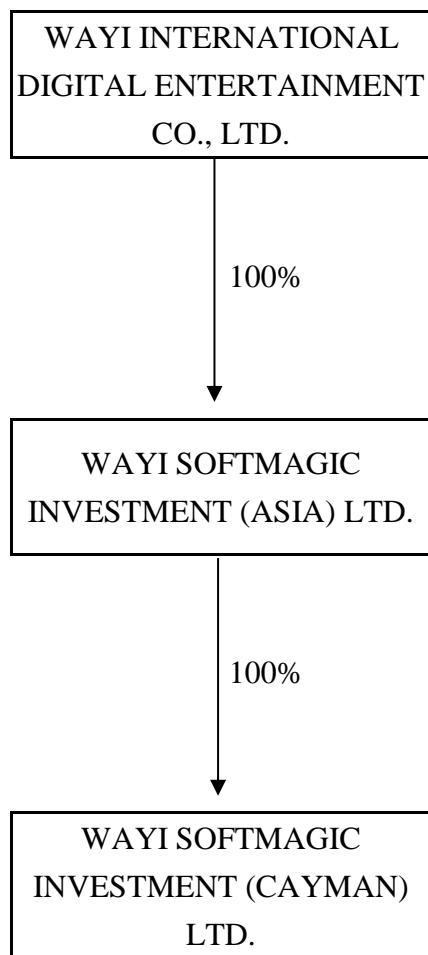
VII. Other Major Items: None.

Chapter 8 Special Disclosures

I. Summary of Affiliated Companies

(I) Consolidated Business Report of Affiliated Companies

1. Business organization chart of affiliated companies (December 31, 2022)



2. Basic information of affiliated companies:

Name of Company	Date of Incorporation	Address	Paid-up Capital	Main Business Projects
WAYI SOFTMAGIC INVESTMENT (ASIA) LTD.	2000.5.19	Caribbean Corporate Service Limited, 3 Floor, Omar Hodge Building, Wickhams Cay I, P.O. Box 362. Road Town. Tortola, British Virgin Island	US\$599,555	General investment
WAYI SOFTMAGIC INVESTMENT (CAYMAN) LTD.	2000.10.6	Harbour Trust Co., Ltd. P.O. Box 1787. Second Floor. One Capital Place, George Town. Grand Cayman, Cayman Islands. British West. Indies.	US\$50,000	General investment

3. The Company has established a control and subordination relationship: None.
4. Business scope of the affiliated businesses: The industry covered by the Company and its affiliated companies include the industry of the game software, electronic design, agency buying and selling, intellectual property rights, and computer games marketing.
5. Information of directors, supervisors and general managers in all affiliated companies:

Name of Company	Title	Name or Representative	Shareholding	Shareholding Ratio %
WAYI SOFTMAGIC INVESTMENT (ASIA) LTD.	Director	Shih, Shu-Kai	0	0
WAYI SOFTMAGIC INVESTMENT (CAYMAN) LTD.	Director	Shih, Shu-Kai	0	0

6. Operational report of affiliated companies:

Unit: NT\$ thousands

Name of Company	Capital	Total Assets	Total Liabilities	Net Value	Operating Income	Operating Profit	Current Profit and Loss	Earnings per Share (NT\$)
WAYI SOFTMAGIC INVESTMENT (ASIA) LTD.	20,216	31,762	0	31,762	0	(187)	2,948	-
WAYI SOFTMAGIC INVESTMENT (CAYMAN) LTD.	1,690	2,220	0	2,220	0	(257)	(24)	-

(II) Combined financial statements of affiliated companies: Please refer to #page 118-183#.

(III) Affiliation Report: Not applicable.

- II. Private Placement Securities in the Most Recent Year up to the Publication Date of the Annual Report: None.
- III. Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Year up to the Publication Date of the Annual Report: None.
- IV. Other Necessary Supplements: None.

Chapter 9 Matters with material impacts on the rights and interests of shareholders or stock prices as stated in Article 36, paragraph 3, subparagraph 2, Securities Exchange Act in the most recent year and until the date annual report publication: None.

Declaration of Consolidated Financial Statements of Associates

The entities that are required to be included in the consolidated financial statements of the Company as of and for the year ended December 31, 2022, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission. Moreover, the disclosure information required for the Consolidated Financial Statements for Associates has been fully disclosed in the aforementioned Parent-Subsidiary Consolidated Financial Statements; hence, a separate Consolidated Financial Statements for associates will not be prepared.

As hereby declared

Company Name: Wayi International Digital Entertainment Co., Ltd.

Person in charge: Shu-Kai Shih

March 27, 2023

Independent Auditors' Report

To Wayi International Digital Entertainment Co., Ltd.

Audit opinions:

The consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated composite income statements, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements (including the summary of major accounting policies) from January 1 to December 31, 2022 and 2021 of Wayi International Digital Entertainment Co., Ltd. and its subsidiary (Wayi Group) have been audited by the CPA.

In our opinion, the accompanying financial statements present fairly, in all material respects, the accompanying financial position of the Wayi Group as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis of Auditors' Comments

The CPA conducted our audit in accordance with the Regulations Governing the Preparation of Financial Reports by Certified Public Accountants and the Standards of Auditing of the Republic of China. Our responsibilities under said standards will be detailed in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of the report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe we have obtained sufficient and appropriate audit evidence to serve as a basis for our opinion.

Key Audit Matters

Key audit matters refer to those which, in accordance with the professional judgment of the CPA, are most important for the audit of the consolidated financial statements of Wayi Group for the year 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the consolidated financial statements of Wayi Group for the year 2022 are listed as follows:

Recognition of related party's revenue of artwork design and foundry services

The art design subcontract income of the related party of Wayi Group was NT\$104,049 thousand, accounting for 71% of the net operating income. Considering the significant transaction amount of the related party and the material impact on Wayi Group's operating revenue and financial performance, the art design subcontract income of the related parties was identified as a key audit matter.

Please refer to Note 4 (12) for the related accounting policies on the recognition of relevant incomes.

The main audit procedures performed by the CPA on the aforementioned key audit matters are as follows:

1. Obtain a contract to identify the nature and conditions of the transaction.
2. Obtain the relevant plans of the development and design project and the communication records of the related parties as evidence of the authenticity of the transaction.
3. Send letters to confirm the transactions of related parties.
4. Conduct receivables collection test.

Other Matters

Wayi has prepared the parent company only financial statements for 2022 and 2021, and the unqualified audit reports have been issued by the CPA for your reference.

Responsibility of the Management and the Governing Body for the Consolidated Financial Statements

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

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

The governing bodies of the Group (including the Audit Committee) have the responsibility to oversee the financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with the governing body, we determine those matters that were of most significance in the audit of 2022 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

CPA

Rui-Quan Chi

CPA

I-Lung Chou

Financial Supervisory Commission
Approval Document
NO. 1060023872

Securities and Futures Commission Approval
Document
NO. 0930128050

March 27, 2023

Wayi International Digital Entertainment Co., Ltd. and its Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021

Unit: NT\$1,000

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalent (Notes 6 and 27)	\$ 116,629	33	\$ 116,641	30
1136	Financial assets at amortized cost - current (Notes 8 and 27)	96,736	28	89,960	23
1170	Accounts receivable - non-related parties (Notes 9 and 27)	2,247	1	20,536	5
1180	Accounts receivable - related parties (Notes 9, 27 and 28)	15,862	5	21,372	6
1200	Other receivables (Notes 9 and 27)	765	-	66	-
1220	Current income tax assets (Note 23)	190	-	197	-
130X	Inventories	130	-	130	-
1410	Prepayments (Note 16)	11,310	3	13,659	4
1470	Other current assets (Note 16)	4	-	187	-
11XX	Total current assets	<u>243,873</u>	<u>70</u>	<u>262,748</u>	<u>68</u>
	Non-current assets				
1510	Financial assets at fair value through profit or loss - non-current (Notes 7 and 27)	-	-	21,654	6
1550	Investments accounted for using equity method (Note 11)	7,457	2	8,514	2
1600	Property, Plant and Equipment (Notes 12 and 29)	59,483	17	59,627	15
1755	Right-of-use assets (Note 13)	9,548	3	11,833	3
1760	Investment properties, net (Notes 14 and 29)	15,157	4	15,775	4
1780	Other intangible assets (Note 15)	12,018	3	6,019	1
1990	Other non-current assets (Notes 16, 27 and 29)	1,763	1	2,686	1
15XX	Total non-current assets	<u>105,426</u>	<u>30</u>	<u>126,108</u>	<u>32</u>
1XXX	Total Assets	<u>\$ 349,299</u>	<u>100</u>	<u>\$ 388,856</u>	<u>100</u>
Code	Liabilities and Equity	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current liabilities				
2130	Contract liabilities - current (Note 21)	\$ 6,594	2	\$ 14,804	4
2150	Notes payable (Notes 17 and 27)	931	-	1,633	-
2170	Accounts payable - non-related parties (Notes 17 and 27)	2,026	1	18,289	5
2180	Accounts payable - related parties (Notes 17, 27 and 28)	5	-	-	-
2200	Other payables (Notes 18 and 27)	15,307	4	25,673	7
2220	Other payables - related parties (Notes 27 and 28)	280	-	136	-
2230	Current income tax liabilities (Note 23)	118	-	-	-
2280	Lease liability - current (Note 13)	5,818	2	5,010	1
2399	Other current liabilities (Note 18)	494	-	411	-
21XX	Total current liabilities	<u>31,573</u>	<u>9</u>	<u>65,956</u>	<u>17</u>
	Non-current liabilities				
2580	Lease liabilities - non-current (Note 13)	3,786	1	6,863	2
2670	Other non-current liabilities (Notes 18 and 27)	200	-	200	-
25XX	Total Non-current Liabilities	<u>3,986</u>	<u>1</u>	<u>7,063</u>	<u>2</u>
2XXX	Total Liabilities	<u>35,559</u>	<u>10</u>	<u>73,019</u>	<u>19</u>
	Equity attributable to owners of the Company (Note 20)				
	Share capital				
3110	Ordinary shares	222,748	64	193,694	50
3200	Capital surplus	29,199	8	29,199	7
	Retained earnings				
3310	Statutory surplus reserve	9,294	3	-	-
3350	Undistributed earnings	52,499	15	92,944	24
3300	Total retained earnings	61,793	18	92,944	24
31XX	Total equity of owners of the Company	<u>313,740</u>	<u>90</u>	<u>315,837</u>	<u>81</u>
3XXX	Total Equity	<u>313,740</u>	<u>90</u>	<u>315,837</u>	<u>81</u>
	Total Liabilities and Equity	<u>\$ 349,299</u>	<u>100</u>	<u>\$ 388,856</u>	<u>100</u>

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

Chairman: Shu-Kai Shih

Manager: Shu-Kai Shih

Accounting Supervisor: Ya-Ling Huang

Wayi International Digital Entertainment Co., Ltd. and its Subsidiaries

Consolidated Statements of Comprehensive Income

From January 1 to December 31, 2022 and 2021

Unit: NT\$1,000, except for earnings per share presented in NT\$

Code		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (Notes 21 and 28)	\$ 147,266	100	\$ 248,364	100
5000	Operating costs (Notes 22 and 28)	(49,521)	(34)	(60,393)	(25)
5900	Gross profit	<u>97,745</u>	<u>66</u>	<u>187,971</u>	<u>75</u>
	Operating expenses (Notes 22 and 28)				
6100	Selling expenses	(41,862)	(28)	(49,341)	(20)
6200	General and administrative expenses	(35,269)	(24)	(40,520)	(16)
6300	Research and development expenses	(225)	-	(2,182)	(1)
6000	Total operating expenses	(77,356)	(52)	(92,043)	(37)
6900	Net operating profit	<u>20,389</u>	<u>14</u>	<u>95,928</u>	<u>38</u>
	Non-operating income and expenses				
7100	Interest income (Note 22)	1,650	1	283	-
7010	Other incomes (Notes 22 and 28)	1,597	1	1,433	1
7020	Other gains and losses (Note 22)	14,338	10	(2,688)	(1)
7050	Financial costs (Note 22)	(96)	-	(275)	-
7060	Share of profits or losses of associates and joint ventures under equity method (Note 11)	(1,057)	(1)	(1,737)	(1)
7000	Total non-operating income and expenses	<u>16,432</u>	<u>11</u>	<u>(2,984)</u>	<u>(1)</u>

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Code		2022		2021	
		Amount	%	Amount	%
7900	Net profit before tax	\$ 36,821	25	\$ 92,944	37
7950	Income tax expense (Note 23)	(179)	-	-	-
8200	Net profit for the year	<u>36,642</u>	<u>25</u>	<u>92,944</u>	<u>37</u>
8500	Total comprehensive income for the year	<u>\$ 36,642</u>	<u>25</u>	<u>\$ 92,944</u>	<u>37</u>
	Net operating profit attributable to				
8610	Owners of the Company	\$ 36,642	25	\$ 92,944	37
8620	Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8600		<u>\$ 36,642</u>	<u>25</u>	<u>\$ 92,944</u>	<u>37</u>
	Total Comprehensive Income Attributable to				
8710	Owners of the Company	\$ 36,642	25	\$ 92,944	37
8720	Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8700		<u>\$ 36,642</u>	<u>25</u>	<u>\$ 92,944</u>	<u>37</u>
	Earnings per share (Note 24)				
9710	Basic	<u>\$ 1.65</u>		<u>\$ 4.17</u>	
9810	Diluted	<u>\$ 1.64</u>		<u>\$ 4.17</u>	

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

Chairman: Shu-Kai Shih Manager: Shu-Kai Shih Accounting Supervisor: Ya-Ling Huang

Wayi International Digital Entertainment Co., Ltd. and its Subsidiaries
Consolidated Statements of Changes in Equity
From January 1 to December 31, 2022 and 2021

Unit: NT\$1,000

		Equity attributable to owners of the Company					
		Share capital			Retained earnings		
Code		Number of Shares (thousand shares)	Amount	Capital surplus	Statutory surplus reserve	Undistributed earnings	Total equity
A1	Balance on January 1, 2021	19,369	\$ 193,694	\$ 41,690	\$ -	(\$ 12,491)	\$ 222,893
	Other changes in capital surplus:						
C11	Compensation for deficit from paid-in capital reserve	-	-	(12,491)	-	12,491	-
D1	Net profit in 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,944</u>	<u>92,944</u>
D5	Total comprehensive income in 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,944</u>	<u>92,944</u>
Z1	Balance on December 31, 2021	19,369	193,694	29,199	-	92,944	315,837
	Appropriations and distribution of 2021 retained earnings:						
B1	Statutory surplus reserve	-	-	-	9,294	(9,294)	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	(38,739)	(38,739)
B9	Stock dividends to shareholders of the Company	2,905	29,054	-	-	(29,054)	-
D1	Net profit in 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,642</u>	<u>36,642</u>
D5	Total comprehensive income in 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,642</u>	<u>36,642</u>
Z1	Balance on December 31, 2022	<u>22,274</u>	<u>\$ 222,748</u>	<u>\$ 29,199</u>	<u>\$ 9,294</u>	<u>\$ 52,499</u>	<u>\$ 313,740</u>

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

Chairman: Shu-Kai Shih

Manager: Shu-Kai Shih

Accounting Supervisor: Ya-Ling Huang

Wayi International Digital Entertainment Co., Ltd. and its Subsidiaries

Consolidated Statements of Cash Flows

From January 1 to December 31, 2022 and 2021

Unit: NT\$1,000

Code		2022	2021
	Cash flows from operating activities		
A10000	Net profit before tax for the year	\$ 36,821	\$ 92,944
A20010	Adjustments to reconcile net income (loss) to net		
A20100	Depreciation expenses	7,205	9,945
A20200	Amortization expenses	4,966	3,614
A20400	Net gain on financial assets measured at fair value through profit and loss	(1,748)	(379)
A20900	Finance costs	96	275
A21200	Interest Income	(1,650)	(283)
A22300	Share of the loss of associates and joint ventures under equity method	1,057	1,737
A22500	Gain on disposal of property, plant and equipment	(12)	(5)
A23700	Impairment loss on non-financial assets	6,377	13,679
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable - non-related parties	18,289	(17,178)
A31160	Accounts receivable - related parties	5,510	3,853
A31180	Other receivables	(16)	(2)
A31230	Prepayments	(4,028)	(10,814)
A31240	Other current assets	183	(20)
A32125	Contract liabilities	(8,210)	(14,221)
A32130	Notes payable	(538)	(391)
A32150	Accounts payable - non-related parties	(16,263)	15,448
A32160	Accounts payable - related parties	5	(45)
A32180	Other payables	(9,789)	9,893
A32190	Other payables - related parties	144	119
A32230	Other current liabilities	83	(24)
A33000	Cash generated from operations	38,482	108,145
A33100	Interest received	967	296
A33300	Interest paid	(2)	(168)
A33500	Income tax (paid) received	(54)	207
AAAA	Net cash inflow from operating activities	39,393	108,480

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Code		2022	2021
	Cash flows from investing activities		
B00200	Disposal of financial assets at fair value through profit or loss	\$ 23,402	\$ -
B00040	Acquisition of financial assets at amortized cost	(6,776)	(23,032)
B02700	Acquisition of property, plant and equipment	(1,518)	(2,834)
B02800	Proceeds from disposal of property, plant and equipment	114	5
B03800	Decrease in refundable deposits	923	1,423
B04500	Acquisition of intangible assets	(<u>11,706</u>)	(<u>7,530</u>)
BBBB	Net cash inflow (outflow) from investing activities	<u>4,439</u>	(<u>31,968</u>)
	Cash flows from financing activities		
C00200	Decrease in short-term loans	-	(32,222)
C04020	Lease debt principal repayment	(5,105)	(8,467)
C04500	Cash dividends distributed	(<u>38,739</u>)	<u>-</u>
CCCC	Net cash outflow from financial activities	(<u>43,844</u>)	(<u>40,689</u>)
EEEE	Net increase (decrease) in cash and cash equivalents	(12)	35,823
E00100	Cash and cash equivalents at beginning of year	<u>116,641</u>	<u>80,818</u>
E00200	Cash and cash equivalents at end of year	<u>\$ 116,629</u>	<u>\$ 116,641</u>

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

Chairman: Shu-Kai Shih Manager: Shu-Kai Shih Accounting Supervisor: Ya-Ling Huang

Wayi International Digital Entertainment Co., Ltd. and its Subsidiaries

Notes to the Consolidated Financial Statements

From January 1 to December 31, 2022 and 2021

(Expressed in NT\$1,000 unless otherwise stated)

I. Company History

(I) Wayi International Digital Entertainment Co., Ltd. (hereinafter referred to as "the Company") was established on August 12, 1993. It was first named "Wayi International Co., Ltd.," and later renamed "Wayi International Digital Entertainment Co., Ltd" in June 2000. Its main business includes computer software, hardware, trading, and information software programming services.

The Company's shares started to be traded on the Taipei Exchange on March 29, 2004.

The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional currency.

(II) Wayi Softmagic Investment (Asia) Ltd. (hereinafter referred to as "Wayi-Asia") was approved and registered in the British Virgin Islands on May 19, 2002, which is a subsidiary whose shares are 100% owned by the Company. The company mainly engaged in general investment.

(III) Wayi Softmagic Investment (Cayman) Ltd. (hereinafter referred to as "Wayi-Cayman") was approved and registered in the British Cayman Islands on October 6, 2000, which is a subsidiary whose shares are 100% owned by the Company. The company mainly engaged in general investment.

II. Approval Date and the Procedures of Financial Statements

These consolidated financial statements were adopted by the Board of Directors on March 27, 2023.

III. Application of New and Revised Standards, Amendments and Interpretations

(I) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretation (IFRIC), and Interpretation Notice (SIC) (hereinafter referred to as "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the "FSC").

The application of the amended IFRSs as endorsed and promulgated by the FSC shall not result in a material change in the accounting policies of the Group.

(II) The IFRSs endorsed by the FSC with effective date starting 2023

New Standards, Interpretations and Amendments	Effective Date Issued by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1. The amendment shall be applied to annual reporting periods beginning on or after January 1, 2023.

Note 2. This amendment shall be applied to changes in accounting policies and changes in accounting estimates that occur for annual periods beginning on or after January 1, 2023.

Note 3. The amendments are applicable prospectively to the transactions incurred after January 1, 2022, except for the deferred tax accounted for on temporary differences in leasing and decommissioning obligation as of January 1, 2022.

1. Amendments to IAS 1 "Disclosure of Accounting Policies"

This amendment prescribes that the Group shall apply the concept of materiality in making decisions about the disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in the financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. This amendment also clarifies that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not to be disclosed by the Group.
- The Group's accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial.

- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

Moreover, this amendment gives examples to explain that it is likely to consider accounting policy information significant to the financial statements if that information relates to significant transactions, other events or conditions and the accounting policy:

- (1) Has changed during the period by the Group, and this change results in a material change on information of the financial statements;
- (2) Was chosen properly by the Group from alternatives permitted by IFRS Standard;
- (3) Was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS Standard that specifically applies;
- (4) Relates to an area for which the Group is required to make significant judgments and assumptions; or
- (5) Relates to complex accounting, and users of the financial statements would otherwise not understand the relating transactions, other events or conditions

2. Amendments to IAS 8 "Definition of Accounting Estimates"

This amendment defines accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". The accounting policy may require items in financial statements to be measured at monetary amounts that cannot be observed directly and must instead be estimated. Therefore, an input or a measurement technique has to be used to develop an accounting estimate to achieve this goal. The changes are considered as changes in accounting estimates while the effects of changes in accounting estimates from changes in an input or a measurement technique do not belong to correction of prior period errors.

Besides the abovementioned effects, as of the date the accompanying financial statements were authorized for issue, the Group assessed that other standards and the amendments of the interpretations would not have a significant impact on the Group's accompanying financial position and financial performance.

(III) Standards issued by IASB but not yet endorsed by FSC

New, Amended, and Revised Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures"	Not determined
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amended "Liabilities are classified as current or non-current" of IAS 1	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"」	January 1, 2024

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

Note 2. A seller-lessee shall retroactively apply the amendments to IFRS 16 to the "Lease Liability in a Sale and Leaseback" signed after the date of initial application of IFRS 16.

Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current" (Amendments in 2020) and "Non-current Liabilities with Covenants" (Amendments in 2022)

The amendment in 2020 clarifies whether or not the liabilities are classified as non-current, it should be evaluated whether at the end of the reporting period the Group has the right to defer settlement of the liability for at least twelve months after the reporting period. If the Group has the right at the end of the reporting period, the liability is classified as non-current regardless of whether the Group expects to exercise the right.

The amendments in 2020 also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The amendments in 2022 further clarify that only the covenants that are required to comply with before the end of the reporting period

will affect the classification of liabilities. Although the covenants that must be complied with within 12 months after the reporting period do not affect the classification of liabilities, relevant information must be disclosed so that financial report users can understand that the Group may not be able to comply with the covenants and must repay within 12 months after the reporting period risk.

The amendments in 2020 stipulate that, for the purpose of debt classification, the aforementioned settlement refers to the transfer of cash, other economic resources or equity instruments of a Group to the counterparty of the transaction resulting in the elimination of liabilities. However, the terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments. And in accordance with IAS 32 "Financial Instruments: Presentation", if the option is recognized separately in equity, the aforementioned clauses do not affect the classification of liabilities.

In addition to the effects mentioned and up until the publishing date of the consolidated financial statements, the Group is continuing to assess the amendment effects from other standards and interpretations on financial status and performance. Relevant effects shall be disclosed when the assessment is completed.

IV. Summary of Significant Accounting Policies

(I) Statement of Compliance

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

(II) Basis of Preparation

Except for financial assets measured at fair value, the consolidated financial statements were prepared on a historical cost convention.

The fair value measurement is grouped into Levels 1 to 3 based on the observability and importance of related inputs:

1. Level 1 inputs: Quoted (unadjusted) prices for identical assets or liabilities that are obtainable in active markets on the measurement date
2. Level 2 inputs: Inputs, other than quoted market prices within level 1, that are observable directly (in terms of price) or indirectly (derived from the price) for the assets or liabilities.
3. Level 3 inputs: Unobservable inputs for the assets or liabilities.

(III) Classification of current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (but excluded those restricted from being exchanged or used for debt repayment after more than 12 months of the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities that are expected to be due within 12 months after the balance sheet date (even if an agreement to refinance or to reschedule payments on a long-term basis is completed after the balance sheet date and before the financial reports are authorized for issue, it is classified as a current liability).
3. Liabilities of which the Company does not have an unconditional right to defer settlement for at least 12 months after the date of the balance sheet.

All other assets and liabilities are classified as non-current.

(IV) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and the entities (its subsidiaries) controlled by the Company. Income and expenses of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. The financial statements of subsidiaries have been adjusted to ensure the consistency in accounting policies between the Group and its subsidiaries. In preparing the consolidated financial statements, all the transactions, account balances, income and expenses incurred between entities within the group shall all be eliminated. A subsidiary's total comprehensive income is attributed to the owners of the Company and non-controlling interests, even if non-controlling interests have a deficit balance.

When a change in the Group's ownership interest in a subsidiary does not cause the loss of control over the subsidiary, it is accounted for as an equity transaction. The carrying amounts of the Group and non-controlling interests have been adjusted to reflect relative changes in their interests in subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

For details of subsidiaries, shareholding ratio, and business items, please refer to Note 10 and Table 2.

(V) Foreign currencies

In preparing each parent company only financial statement, transactions denominated in a currency other than the entity's functional currency (i.e. foreign currency) are translated into the entity's functional currency by using the exchange rate at the date of the transaction before they are recorded by each entity.

Monetary items denominated in foreign currencies are translated at the closing rates at the balance sheet date. Exchange differences arising from settlement or translation of monetary items are recognized in profit or loss in the year in which they arise.

Non-monetary items measured at fair value in a foreign currency are retranslated using the exchange rates at the date when the fair value is determined; All exchange differences arising from the settlement or translation of monetary items are taken to profit or loss in the period in which they arise, except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated.

In the preparation of the consolidated financial statements, the assets and liabilities of foreign operations (including subsidiaries in other countries that use currencies different from the functional currency of the Company) are translated into New Taiwan dollar at the closing rate of exchange prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

If the retained interests after the Group disposes of all the interests in the foreign operation, or disposes of part of the interests in the subsidiaries of the foreign operation but loses control, or disposes of the joint agreement of the foreign operation or the related enterprise are financial assets and are treated in accordance with the accounting policy of financial instruments, all accumulated exchange differences related to the foreign operation will be reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in losing control over the subsidiary, the proportionate share of accumulated exchange differences is reclassified to a non-controlling interest in that foreign operation but is not recognized in profit or loss. For all other situations of partial disposal of a foreign operation, the proportionate share of the accumulated exchange difference recognized in other comprehensive income is reclassified to profit or loss.

(VI) Investments in associates

Associates are entities over which the Group has major influence but they are neither subsidiaries nor joint ventures.

The Group applies the equity method to the accounting of associates.

Under the equity method, investments in associates are initially recognized at cost, and post-acquisition adjustment is made in accordance with changes in the Group's shares of profit and loss and other comprehensive income as well as the dividend distribution. Also, changes in the Group's interest in associates and joint ventures are adjusted in accordance with the shareholding ratio.

Any excess of acquisition cost over the Group's share of an associate's or a joint venture's identifiable assets and liabilities measured at the fair value on the date of acquisition is recognized as goodwill. The goodwill shall be included in the carrying amount of the investment but not allowed for amortization. If the

Group's share of the net fair value of the identifiable assets and liabilities exceeds acquisition cost, the excessive amount is recognized immediately in profit or loss.

When an associate issues new shares and the Group does not subscribe to such shares to the extent that its original shareholding ratio can be maintained, the difference is recorded as an adjustment to capital surplus - changes in the net value of shares in associates and joint ventures accounted for using equity method and other investments accounted for using equity method. However, if the Group fails to subscribe to or acquire sufficient new shares to maintain its original ownership percentage which causes its interest in the associate to decrease, the investment amount previously recognized in other comprehensive income in relation to the affiliate shall be remeasured in proportion to the reduction of shareholding. The basis of such accounting treatment shall be the same as would be required if the affiliate or joint venture had directly disposed of the related assets or liabilities. The aforementioned adjustment shall be recorded to net off capital reserve to the extent of the original increase in the investment accounted for under equity method; any remaining balance shall be debited to retained earnings.

When the Group's share of loss derived from the investment of an affiliate equals or exceeds the Group's interest (including the carrying amount of the investment and other long-term substantial interests in the associate's net asset in proportion to ownership percentage), the Group shall cease recognizing losses further. The Group only recognizes extra losses and liabilities to the extent that there is a legal obligation, constructive obligation, or payment on behalf of an associate.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of the value in use and fair value less costs to sell) with its carrying amount. Any impairment loss will not be recognized as a charge against the carrying amount of an investment (including goodwill). Any reversal of impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the Group ceases to have significant influence over an associate. When the Group retains an interest in the former associate the Group measures the retained

interest at fair value at that date. The difference between the carrying amount of the affiliate at the date ceasing the use of the equity method, and the fair value of any retained interest and any proceeds from disposing interest in the associate is recognized as gain or loss on disposal of the associate. In addition, the Group shall account for all the amounts recognized in other comprehensive income in relation to that associate on the same basis as would be required if the associate had directly disposed of the related assets or liabilities. Additionally, when investments in the associates become investments in the joint venture, or vice versa, the Group will continue to adopt the equity method, instead of remeasuring the reserved equities.

When the Group makes transactions with the associate, profits or losses resulting from such transactions with an associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the affiliate or joint venture that are not owned by the Group.

(VII) Property, Plant, and Equipment

Property, plant and equipment are measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment.

Except that self-owned land is not listed for depreciation, the remaining property, plant and equipment are depreciated separately for each significant component on a straight-line basis over their useful life. The Group reviews at least annually the estimated useful lives, residual values and depreciation methods at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

Upon derecognition of property, plant and equipment, the difference between the proceeds from disposal and the carrying amount of such asset is recognized in profit or loss.

(VIII) Investment properties

A investment property is real estate held for the purpose of earning rent or capital appreciation or both (including meeting the definition of investment properties). Investment property also includes land that has not yet been determined for future use.

Self-owned investment properties are initially recognized at cost (including transaction cost) and subsequently at cost less accumulated depreciation and accumulated impairment loss.

Investment properties are depreciated on a straight-line basis.

Property, plant and equipment are listed under investment property with carrying amount at end of use.

When an investment properties is excluded, the difference between the net disposal price and the carrying amount of the asset is recognized as profit or loss.

(IX) Intangible assets

1. Intangible assets acquired separately

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

2. Derecognition of intangible assets

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

(X) Impairment of property, plant and equipment, right-of-use asset, investment property and intangible assets

On each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment property and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any impairment indication exists, the Group estimates the recoverable amount of the asset. If it is not possible to determine the recoverable amount of an individual asset, the Group must determine the recoverable amount for the asset's cash-generating unit.

For indefinite intangible assets and intangible assets that are not yet available for use, they are subject to annual impairment test at the time there are indications of impairment.

The recoverable amount is the fair value minus cost of sales or its value in use, whichever is higher. If the recoverable amount of individual asset or the cash

generating unit is lower than its carrying amount, the carrying amount of the asset or the cash generating unit shall be reduced to the recoverable amount and the impairment loss shall be recognized in profit or loss.

Because the inventory, properties, plant and equipment and intangible assets recognized in the customer contract are subject to impairment recognition according to the inventory impairment loss regulations and the above regulations first, and then the difference between the carrying amount of the assets related to the contract cost and the remaining amount of the consideration expected to be recovered from the provision of goods or services less the directly related cost shall be recognized as the impairment loss, and then the carrying amount of the assets related to the contract cost shall be included in the cash generating unit for the impairment assessment of the cash generating unit.

When the impairment loss is subsequently reversed, the carrying amount of an asset, the cash generating unit, or the contract cost-related asset is reversed to the extent not exceed the carrying amount (minus amortization or depreciation) of the asset, cash generating unit, or contract cost-related asset that had not been impaired in the previous years. The reversal of impairment loss shall be recognized in profit or loss.

(XI) Financial instruments

Financial assets and liabilities are recognized in the balance sheet when the Group becomes a party of a contract of financial instrument.

Financial assets and financial liabilities not at fair value through profit or loss are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial assets or financial liabilities. The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss shall be immediately recognized in profit or loss.

1. Financial assets

Financial assets purchased or sold in a regular way are recognized and de-recognized on the basis of the accounting on transaction date

(1) Measurement types

Financial assets held by the Group are those measured at fair value through other profit and loss, and those measured at amortized cost.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are forced to be measured at fair value through profit or loss. Financial assets forcibly measured at FVTPL include undesignated equity instrument investment measured at fair value through other comprehensive income, as well as unclassified debt instrument investments measured at amortized cost or at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are measured at fair value, and their dividends, interest, and remeasured benefits or losses are recognized as other gains and losses. Please refer to Note 27 for the determination of fair value.

B. Financial assets at amortized cost

The Group's financial assets that meet the following conditions are subsequently measured at amortized cost:

- a. Financial assets are under a business model whose purpose is to hold financial assets and collecting contractual cash flows; and
- b. The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

Subsequent to initial recognition, financial assets measured at amortized cost (including cash and cash equivalents, and account receivables at amortized cost) are recognized in the amount which equals to the gross carrying amount discounted at effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Except for the following cases, the interest income is calculated by applying the effective interest rate to multiply the gross carrying amount of a financial asset:

- a. For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.

- b. Financial assets that are not credit impairment from purchases or at the time of founding but subsequently become credit impairments shall be calculated by multiplying the effective interest rate in the reporting period after the credit impairment by the cost after the amortization of financial assets.

Credit-impaired financial assets are those where the issuer or debtor has experienced major financial difficulties, defaults, the debtor is likely to claim bankruptcy or other financial reorganization, or due to financial difficulties, the active market for financial assets disappears.

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

(2) Impairment of financial assets

The Group assesses impairment loss based on the expected credit losses on each balance sheet date for financial assets at amortized cost (including account receivables), investments in debt instruments that are measured at FVTOCI, and impairment losses on operating lease receivables.

Accounts receivable and operating lease receivables are recognized as allowance for losses based on lifetime expected credit loss. For all other financial instruments, the Group assesses if there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. If the credit risk on the financial instrument has increased significantly since initial recognition, impairment allowance is recognized based on lifetime Expected Credit Loss.

Expected credit losses (ECL) refers to weighted average credit loss calculated by taking the default risks of corresponding credits as the weights. 12-month expected credit losses refer to expected credit losses which will result from possible default events of a financial instrument to occur within 12 months as of the date of the publication of the financial statements. Lifetime expected credit losses refer to the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Group determines, in the following situations, that the default of financial assets have occurred without considering the collateral held by it:

- A. There are internal or external information showing that the debtor is no longer able to pay off the debt.
- B. Overdue more than 270 days, unless there is reasonable and corroborable information showing that the delayed default basis is more appropriate.

The carrying amount of the impairment loss of all financial assets is reduced by the provision account, while the provision loss of the investment in debt instruments measured at fair value through other composite gains or losses is recognized as other composite gains or losses and does not reduce the carrying amount.

(3) Derecognition of financial assets

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

On derecognition of an entire financial asset measured at amortized cost, the difference between the carrying amount and the consideration received is recognized in profit or loss. On derecognition of a debt instruments measured at fair value through other comprehensive income in its entirety, the difference between the financial asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in

profit or loss. On derecognition of an equity instruments measured at fair value through other comprehensive income in its entirety, the cumulative gain or loss is reallocated to retained earnings, but not recognized to profit or loss.

2. Financial liabilities

(1) Subsequent measurement

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

(2) Derecognition of financial liabilities

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

(XII) Revenue recognition

After performance obligations are identified in customers' contracts, transaction price is appropriated for each obligation, and revenue is recognized upon the completion of a performance obligation.

1. Sales revenue from goods

Revenue from sales of products arises from customers purchasing the game points from channel distributors. The currencies are converted into virtual products in the Group's gaming platforms and video platforms and subsequently recognized as revenue in accordance with the consumption rate and the estimated consumption period. Since game points are sold by distributors, the Group has the main responsibility for whether the game points held by customers can be converted into game products and used normally. The Group is recognized as contract liability before the commitment is completed.

2. Service income

Revenue from labor services refers to artwork design created for clients or gaming points accounting services provided for clients (who are also in the gaming industry).

(1) Artwork design services

Revenue from artwork design service is recognized upon the labor service is provided unless otherwise agreed in the contract.

(2) Game point account processing

The Group sells game points to consumers on behalf of customers, and does not obtain the control of specific goods or services before the specific goods or services are transferred to the customers. When the stored value is exchanged for game points on the platform, control is transferred to the customer and no net income is recognized when there is no subsequent obligation.

(XIII) Lease

The Group assesses whether a contract is (or contains) a lease on the execution date of the contract.

1. The Group is a Lessor

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

Operating lease payments less lease incentives are recognized as operating income on a straight-line basis over the duration of such lease.

2. The Group is a Lessee

A right-of-use asset and a lease liability are recognized for all leases at the inception date of such leases, except for leases qualified for recognition exemption, e.g. leases with low-value underlying assets and short-term leases, for which an expense is recognized on a straight-line basis over the lease term.

A right-of-use asset is initially measured at cost (including the initial measured amount of lease liability, the amount of lease payments made to the lessors less lease incentives received prior to the inception of the lease, initial direct costs and the estimated costs of restored underlying assets), and subsequently measured at cost less accumulated depreciation and accumulated impairment, adjusted for any remeasurements of the lease liability. Right-of-use assets are expressed separately in the Consolidated Balance Sheets.

A right-of-use asset is depreciated on a straight-line basis over the period from the lease commencement date to the end of its useful lives, or to the end of the lease term, whichever is earlier.

A lease liability is initially measured at the present value of lease payments (including fixed payments). If the interest rate implicit in a lease can be easily determined, the lease payment is discounted at the interest rate. If the interest rate cannot be easily determined, the lessee's incremental borrowing rate of interest shall be used.

Subsequently, lease liabilities are measured at the amortized cost using the effective interest rate method, and interest expense is amortized over the lease term. In the case that future lease payments change as a result of a change in the lease term, the Group remeasures the lease liability and correspondingly adjusts the right-of-use asset, except in the case when the carrying amount of the right-of-use asset has reduced to zero, in which case any residual remeasured amount shall be recognized in profit or loss. Lease liabilities are expressed separately in the Consolidated Balance Sheets.

(XIV) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as cost for those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(XV) Employee benefits

1. Short-term employee benefits

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

2. Post-employment benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

(XVI) Income tax

The income tax expense represents the sum of tax payable in the current period along with deferred tax.

1. Current tax

The Group determines the current income (loss) in accordance with the laws as well as regulations established by each income tax reporting jurisdiction, and calculates the payable (recoverable) income tax accordingly.

The additional income tax on undistributed earnings calculated in accordance with the Income Tax Act of Taiwan shall be recognized in the year of adoption at the shareholders' meeting.

Adjustments to the income tax payable from previous years are recognized in the income tax of current year.

2. Deferred tax

Deferred income tax is calculated at temporary differences between the carrying amount of assets and liabilities and the tax base used to determine taxable income.

Deferred tax liabilities are mostly recognized based on all taxable temporary differences. Deferred tax assets are recognized to the extent that it is most probable that those deductible temporary differences and loss credits can be applied to produce taxable profits.

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

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

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

3. Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

V. Critical Accounting Judgments, and Key Sources of Estimation Uncertainty

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

The Group will incorporate the recent developments of the COVID-19 pandemic and its possible impact on the economic environment into relevant material accounting estimates such as cash flow estimates, growth rates, discount rates and profitability. Management will continue to review the estimates and underlying assumptions. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

VI. Cash and Cash Equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand	\$ 263	\$ 271
Checking and savings	<u>116,366</u>	<u>116,370</u>
	<u>\$ 116,629</u>	<u>\$ 116,641</u>

The interest rate intervals of the cash in banks at the balance sheet date were listed as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash in banks	0.001%~1.05%	0.001%~0.2%

VII. Financial instruments at fair value through profit or loss

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets - non-current</u>		
Compulsory measurement of FVTPL		
Hybrid financial assets		
- structured deposits	\$ -	\$ 21,654

The structured deposits include an embedded derivative that is not closely related to the main contract. Because the main contract included in the hybrid contract is an asset within the scope of IFRS 9, the overall hybrid contract evaluation is mandatory to be classified as fair value through profit or loss.

VIII. Financial assets at amortized cost

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current</u>		
Domestic investment		
Bank time deposit with original maturity date over 3 months	\$ 96,736	\$ 89,960

(I) The interest rate intervals of term deposits with original maturity date over 3 months as of December 31, 2022 and 2021 were 3.15%~5.00% and 0.20%~0.33% per annum, respectively.

(II) Please refer to Note 29 for pledged financial assets measured at amortized cost.

IX. Accounts Receivable and Other Receivables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Accounts receivable</u>		
measured at amortized cost		
Total carrying amount	\$ 18,109	\$ 41,908
Less: Allowance for loss	-	-
	<u>\$ 18,109</u>	<u>\$ 41,908</u>
<u>Other receivables</u>		
Receivable of certificate of deposit interest	\$ 743	\$ 60
Others	22	6
Less: Allowance for loss	-	-
	<u>\$ 765</u>	<u>\$ 66</u>

Accounts receivable

The Group's average credit term for sales of goods is 30 to 60 days. Accounts receivable does not bear interest.

The Group applies lifetime expected credit losses to allowance for accounts receivable. The lifetime expected credit losses are calculated based on a provision matrix that takes into account the default history and current financial position of customers, prevailing industrial and economic trends, and also considers GDP forecast. Since the Group's historical experience of credit loss indicates no significant difference in the loss patterns between the various customer segments, the Group does not classify customers into different segments but determines the expected credit loss rate based on the overdue days of accounts receivables.

If there is evidence showing that transaction counterparty is in severe financial difficulty and the Group cannot expect reasonable recoverable amount, such as debts overdue for more than 270 days from counterparty under liquidation, the Group will write off the receivables in full. The receivables initially written off but collected afterwards were recognized in profit and loss.

Analysis of loss allowance of accounts receivable based on the provisional matrix is as follows:

December 31, 2022

	<u>Not Past Due</u>	<u>More than 270 days overdue</u>	<u>Total</u>
Expected credit loss rate	-	100%	
Total carrying amount	\$ 18,109	\$ -	\$ 18,109
Allowance for losses (lifetime expected credit loss)	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 18,109</u>	<u>\$ -</u>	<u>\$ 18,109</u>

December 31, 2021

	<u>Not Past Due</u>	<u>More than 270 days overdue</u>	<u>Total</u>
Expected credit loss rate	-	100%	
Total carrying amount	\$ 41,908	\$ -	\$ 41,908
Allowance for losses (lifetime expected credit loss)	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 41,908</u>	<u>\$ -</u>	<u>\$ 41,908</u>

X. Subsidiaries

Subsidiaries included in the consolidated financial statements

The consolidated entities are listed as follows:

Investor Company	Investee Company	Main Businesses and Products	Percentage of Ownership (%)		Remarks/specify details
			December 31, 2022	December 31, 2021	
The Company	WAYI-ASIA Company	Investment	100%	100%	Note
WAYI-ASIA Company	WAYI-CAYMAN Company	Investment	100%	100%	Note

Note: Its financial report has been audited by the accountant during the same period.

XI. Investment Accounted For Using the Equity Method

Investments in associates

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Associates with significance:		
DIT Startup Co. Ltd.	<u>\$ 7,457</u>	<u>\$ 8,514</u>

Company Name	Percentage of Ownership and Votes	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
DIT Startup Co. Ltd.	11%	11%

For the information of the main business and products, main place of business and country registered for the aforementioned associates, please refer to Table 2, "Information of Invested Companies."

The chairman of the Group also serves as the chairman of DIT Startup Co. Ltd. so can significantly influence the associate.

The Group's shares of profit or loss and other comprehensive income of the investments accounted for using the equity method are calculated based on financial statements which have not been audited by CPA. However, the Group's management believes that the aforementioned unaudited result will not cause material impact.

All the aforementioned associates are accounted for using the equity method in the consolidated financial statements.

The summary of financial information below is based on individual associates' financial statements prepared in accordance with IFRSs for which adjustments have been made in the consolidated financial statements due to the use of the equity method.

DIT Startup Co. Ltd.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current assets	\$ 33,526	\$ 53,637
Non-current assets	37,627	27,452
Current liabilities	(1,569)	(1,647)
Equity	<u>\$ 69,584</u>	<u>\$ 79,442</u>
Percentage of Ownership	11%	11%
Interests of the Group	<u>\$ 7,457</u>	<u>\$ 8,514</u>
Carrying amount of Investment	<u>\$ 7,457</u>	<u>\$ 8,514</u>
	<u>2022</u>	<u>2021</u>
Operating revenue	<u>\$ 3,223</u>	<u>\$ 867</u>
Net loss for the year	<u>(\$ 9,857)</u>	<u>(\$ 14,733)</u>

XII. Property, Plant and Equipment

Self-use

	<u>Land owned by the Group</u>	<u>Buildings and structures</u>	<u>Network devices</u>	<u>Facility equipment</u>	<u>Leasehold improvements</u>	<u>Transportation equipment</u>	<u>Other fixtures</u>	<u>Total</u>
<u>Cost</u>								
Balance as of January 1, 2022	\$ 54,558	\$ 3,638	\$ 176,765	\$ 9,382	\$ 1,826	\$ 684	\$ 17	\$ 246,870
Acquisition	-	-	85	1,303	130	-	-	1,518
Disposition	-	-	(27,848)	(2,920)	(115)	-	(17)	(30,900)
Balance on December 31, 2022	<u>\$ 54,558</u>	<u>\$ 3,638</u>	<u>\$ 149,002</u>	<u>\$ 7,765</u>	<u>\$ 1,841</u>	<u>\$ 684</u>	<u>\$ -</u>	<u>\$ 217,488</u>
<u>Accumulated depreciation and impairment</u>								
Balance as of January 1, 2022	\$ -	\$ 1,112	\$ 176,421	\$ 8,669	\$ 340	\$ 684	\$ 17	\$ 187,243
Depreciation expenses	-	121	232	545	662	-	-	1,560
Disposition	-	-	(27,774)	(2,892)	(115)	-	(17)	(30,798)
Balance on December 31, 2022	<u>\$ -</u>	<u>\$ 1,233</u>	<u>\$ 148,879</u>	<u>\$ 6,322</u>	<u>\$ 887</u>	<u>\$ 684</u>	<u>\$ -</u>	<u>\$ 158,005</u>
Net balance on December 31, 2022	<u>\$ 54,558</u>	<u>\$ 2,405</u>	<u>\$ 123</u>	<u>\$ 1,443</u>	<u>\$ 954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,483</u>
<u>Cost</u>								
Balance on January 1, 2021	\$ 54,558	\$ 3,638	\$ 192,451	\$ 11,226	\$ 39,387	\$ 684	\$ 17	\$ 301,961
Acquisition	-	-	-	791	1,711	-	-	2,502
Disposition	-	-	(15,686)	(2,635)	(39,272)	-	-	(57,593)
Balance on December 31, 2021	<u>\$ 54,558</u>	<u>\$ 3,638</u>	<u>\$ 176,765</u>	<u>\$ 9,382</u>	<u>\$ 1,826</u>	<u>\$ 684</u>	<u>\$ 17</u>	<u>\$ 246,870</u>
<u>Accumulated depreciation and impairment</u>								
Balance on January 1, 2021	\$ -	\$ 991	\$ 191,741	\$ 11,108	\$ 39,340	\$ 634	\$ 17	\$ 243,831
Depreciation expenses	-	121	366	196	272	50	-	1,005
Disposition	-	-	(15,686)	(2,635)	(39,272)	-	-	(57,593)
Balance on December 31, 2021	<u>\$ -</u>	<u>\$ 1,112</u>	<u>\$ 176,421</u>	<u>\$ 8,669</u>	<u>\$ 340</u>	<u>\$ 684</u>	<u>\$ 17</u>	<u>\$ 187,243</u>
Net balance on December 31, 2021	<u>\$ 54,558</u>	<u>\$ 2,526</u>	<u>\$ 344</u>	<u>\$ 713</u>	<u>\$ 1,486</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,627</u>

Depreciation expenses are calculated on a straight-line basis according to the following durable years:

Buildings

Buildings and structures	30 years
Network devices	3 to 8 years
Facility equipment	3 to 5 years
Leasehold improvements	1.5 to 3 years
Transportation equipment	3 years
Other fixtures	3 years

Please refer to Note 29 for the amount of self-use property, plant and equipment pledged as collateral for borrowings.

XIII. Lease Agreement

(I) Right-of-use asset

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of right-of-use asset		
Buildings	\$ 9,548	\$ 11,708
Transportation equipment	-	125
	<u>\$ 9,548</u>	<u>\$ 11,833</u>
	<u>2022</u>	<u>2021</u>
Acquisition on right-of-use assets	<u>\$ 2,742</u>	<u>\$ 14,705</u>
Depreciation expense of right-of-use assets		
Buildings	\$ 4,902	\$ 7,569
Transportation equipment	125	753
	<u>\$ 5,027</u>	<u>\$ 8,322</u>

(II) Lease liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of lease liability		
Current	<u>\$ 5,818</u>	<u>\$ 5,010</u>
Non-current	<u>\$ 3,786</u>	<u>\$ 6,863</u>

Range of discount rate for lease liabilities was as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Buildings	1.04%~2.23%	1.04%~1.73%
Transportation equipment	-	1.73%

(III) Important lease activities and terms

The Group leases the building and transport equipment for operating use for a period of 3 years. At the end of the lease term, the Group has no bargain purchase option over the land and building leased, and the Group may not sublease or transfer all or part of the leased items without the lessor's consent.

(IV) Other leasing information

	<u>2022</u>	<u>2021</u>
Short-term lease expense	\$ <u>39</u>	\$ <u>60</u>
Total cash (outflow) of leases	(\$ <u>5,144</u>)	(\$ <u>8,527</u>)

The Group chooses to lease office equipment that meets the short-term lease and certain computer equipment that meets the low-value lease assets. These office equipment are subject to the recognition exemption, and the relevant right-of-use assets and lease liabilities are not recognized for these leases.

All lease commitments during the lease term commencing after the balance sheet date are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Lease commitments	\$ <u>9,742</u>	\$ <u>12,014</u>

XIV. Investment properties

	<u>Completed investment properties</u>
<u>Cost</u>	
Balance as of January 1, 2022	\$ <u>22,271</u>
Balance on December 31, 2022	\$ <u>22,271</u>
<u>Accumulated depreciation and impairment</u>	
Balance as of January 1, 2022	\$ 6,496
Depreciation expenses	<u>618</u>
Balance on December 31, 2022	\$ <u>7,114</u>
Net balance on December 31, 2022	\$ <u>15,157</u>
<u>Cost</u>	
Balance on January 1, 2021	\$ <u>22,271</u>
Balance on December 31, 2021	\$ <u>22,271</u>
<u>Accumulated depreciation and impairment</u>	
Balance on January 1, 2021	\$ 5,878
Depreciation expenses	<u>618</u>
Balance on December 31, 2021	\$ <u>6,496</u>

Net balance on December 31, 2021 \$ 15,775

The lease term of an investment properties is 3 years with an option to extend the lease term for 1 year. When exercising the right to renew the lease, the lessee shall agree to adjust the rent according to the market rent. The lessee does not have the preferential right to take over the investment properties at the end of the lease term.

The total amount of lease payments to be received in the future for leasing investment properties with an operating lease is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Year 1	\$ 945	\$ 1,260
Year 2	-	945
	<u>\$ 945</u>	<u>\$ 2,205</u>

Investment properties are depreciated by straight-light basis using the useful lives as follows:

Buildings and structures	36 years
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The fair value of the investment properties is measured by the independent appraisal companies (appraisers) CCIS Real Estate Joint Appraisers Firm at the input value of Level 3 on each balance sheet date. The evaluation uses the comparative method and the income method, and the fair value of the evaluation income is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Fair value	<u>\$ 104,294</u>	<u>\$ 103,146</u>

The measurement of the above fair value has included the consideration of the uncertainty of the impact of the subsequent development of the COVID-19 pandemic on market fluctuations.

Please refer to Note 29 for the amount of investment properties set as security for borrowing..

The lease commitment during the lease term commencing after the balance sheet date is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Investment properties letting commitment	<u>\$ 945</u>	<u>\$ 2,205</u>

XV. Other Intangible Assets

	Computer software	Software royalty	Total
<u>Cost</u>			
Balance as of January 1, 2022	\$ 3,753	\$ 2,797	\$ 6,550
Acquisition	4,798	6,167	10,965
Disposition	(1,327)	-	(1,327)
Balance on December 31, 2022	<u>7,224</u>	<u>8,964</u>	<u>16,188</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2022	414	117	531
Amortization expenses	3,253	1,713	4,966
Disposition	(1,327)	-	(1,327)
Balance on December 31, 2022	<u>2,340</u>	<u>1,830</u>	<u>4,170</u>
Net balance on December 31, 2022	<u>\$ 4,884</u>	<u>\$ 7,134</u>	<u>\$ 12,018</u>
<u>Cost</u>			
Balance on January 1, 2021	\$ 2,636	\$ -	\$ 2,636
Acquisition	5,176	2,797	7,973
Disposition	(4,059)	-	(4,059)
Balance on December 31, 2021	<u>3,753</u>	<u>2,797</u>	<u>6,550</u>
<u>Accumulated amortization and impairment</u>			
Balance on January 1, 2021	976	-	976
Amortization expenses	3,497	117	3,614
Disposition	(4,059)	-	(4,059)
Balance on December 31, 2021	<u>414</u>	<u>117</u>	<u>531</u>
Net balance on December 31, 2021	<u>\$ 3,339</u>	<u>\$ 2,680</u>	<u>\$ 6,019</u>

Amortization expenses were calculated by straight-line basis using the estimated useful lives as follows:

Computer software	1 to 3 years
Software royalty	1 to 2 years

Amortization expenses summarized by function:

	<u>2022</u>	<u>2021</u>
Operating costs	\$ 3,891	\$ 1,968
General and administrative expenses	<u>1,075</u>	<u>1,646</u>
	<u>\$ 4,966</u>	<u>\$ 3,614</u>

XVI. Other assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current</u>		
Prepayments (Note 1)	\$ 8,395	\$ 11,825
Deferred costs	644	255
Other prepayments	2,271	1,579
Others	<u>4</u>	<u>187</u>
	<u>\$ 11,314</u>	<u>\$ 13,846</u>
<u>Non-current</u>		
Refundable deposits	\$ 763	\$ 1,686
Other financial assets (Note 2)	<u>1,000</u>	<u>1,000</u>
	<u>\$ 1,763</u>	<u>\$ 2,686</u>

Note 1. Due to poor sales of the online games that the Group distributes, the Group expects to reduce the future economic benefits of the prepayments for the original games. Therefore, the Group recognized impairment losses of NT\$6,377 thousand and NT\$13,679 thousand, respectively, for 2022 and 2021. The Group adopts the use value as the recoverable amount of this advance payment at a discount rate of 2.2274% and 1.0357%, respectively. The impairment loss is recognized in operating cost in the consolidated statements of comprehensive Income.

Note 2. Other financial assets are demand deposits provided to guarantee banks as collateral as commercial credit card guarantees. Please refer to Note 29.

XVII. Notes payable and accounts payable

The period for the Group to pay royalties and installments is set between 30 to 60 days. The Group has established financial risk management policies to ensure that all payables are paid within the pre-agreed credit terms.

XVIII. Other liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current</u>		
Other payables		
Salaries and bonus payable	\$ 6,007	\$ 10,979
Advertising fee payable	6,758	11,181
Service fee payable	845	881
Insurance premium payable	583	822
Others (pension and business tax)	<u>1,114</u>	<u>1,810</u>
	<u>\$ 15,307</u>	<u>\$ 25,673</u>
Other liabilities		
Other receipts (temporary receipts and cash collected for clients)	<u>\$ 494</u>	<u>\$ 411</u>
<u>Non-current</u>		
Guarantee deposits	<u>\$ 200</u>	<u>\$ 200</u>

XIX. Post-employment benefits plans

Defined contribution plans

Under the plan, 6% of employees' monthly salary is contributed as pension each month by the Group to employees' personal accounts set up by the government of the Bureau of Labor Insurance.

XX. Equity

(I) Share capital

Ordinary shares

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Number of shares authorized (thousand shares)	<u>160,000</u>	<u>160,000</u>
Authorized Capital stock	<u>\$ 1,600,000</u>	<u>\$ 1,600,000</u>
Number of shares issued and fully paid (thousand shares)	<u>22,274</u>	<u>19,369</u>
Amount of shares issued	<u>\$ 222,748</u>	<u>\$ 193,694</u>

The resolution of the Company's Board of Directors on August 12, 2021 approved the proposal of private placement for capital increase by cash approved at the extraordinary meeting of shareholders on October 23, 2020. The remaining unraised quota of 4,048 thousand shares had expired on October 22, 2021 which was not planned to continue to raise.

According to the resolution of the shareholders' meeting on June 23, 2022, the Company issued 2,905 thousand new shares with the capital increase of NT\$29,054 thousand from the undistributed earnings. The par value of each share is NT\$10, and the paid-in share capital after capital increase is NT\$222,748 thousand. The above case of capital increase from earnings was approved by the Securities and Futures Bureau of the FSC on July 29, 2022. According to the resolution of the Board of Directors, September 5, 2022 is the base date for capital increase, and the change registration has been completed on September 8, 2022.

(II) Capital surplus

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>May be used to offset a</u> <u>deficit, distributed as cash</u> <u>dividends, or transferred to</u> <u>share capital</u>		
Premium of shares issued	<u>\$ 29,199</u>	<u>\$ 29,199</u>

Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends (up to a certain percentage of the Company's paid-in capital once a year).

(III) Retained earnings and dividend policy

Under the surplus distribution policy as set forth in the Company's Articles of Incorporation, provided that the Company has net profit for the current year, it shall be first used to pay income taxes and make up for any accumulated losses, and then set aside 10% as a statutory surplus reserve. Any excessive balance may be reserved or transferred to be a special surplus reserve pursuant to relevant laws. Any remaining balance in retained earnings may be appropriated as dividends in accordance with a proposal for profit distribution as approved by the Board of Directors and submit it to the shareholders' meeting for distribution of shareholder dividends. The Company may authorize the Board of Directors to distribute all or part of the dividends and bonuses payable in cash with the attendance of more than two-thirds of the directors and the resolution of more than half of the directors present, and report to the latest shareholders' meeting. When there is no loss, the Company may authorize the Board of Directors to distribute all or part of the statutory surplus reserve (more than 25% of the paid-in capital) and the capital reserve in compliance with the Company Act in cash with the attendance of more

than two-thirds of the directors and the resolution of more than half of the directors present, and report to the latest shareholders' meeting. For the distribution policy for employees' compensation and remuneration of directors to Note 22 (8): Remunerations for Employees, Directors and Supervisors.

The Company needs to set aside an amount as legal reserve unless where such legal reserve amounts to the amount of total authorized capital. The legal reserve may be used to offset deficit, When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

The Company's regular meetings of shareholders held on August 4, 2021 passed the following proposals for loss offsetting for 2020:

	2020
Compensation for deficit from paid-in capital reserve	<u>\$ 12,491</u>

The Company's surplus distribution proposal for the year 2021 as follows:

	2021
Statutory surplus reserve	<u>\$ 9,294</u>
Cash dividends	<u>\$ 38,739</u>
Stock dividends	<u>\$ 29,054</u>
Cash dividend per share (NT\$)	\$ 2
Stock dividend per share (NT\$)	\$ 1.5

The above-mentioned cash dividend was resolved by the Board of Directors on March 24, 2022 to distribute, and the remaining earnings distribution items were also resolved at the regular shareholders' meeting held on June 23, 2022.

On March 27, 2023, the Board of Directors of the Company planned a resolution on the surplus distribution proposal for the year 2022 as follows:

	2022
Statutory surplus reserve	<u>\$ 3,664</u>
Cash dividends	<u>\$ 13,365</u>
Stock dividends	<u>\$ 13,365</u>
Cash dividend per share (NT\$)	\$ 0.6
Stock dividend per share (NT\$)	\$ 0.6

The above-mentioned cash dividend was resolved by the Board of Directors to distribute, and the rest will be resolved by the shareholders' meeting held on June 21, 2023.

XXI. Revenue

	<u>2022</u>	<u>2021</u>
Revenue from Contracts with Customers		
Online Games and Digital Content	\$146,323	\$242,568
Service income	515	5,502
Royalty income	-	103
Other income	428	191
	<u>\$147,266</u>	<u>\$248,364</u>

(I) Contract balance

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable (Note 9)	<u>\$ 18,109</u>	<u>\$ 41,908</u>
Contract liabilities		
Online Games and Digital Content	<u>\$ 6,594</u>	<u>\$ 14,804</u>

(II) Disaggregation of contract revenue

<u>Product Category</u>	<u>2022</u>	<u>2021</u>
Artwork design services (Note 28)	\$104,049	\$187,562
Computer games	21,229	18,586
Mobile Games	21,045	36,522
Labor income - art design project income (Note 28)	445	1,071
Labor income - others (Note 28)	70	4,432
Others	428	191
	<u>\$147,266</u>	<u>\$248,364</u>

(III) Partially completed contracts

For partially completed contracts, the transaction prices and the expected timing for the recognition of revenue are as follows.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Rewarding points for purchasing virtual products		
- redeemed before 2022	\$ -	\$ 2,231
- redeemed before 2023	2,063	-

XXII. Net profit for the year

(I) Interest Income

	<u>2022</u>	<u>2021</u>
Cash in banks	\$ 514	\$ 40
Financial assets at amortized cost	1,128	229
Imputed interest on deposits	<u>8</u>	<u>14</u>
	<u>\$ 1,650</u>	<u>\$ 283</u>

(II) Other income

	<u>2022</u>	<u>2021</u>
Rental income	\$ 1,203	\$ 1,204
Written off income from overdue accounts payable	-	19
Other income	<u>394</u>	<u>210</u>
	<u>\$ 1,597</u>	<u>\$ 1,433</u>

(III) Other gains and losses

	<u>2022</u>	<u>2021</u>
Gains on financial assets and financial liabilities		
Financial assets mandatorily measured at FVTPL	\$ 1,748	\$ 379
Gain on disposal of property, plant and equipment	12	5
Foreign currency exchange gain (loss), net	<u>12,578</u>	(<u>3,072</u>)
	<u>\$ 14,338</u>	(<u>\$ 2,688</u>)

(IV) Finance costs

	<u>2022</u>	<u>2021</u>
Interest on bank borrowings	\$ -	\$ 164
Interest on lease liabilities	94	111
Imputed interest on deposits	<u>2</u>	<u>-</u>
	<u>\$ 96</u>	<u>\$ 275</u>

(V) Impairment loss

	<u>2022</u>	<u>2021</u>
Prepayments (included in operating costs)	<u>\$ 6,377</u>	<u>\$ 13,679</u>

(VI) Depreciation and amortization

	<u>2022</u>	<u>2021</u>
Depreciation expenses		
summarized by function		
Operating costs	\$ 231	\$ 375
Operating expenses	<u>6,974</u>	<u>9,570</u>
	<u>\$ 7,205</u>	<u>\$ 9,945</u>
Amortization summarized		
by function		
Operating costs	\$ 3,891	\$ 1,968
Operating expenses	<u>1,075</u>	<u>1,646</u>
	<u>\$ 4,966</u>	<u>\$ 3,614</u>

(VII) Employee benefit expenses

	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 46,747	\$ 58,383
Post-employment benefits		
Defined contribution plans	<u>2,050</u>	<u>2,438</u>
Total employee benefit expenses	<u>\$ 48,797</u>	<u>\$ 60,821</u>
Summarized by functions		
Operating costs	\$ 9,658	\$ 14,870
Operating expenses	<u>39,139</u>	<u>45,951</u>
	<u>\$ 48,797</u>	<u>\$ 60,821</u>

(VIII) Employees' compensation and remunerations for directors

According to the Company's articles of Incorporation, the Company shall pay the employees' compensation and remuneration of directors at not less than 1% and not more than 3%, respectively, of the pre-tax benefits before deducting of the remuneration and the compensation in the current year. The employees' compensation and remuneration of directors for 2022 and 2021, which have been approved by the Company's board of directors on March 27, 2023 and March 24, 2022, respectively, were as follows:

Accrual rate

	<u>2022</u>	<u>2021</u>
Employees' compensation	1.005%	1%
Remuneration of Directors	1.005%	0.45%

Amount

	<u>2022</u>	<u>2021</u>
Employees' compensation	\$ <u>378</u>	\$ <u>943</u>
Remuneration of Directors	\$ <u>378</u>	\$ <u>424</u>

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences should be recorded as a change in the accounting estimate in the following year.

There was no difference between the actual amounts of employees' compensation and remuneration of directors for 2021 and 2020 paid and the amounts recognized in the consolidated financial statements for 2021 and 2020.

Please refer to the Market Observation Post System of the Taiwan Stock Exchange for information on the employees' compensation and remunerations for directors of the Company resolved by the Board of Directors.

(IX) Foreign currency exchange gain (loss)

	<u>2022</u>	<u>2021</u>
Total foreign currency exchange gain	\$ 20,693	\$ 2,886
Total foreign currency exchange loss	(<u>8,115</u>)	(<u>5,958</u>)
Net gain (loss)	\$ <u>12,578</u>	(<u>\$ 3,072</u>)

XXIII. Income tax

(I) Main composition of income tax expenses recognized in profit or loss

The major components of income tax expense were as follows:

	<u>2022</u>	<u>2021</u>
Current tax		
In respect of the current year	\$ -	\$ -
Surtax on undistributed earnings	<u>179</u>	<u>-</u>
Income tax expense recognized in profit or loss	\$ <u>179</u>	\$ <u>-</u>

Reconciliation between tax expense and income reported in the financial statements is as follows:

	<u>2022</u>	<u>2021</u>
Net profit before tax	<u>\$ 36,821</u>	<u>\$ 92,944</u>
The income tax expense of the pre-tax net profit calculated at the statutory rate	\$ 7,365	\$ 18,589
Non-deductible expenses	1,785	348
Surtax on undistributed earnings	179	-
Unrecognized loss carryforwards	(7,736)	(19,400)
Unrecognized deductible temporary difference	(<u>1,414</u>)	<u>463</u>
Income tax expense recognized in profit or loss	<u>\$ 179</u>	<u>\$ -</u>

(II) Current income tax assets and liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current tax assets		
Tax refund receivable	<u>\$ 190</u>	<u>\$ 197</u>
Current income tax liabilities		
Income tax payable	<u>\$ 118</u>	<u>\$ -</u>

(III) Deductible temporary differences and unused loss deductions that are not recognized as deferred tax assets in the Consolidated Balance Sheets.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Loss carryforwards		
Expired in 2024	\$ 181,990	\$ 169,698
Expired in 2025	193,377	193,377
Expired in 2026	132,692	132,692
Expired in 2027	96,534	96,534
Expired in 2028	44,622	95,870
Expired in 2029	<u>25,918</u>	<u>25,918</u>
	<u>\$ 675,133</u>	<u>\$ 714,089</u>
Deductible temporary differences	<u>\$ 111,120</u>	<u>\$ 117,240</u>

(IV) Verification of income tax

The tax returns filed by the Company have been assessed by the tax authorities for the fiscal year 2020 and heretofore.

XXIV. Earnings Per Share

	Unit: NT\$ per share	
	2022	2021
Basic earning per share	<u>\$ 1.65</u>	<u>\$ 4.17</u>
Diluted earning per share	<u>\$ 1.64</u>	<u>\$ 4.17</u>

For the earnings per share computation, it was adjusted retroactively for the issuance of bonus shares, for which the record date was set on September 5, 2022. Changes in the basic and diluted earnings per share adjusted retrospectively for 2021 were as follows:

	Unit: NT\$ per share	
	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earning per share	<u>\$ 4.80</u>	<u>\$ 4.17</u>
Diluted earning per share	<u>\$ 4.80</u>	<u>\$ 4.17</u>

The weighted average of ordinary shares and net profits used for calculating earnings per share are as follows:

Net profit for the year

	2022	2021
Net profit used for calculating basic earnings per share	<u>\$ 36,642</u>	<u>\$ 92,944</u>
Net profit used for calculating diluted earnings per share	<u>\$ 36,642</u>	<u>\$ 92,944</u>

Number of Shares

	Unit: thousand shares	
	2022	2021
Weighted average of ordinary shares used for calculating basic earnings per share	22,274	22,274
Effect of potentially dilutive ordinary shares:		
Employees' compensation	<u>4</u>	<u>8</u>
Weighted average of ordinary shares used for calculating diluted earnings per share	<u>22,278</u>	<u>22,282</u>

If the Group can choose to pay employee compensation by stocks or by cash, it shall assume that employee compensation would be paid by stocks in the calculation of diluted EPS. The dilutive effect, while still be valid, shall be counted into the weighted average number of stocks outstanding when diluted EPS is calculated. Such dilutive effect of the potential shares should be included in the calculation of diluted EPS until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

XXV. Cash Flow Information

(I) Non-cash transactions

For the Year Ended December 31, 2022 and 2021, the Group conducted the following investments and financing activities in non-cash transactions:

1. The Group acquired the computer software with a fair value of NT\$10,965 thousand in 2022, the notes payable decreased by NT\$164 thousand, the other payables decreased by NT\$577 thousand, and the cash payment for the acquisition of intangible assets amounted to NT\$11,706 thousand (see Note 15).
2. The Group acquired the computer software with a fair value of NT\$7,973 thousand in 2021, the notes payable decreased by NT\$134 thousand, the other payables decreased by NT\$577 thousand, and the cash payment for the acquisition of intangible assets amounted to NT\$7,530 thousand (see Note 15).

(II) Changes in liabilities from financing activities

2022

	January 1, 2022	Cash flow	Non-cash flow		Interest payments	December 31, 2022
			New Leases	Interest expense		
Lease liabilities	\$ 11,873	(\$ 5,011)	\$ 2,742	\$ 94	(\$ 94)	\$ 9,604

2021

	January 1, 2021	Cash flow	Non-cash flow		Interest payments	December 31, 2021
			New Leases	Interest expense		
Lease liabilities	\$ 5,524	(\$ 8,356)	\$ 14,705	\$ 111	(\$ 111)	\$ 11,873

XXVI. Capital Risk Management

The Group manages its capital based on the policy to ensure the continual operations of the entities in the Group. By optimizing its debts and liabilities, the group can maximize

return for stakeholders. The Group's overall capital management strategy has not changed since the prior period.

The Group's capital structure consists of net debts (i.e., borrowings less cash and cash equivalents) and equities (i.e. share capital, capital reserve, and retained earnings).

The Group's management periodically reassesses the Group's capital structure; the inspection items include capital costs of various categories and related risks. In accordance with the Group's key management's advice, the Group's overall capital structure will be balanced through new issuance of stocks and debts, or repayment of old debts.

XXVII. Financial instruments

(I) Fair value information - financial instruments not measured at fair value

The Group does not have any financial assets and financial liabilities that are subject to significant difference in fair value.

(II) Fair value of financial instruments measured at fair value on a recurring basis

1. Levels of Fair value measurement

December 31, 2022: None.

December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through profit or loss</u>				
Structured deposits	\$ -	\$ 21,654	\$ -	\$ 21,654

There were no transfers between Levels 1 and 2 fair value measurement for 2022 and 2021.

2. Valuation technique and input measure at Level 2 fair value

<u>Categories of financial instruments</u>	<u>Valuation techniques and inputs</u>
Structured deposits	Discounted cash flow: Estimate future cash flows based on contracts and statements at the end of the period, and discounted at a discount rate that can reflect the credit risk of each counterparty.

(III) Classification of financial instruments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Measured at fair value through profit or loss		
Mandatorily measured at fair value through profit or loss	\$ -	\$ 21,654
Financial assets at amortized cost (Note 1)	234,002	251,261
<u>Financial liabilities</u>		
Measured at amortized cost (Note 2)	18,749	45,931

Note 1. The balances include cash and cash equivalents, accounts receivable, other receivables, refundable deposits, and other financial assets, which are measured at amortized cost.

Note 2. The balances include financial liabilities at amortized costs such as notes payable, accounts payable, other payables, and guarantee deposits.

(IV) Objectives and policies of Financial risk management

The Group's financial instruments majorly consist of equity debt investments, accounts receivable, and accounts payable. The Group's financial management department provides service to various business units, coordinates domestic and international financial operations, and monitors and manages financial risks related to the Group's operations by preparing internal risk report which analyses risk exposure in accordance with risk level and risk scope. These risks include market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

1. Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates (see (1) below) and the changes in interest rates (see (2) below).

The Group's risk exposure in the financial instrument market and the management and measurement of such risks does not have significant changes.

(1) Foreign currency risk

Bank deposits calculated in US dollars cause the Group exposed to changes in foreign currency exchange rates.

For the carrying amounts of the Group's monetary assets and monetary liabilities denominated in non-functional currency on the consolidated balance sheet date (including monetary items that are written off in the consolidated financial statements), please refer to Note 31.

Sensitivity Analysis

The Group is mainly impacted by the exchange rate fluctuations in USD. The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollars (the functional currency) against the relevant foreign currencies. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only the outstanding monetary items stated in foreign currencies, and the translation of carrying amounts at year end is calculated based on the assumption that exchange rates is changed by 1%. The positive numbers in the table below indicate the amount that will increase the net loss before tax when the NTD depreciates by 1% relative to each relevant currency; when the NTD appreciates by 1% relative to each relevant foreign currency, its impact on the net loss before tax will be a negative amount of the same amount.

	Impact of USD	
	2022	2021
Profit (Loss)	\$ 1,215(i)	\$ 1,015(i)

(i) The above impact is mainly resulted from the cash and cash equivalents and financial assets measured at amortized cost in USD which are outstanding on the balance sheet date but whose cash flows have not been hedged.

The Group's sensitivity to the US dollar exchange rate increased in the current year, mainly due to the addition of cash and cash equivalents in US dollars for the year.

(2) Interest rate risk

The interest rate risk of the Group mainly comes from the interest rate risk caused by floating rate borrowings.

The carrying amounts of the Group's financial liabilities and financial assets exposed to risks from the changes in interest rate on the balance sheet date are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Interest rate risk related to fair value		
– Financial assets	\$ 96,736	\$ 89,960

Sensitivity Analysis

The sensitivity analysis below is prepared based on the risk exposure of derivative and non-derivative instruments to the interest rates on balance sheet date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the balance sheet date was outstanding throughout the year. The rate of change used by the Group internally to report interest rate to key management is a 1% increase or decrease in interest rate and represents the management's assessment on the reasonable range of possible changes in interest rate.

If the interest rate increases or decreases by 1%, when all other variables keep unchanged, the Group's net loss after tax for years 2022 and 2021 will have no impact.

2. Credit risk

Credit risks refer to risks that cause financial loss to the Group due to the counterparty's delay in honoring contractual obligations. As at the balance sheet date, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to the failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amounts of the respective recognized financial assets as stated in the consolidated balance sheets.

The Group does not have significant credit exposure to any single counterparty or any group of counterparties with similar characteristics, except for W Company, the Group's largest customer. The Group defines it as a counterparty with similar characteristics when the counterparty is a related enterprise. The Group's credit risks are concentrated on the biggest client, W company, and the ratio of total account receivables from the above-mentioned

client as of December 31, 2022 and 2021 were 87.59% and 51.00%, respectively.

3. Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group's management monitors the use of bank loans to ensure good compliance with the borrowing covenants.

Bank loans are an important source of liquidity for the Group. The unused financing limit of the Group as at December 31, 2022 and 2021 are described in (2) Financing Limit below.

(1) Liquidity of non-derivative financial liabilities and the interest risk table

Non-derivative financial liabilities remaining contract maturity analysis is prepared in accordance with the earliest payment date expected of the Group and the undiscounted cash flows (including principal and accrued interest) of financial liabilities. Therefore, the Group may be required to repay a bank loan immediately and the possibility is listed in the table below and categorized into the earliest period line item disregard the probability of exercising such right on instance by the bank. The analysis of the maturity of other non-derivative financial liabilities is prepared in accordance with the agreed repayment date.

The interest flows are floating rate, in which the undiscounted amount was derived from the expected borrowing interest rate at the balance sheet date.

December 31, 2022

	Repayment on demand or less than 1 months	1~3 months	3 months~1 year	1~5 years	Over 5 years
Zero-interest-bearing liabilities	\$ 14,148	\$ 384	\$ 4,017	\$ -	\$ -
Lease liabilities	482	966	4,370	3,786	-
	<u>\$ 14,630</u>	<u>\$ 1,350</u>	<u>\$ 8,387</u>	<u>\$ 3,786</u>	<u>\$ -</u>

Further information on the maturity analysis of lease liabilities is listed as follows:

	Within 1 year	1~5 years
Lease liabilities	<u>\$ 5,818</u>	<u>\$ 3,786</u>

December 31, 2021

	Repayment on demand or less than 1 months	1~3 months	3 months~1 year	1~5 years	Over 5 years
Zero-interest-bearing liabilities	\$ 38,904	\$ 289	\$ 6,538	\$ -	\$ -
Lease liabilities	469	875	3,666	6,863	-
	<u>\$ 39,373</u>	<u>\$ 1,164</u>	<u>\$ 10,204</u>	<u>\$ 6,863</u>	<u>\$ -</u>

Further information on the maturity analysis of lease liabilities is listed as follows:

	<u>Within 1 year</u>	<u>1~5 years</u>
Lease liabilities	<u>\$ 5,010</u>	<u>\$ 6,863</u>

(2) Line of credit

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Credit line of secured bank loans (to be extended with agreement between two parties)		
– Loan quota used	\$ -	\$ -
– Loan quota not yet used	<u>145,000</u>	<u>175,000</u>
	<u>\$ 145,000</u>	<u>\$ 175,000</u>

XXVIII. Related-Party Transactions

Transactions, balances, income and expenses between the Company and its subsidiaries (a related party of the Company) are eliminated in full on consolidation and therefore are not disclosed in this note. Transactions between the Group and other related parties are as follows:

(I) Related parties' name and relationships

<u>Name of related party</u>	<u>Relationship with the Group</u>
Wanin International Co., Ltd.	Substantive related party
XAC Inc.	Substantive related party

(II) Operating revenue

<u>Accounting items</u>	<u>Type of related party/name</u>	<u>2022</u>	<u>2021</u>
Artwork design services	Wanin International Co., Ltd.	\$ 104,049	\$ 187,562

Service income	Wanin International Co., Ltd.	70	4,432
	XAC Inc.	445	-
Others	Wanin International Co., Ltd.	<u>28</u>	<u>190</u>
		<u>\$ 104,592</u>	<u>\$ 192,184</u>

The Group is responsible for artwork, music, and sound effects. During the contract period, the Group shall provide promotional materials for games, including but not limited to graphics, music and video materials, to meet the needs of the game promotion. The artwork design revenue collected by the Group from the related parties is calculated based on the total rewarding points consumed during the month in the new games to receive shared revenues, and the sharing rate is 30%.

(III) Purchase

Type of related party/name	2022	2021
Wanin International Co., Ltd.	<u>\$ 5</u>	<u>\$ -</u>

(IV) Accounts receivable from related parties (excluding loans to related parties)

Accounting items	Type of related party/name	December 31, 2022	December 31, 2021
Accounts receivable - related parties	Wanin International Co., Ltd.	<u>\$ 15,862</u>	<u>\$ 21,372</u>

The outstanding amount of receivables - related parties is not guaranteed. No provision has been made for losses in relation to accounts receivable from the related party for 2022 and 2021.

(V) Accounts payable - related parties (excluding loans from related parties)

Accounting items	Type of related party/name	December 31, 2022	December 31, 2021
Accounts payable - related parties	Wanin International Co., Ltd.	<u>\$ 5</u>	<u>\$ -</u>

The outstanding amount of payables - related parties is not collateralized.

(VI) Other payables

Type of related party/name	December 31, 2022	December 31, 2021
Wanin International Co., Ltd.	<u>\$ 280</u>	<u>\$ 136</u>

(VII) Prepayments

Type of related party/name	December 31, 2022	December 31, 2021
Wanin International Co., Ltd.	\$ <u>465</u>	\$ <u>931</u>

(VIII) Lease agreements as a lessee

Type of related party/name	2022	2021
<u>Acquisition of right-of-use assets</u>		
Wanin International Co., Ltd.	\$ <u>-</u>	\$ <u>14,705</u>

Accounting items	Type of related party/name	December 31, 2022	December 31, 2021
Lease liabilities	Wanin International Co., Ltd.	\$ <u>6,863</u>	\$ <u>11,745</u>

Type of related party/name	2022	2021
<u>Interest expense</u>		
Wanin International Co., Ltd.	\$ <u>94</u>	\$ <u>82</u>
<u>Lease expenses</u>		
Wanin International Co., Ltd.	\$ <u>4,976</u>	\$ <u>3,042</u>

In May 2021, the Group leased an office from a related party for a period of 3 years. The rent is based on the rent level of neighboring offices, and fixed lease payments are paid monthly in accordance with the lease.

(IX) Other Related Party Transactions

Accounting items	Type of related party/name	2022	2021
Operating expenses – advertising fee	Wanin International Co., Ltd.	\$ <u>214</u>	\$ <u>190</u>
Operating expenses - miscellaneous	Wanin International Co., Ltd.	\$ <u>706</u>	\$ <u>671</u>
Operating expenses - contests and prizes	Wanin International Co., Ltd.	\$ <u>95</u>	\$ <u>-</u>
Other Interest Income	Wanin International Co., Ltd.	\$ <u>5</u>	\$ <u>2</u>
Labor costs (accounting for operating costs)	Wanin International Co., Ltd.	\$ <u>-</u>	\$ <u>32</u>

Accounting items	Type of related party/name	December 31, 2022	December 31, 2021
Refundable deposits	Wanin International Co., Ltd.	<u>\$ 594</u>	<u>\$ 594</u>

(X) Compensation to key management personnel

	2022	2021
Short-term employee benefits	\$ 9,519	\$ 8,394
Post-employment benefits	<u>180</u>	<u>147</u>
	<u>\$ 9,699</u>	<u>\$ 8,541</u>

The compensation to directors and other key management is determined by the Remuneration Committee based on personal performance and market trends.

XXIX. Pledged Assets

The assets pledged as collateral for financing loans were as follows:

	December 31, 2022	December 31, 2021
Land	\$ 49,051	\$ 49,051
Investment properties	15,157	15,775
Other financial assets - non-current	<u>1,000</u>	<u>1,000</u>
	<u>\$ 65,208</u>	<u>\$ 65,826</u>

XXX. Significant Contingent Liabilities and Unrecognized Commitments

The Group's significant committed obligations and other contingencies are disclosed in notes to the consolidated financial statements.

XXXI. Information on Foreign Currency Assets and Liabilities with Significant Impact

The following summary is presented in foreign currencies other than the functional currency. The exchange rates disclosed in the summary refers to the exchange rate of a foreign currency to the functional currency. The significant impact on financial assets and liabilities recognized in foreign currencies are described as follows:

December 31, 2022

	Foreign currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 3,958	30.71	\$ 121,544

December 31, 2021

	Foreign currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 3,667	27.68	\$ 101,503

The Group's foreign currency exchange gain (loss) (realized and unrealized) for 2022 and 2021 were a gain of NT\$12,578 thousand and a loss of NT\$3,072 thousand, respectively.

XXXII. Supplementary Disclosure

(I) Information on Significant Transactions :

1. Loaning Funds to Others. (None)
2. Endorsements/guarantees provided to others (None)
3. Marketable securities held at the end of year (excluding investments in subsidiaries, associates and joint ventures) (Table 1)
4. Accumulated purchase or disposal of the same securities amount reaching NT\$300 million or 20% of the paid-in capital. (None)
5. Acquisition of Real Estate at Cost in Excess of NT\$300 Million or 20% of the Paid-in Capital. (None)
6. Disposal of Real Estate at Cost in Excess of NT\$300 Million or 20% of the Paid-in Capital. (None)
7. The amount of purchase and sales with the related party amounts to NT\$100 million or more than 20% of the paid-up capital. (Table 3)
8. Accounts receivable from related parties reaching NT\$100 million or 20% of its paid-in capital. (None)
9. Derivative financial instrument transactions (Notes 7 and 27)
10. Others: Business relationships, important transactions and the amounts between parent company and subsidiaries (None)

(II) Information on Investees. (Table 2)

(III) Information on Investments in Mainland China:

1. Information on any investee company in mainland China; disclose the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (None)
 2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)
 - (1) Purchase amount and percentage, and the ending balance and percentage of payables.
 - (2) Sales amount and percentage, and the ending balance and percentage of receivables.
 - (3) Property transaction amount and the resulting gain or loss.
 - (4) Ending balance of endorsement, guarantee or collateral provided and purposes.
 - (5) The maximum balance, ending balance, interest rate range and total amount of current interest of financing.
 - (6) Other transactions having a significant impact on profit or loss or financial status of the period, such as providing or receiving services.
- (IV) Information on major shareholders: Names of shareholders with a shareholding ratio of 5% or more and the amount and proportion of shareholding. (Table 4)

XXXIII. Department Information

Information provided to the chief operating decision maker for the purpose of resource allocation and performance assessment for department emphasizes the types of products or services delivered or provided. Since the Group's operating business is concentrated on online games and digital content, there is no reportable operating department.

Wayi International Digital Entertainment Co., Ltd. and its Subsidiaries

Marketable Securities Held at the End of the Period

December 31, 2022

Table 1

Unit: NT\$1,000

Investor	Type and name of securities (Note 1)	Relationship with the issuer	General ledger account	End of the period				Remarks
				Number of shares	Carrying Amount	Shareholding (%)	Fair value	
Wayi International Digital Entertainment Co., Ltd.	<u>Shares</u> Digital Game Integrated Marketing Co., Ltd.	None	The financial asset in other comprehensive income profit and loss measured at fair value - non-current	14,286	\$ <u> -</u>	1.19	\$ <u> -</u>	
	Gamemag. Co., Ltd.	None	The financial asset in other comprehensive income profit and loss measured at fair value - non-current	460,000	\$ <u> -</u>	4.00	\$ <u> -</u>	
	Taiwan eSports League Co., Ltd.	None	The financial asset in other comprehensive income profit and loss measured at fair value - non-current	23,943	\$ <u> -</u>	0.34	\$ <u> -</u>	

Note 1. Securities in the table refer to stocks, bonds, beneficiary certificates, and other related derivative securities, within the scope of International Financial Reporting Standard No. 9 "Financial Instruments".

Note 2. For the information on investments in subsidiaries, associates and joint ventures, please refer to Table 2.

Wayi International Digital Entertainment Co., Ltd. and its Subsidiaries
Names, locations and related information of investees over which the Company exercised significant influence
From January 1 to December 31, 2022

Table 2

Unit: NT\$1,000; USD

Investor Company	Name of the invested company	Location	Principal business activities	Initial investment amount		Held at the end of the reporting period			Net income (loss) of the investee	Share of profit/loss of investee	Remarks
				Balance as of the end of this period	Balance as of the end of last year	Number of shares	Percentage	Carrying Amount			
Wayi International Digital Entertainment Co., Ltd.	WAYI Softmagic Investment (Asia) Ltd.	Caribbean Corporate Service Limited, 3Floor, Omar Hodge Building, Wickhams Cay I, P.O. Box 362. Road Town. Tortola, British Virgin Islands.	Investment	\$ 20,216 USD 599,555	\$ 20,216 USD 599,555	-	100	\$ 31,761	\$ 2,948	\$ 2,948	Note 1
	DIT Startup Co. Ltd.	5/F, No. 39, Lane 141, Xingai Road, Neihu District, Taipei	Venture Capital Investment	30,000	30,000	1,296,774	11	7,457	(9,857)	(1,057)	Note 2
WAYI Softmagic Investment (Asia) Ltd.	WAYI Softmagic Investment (Cayman) Ltd.	Harbour Trust Co., Ltd. P.O. Box 1787. Second Floor. One Capital Place, George Town. Grand Cayman, Cayman Islands. British West. Indies.	Investment	1,690 USD 50,000	1,690 USD 50,000	-	100	2,220	(24)	(24)	Note 1

Note 1. the calculation is based on the audited financial statements in 2022.

Note 2. the calculation is based on the unaudited financial statements in 2022.

Wayi International Digital Entertainment Co., Ltd. and its Subsidiaries
Amount of purchases from and sales to related parties reaching NT\$100 million or 20% of its paid-in capital
From January 1 to December 31, 2022

Table 3

Unit: NT\$1,000 unless otherwise stated

Purchase (sale) company	Name of the counterparty	Relationship	Transaction details				Unusual trade conditions status and reasons (Note 1)		Notes/Accounts Receivable (Payable)		Remark (Note 2)
			Purchase (Sales)	Amount	Ratio of total purchase (sales)	Loan period	Unit price	Loan period	Balance	Proportion of total notes and accounts receivable (payable)	
Wayi International Digital Entertainment Co., Ltd.	Wanin International Co., Ltd.	Substantive related party	Sales	\$ 104,147	70.72	45 days	Based on the total deposit value consumption point of the month as a calculation basis, 30% will be charged	-	\$ 15,862	87.59	-

Note 1. if the transaction conditions of the related parties are different from the general transaction conditions, the situation and reasons of the differences shall be stated in the column of unit price and credit granting period.

Note 2. in case of advance payment (receipt), the reasons, contractual terms, amount and difference from the general transaction shall be stated in the remarks column.

Wayi International Digital Entertainment Co., Ltd. and its Subsidiaries
Information of Major Shareholders
December 31, 2022

Table 4

Name of Major Shareholders	Shares	
	Number of shares held	Shareholding Ratio
Wanin International Co., Ltd.	6,844,800	30.72%
Given Business Inc.	4,540,752	20.38%
KGI Bank in Custody for the investment account of Tilun International Development Co. Ltd.	1,715,653	7.70%
HUANG-HSIN Investment Limited	1,261,320	5.66%
Qiao Yi Development Corporate Limited Taiwan Branch (Belize)	1,129,209	5.06%

Note: The major shareholder information in this table is based on Taiwan Depository & Clearing Corporation's data of shareholders who hold more than 5% of the Company's ordinary shares and preferred stock (including treasury shares), for which electronic registration and delivery were completed, on the last business day of the quarter. Share capital indicated in the Company's consolidated financial statements may differ from the actual number of shares that have been issued and delivered without physical registration as a result of different basis of preparation.

Independent Auditors' Report

To Wayi International Digital Entertainment Co., Ltd.

Audit opinions

The balance sheets as of December 31, 2022 and 2021, and the parent company only statements of comprehensive income, parent company only statements of changes in equity, parent company only statements of cash flows and notes to the parent company only financial statements (including the summary of major accounting policies) from January 1 to December 31, 2022 and 2021 of Wayi International Digital Entertainment Co., Ltd. (Wayi) have been audited by the CPA.

In the opinion of the CPA, the above parent company only financial statements have been prepared in all material respects in accordance with the Financial Reporting Standards for Securities Issuers, and are sufficient to give a fair representation of the parent company only financial position of Wayi as at December 31, 2022 and 2021, and the financial performance and cash flow from January 1 to December 31, 2022 and 2021.

Basis of Auditors' Comments

The CPA conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Parent Company Only Financial Statements by Certified Public Accountants and the Standards of Auditing of the Republic of China. Our responsibilities under said standards will be detailed in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of the report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe we have obtained sufficient and appropriate audit evidence to serve as a basis for our opinion.

Key Audit Matters

Key audit matters refer to those which, in accordance with the professional judgment of the CPA, are most important for the audit of the parent company only financial statements of Wayi for the year 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the parent company only financial statements of Wayi for the year 2022 are listed as follows:

Recognition of related party's revenue of artwork design and foundry services

The art design subcontract income of the related party of Wayi was NT\$104,049 thousand, accounting for 71% of the net operating income. Considering the significant transaction amount of the related party and the material impact on Wayi's operating revenue and financial performance, the art design subcontract income of the related parties was identified as a key audit matter.

Please refer to Note 4 (12) for the related accounting policies on the recognition of relevant incomes.

The main audit procedures performed by the CPA on the aforementioned key audit matters are as follows:

1. Obtained a contract to identify the nature and conditions of the transaction.
2. Obtained the relevant plans of the development and design project and the communication records of the related parties as evidence of the authenticity of the transaction.
3. Sent letters to confirm the transactions of related parties.
4. Conducted receivables collection test.

Responsibility of the Management and the Governing Body for the Parent Company Only Financial Statements

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

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

The governing bodies of the Company (including the Audit Committee) have the responsibility to oversee the financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance means a high degree of assurance that an audit conducted in accordance with the Standards of Auditing does not guarantee that material misrepresentations in the parent company only financial statements will be detected. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

1. Identified and assessed the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Concluded on the appropriateness of the management's use of going concern basis of accounting, and determined whether there existed events or circumstances that might cast significant uncertainty over the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluated the overall presentation, structure and content of the parent company only financial statements, including related notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtained sufficient and appropriate proof for audit on the finances of the individual entities in the Company to state our opinion on the parent company only financial statements. The Accountant is responsible for the guidance, supervision and execution of the verification case, and is responsible for forming the verification opinions of the Company.

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

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

From the matters communicated with the governing body, we determine those matters that were of most significance in the audit of 2022 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

CPA

Rui-Quan Chi

CPA

I-Lung Chou

Financial Supervisory Commission
Approval Document
NO. 1060023872

Securities and Futures Commission Approval
Document
NO. 0930128050

March 27, 2023

Wayi International Digital Entertainment Co., Ltd.

Parent Company Only Balance Sheets

December 31, 2022 and 2021

Unit: NT\$1,000

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6)	\$ 111,291	32	\$ 111,555	29
1136	Financial assets at amortized cost - current (Note 8)	70,633	20	66,432	17
1170	Accounts receivable - non-related parties (Note 9)	2,247	1	20,536	5
1180	Accounts receivable - related parties (Notes 9 and 27)	15,862	5	21,372	6
1200	Other accounts receivable (Note 9)	650	-	54	-
1220	Current income tax assets (Note 22)	190	-	197	-
130X	Inventories	130	-	130	-
1410	Prepayments (Note 15)	11,105	3	13,472	3
1470	Other current assets (Note 15)	4	-	187	-
11XX	Total current assets	<u>212,112</u>	<u>61</u>	<u>233,935</u>	<u>60</u>
	Non-current assets				
1510	Financial assets at fair value through profit or loss - non-current (Note 7)	-	-	21,654	6
1550	Investments accounted for using equity method (Note 10)	39,218	11	37,327	10
1600	Property, Plant and Equipment (Notes 11 and 28)	59,483	17	59,627	15
1755	Right-of-use assets (Note 12)	9,548	3	11,833	3
1760	Investment properties, net (Note 13)	15,157	4	15,775	4
1780	Other intangible assets (Note 14)	12,018	3	6,019	1
1990	Other non-current assets (Note 15)	1,763	1	2,686	1
15XX	Total non-current assets	<u>137,187</u>	<u>39</u>	<u>154,921</u>	<u>40</u>
1XXX	Total Assets	<u>\$ 349,299</u>	<u>100</u>	<u>\$ 388,856</u>	<u>100</u>
Code	Liabilities and Equity	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current liabilities				
2130	Contract liabilities - current (Note 20)	\$ 6,594	2	\$ 14,804	4
2150	Notes payable (Note 16)	931	-	1,633	-
2170	Accounts payable - non-related parties (Note 16)	2,026	1	18,289	5
2180	Accounts payable - related parties (Notes 16 and 27)	5	-	-	-
2200	Other payables (Note 17)	15,307	4	25,673	7
2220	Other payables - related parties (Notes 17 and 27)	280	-	136	-
2230	Current income tax liabilities (Note 22)	118	-	-	-
2280	Lease liabilities - current (Note 12)	5,818	2	5,010	1
2399	Other current liabilities (Note 17)	494	-	411	-
21XX	Total current liabilities	<u>31,573</u>	<u>9</u>	<u>65,956</u>	<u>17</u>
	Non-current liabilities				
2580	Lease liabilities - non-current (Note 12)	3,786	1	6,863	2
2670	Other non-current liabilities (Note 17)	200	-	200	-
25XX	Total Non-current Liabilities	<u>3,986</u>	<u>1</u>	<u>7,063</u>	<u>2</u>
2XXX	Total Liabilities	<u>35,559</u>	<u>10</u>	<u>73,019</u>	<u>19</u>
	Equity (Note 19)				
	Share capital				
3110	Ordinary shares	222,748	64	193,694	50
3200	Capital surplus	29,199	8	29,199	7
	Retained earnings				
3310	Statutory surplus reserve	9,294	3	-	-
3350	Undistributed earnings	52,499	15	92,944	24
3300	Total retained earnings	61,793	18	92,944	24
3XXX	Total Equity	<u>313,740</u>	<u>90</u>	<u>315,837</u>	<u>81</u>
	Total Liabilities and Equity	<u>\$ 349,299</u>	<u>100</u>	<u>\$ 388,856</u>	<u>100</u>

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

Chairman: Shu-Kai Shih

Manager: Shu-Kai Shih

Accounting Supervisor: Ya-Ling Huang

Wayi International Digital Entertainment Co., Ltd.
Parent Company Only Statements of Comprehensive Income

From January 1 to December 31, 2022 and 2021

Unit: NT\$1,000, except for earnings per share presented in NT\$

Code		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (Notes 20 and 27)	\$ 147,266	100	\$ 248,364	100
5000	Operating costs	(49,521)	(34)	(60,393)	(24)
5900	Gross profit	<u>97,745</u>	<u>66</u>	<u>187,971</u>	<u>76</u>
	Operating expenses (Notes 21 and 27)				
6100	Selling expenses	(41,862)	(28)	(49,341)	(20)
6200	General and administrative expenses	(34,825)	(24)	(40,121)	(16)
6300	Research and development expenses	(225)	-	(2,182)	(1)
6000	Total operating expenses	(76,912)	(52)	(91,644)	(37)
6900	Net operating profit	<u>20,833</u>	<u>14</u>	<u>96,327</u>	<u>39</u>
	Non-operating income and expenses				
7100	Interest income (Note 21)	1,378	1	216	-
7010	Other incomes (Note 21)	1,597	1	1,433	-
7020	Other gains and losses (Note 21)	11,218	8	(1,854)	(1)
7050	Financial costs (Note 21)	(96)	-	(275)	-
7070	Share of profits or losses of subsidiaries, associates and joint ventures under equity method (Note 10)	<u>1,891</u>	<u>1</u>	(2,903)	(1)
7000	Total non-operating income and expenses	<u>15,988</u>	<u>11</u>	(3,383)	(2)
7900	Net profit before tax	36,821	25	92,944	37
7950	Income tax expense (Note 22)	(179)	-	-	-
8200	Net profit for the year	<u>36,642</u>	<u>25</u>	<u>92,944</u>	<u>37</u>
8500	Total comprehensive income for the year	<u>\$ 36,642</u>	<u>25</u>	<u>\$ 92,944</u>	<u>37</u>

(Continued on next page)

(Continued from previous page)

Code		2022		2021	
		Amount	%	Amount	%
	Earnings per share (Note 23)				
9710	Basic	<u>\$ 1.65</u>		<u>\$ 4.17</u>	
9810	Diluted	<u>\$ 1.64</u>		<u>\$ 4.17</u>	

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

Chairman: Shu-Kai Shih Manager: Shu-Kai Shih Accounting Supervisor: Ya-Ling Huang

Wayi International Digital Entertainment Co., Ltd.
Parent Company Only Statements of Changes in Equity
From January 1 to December 31, 2022 and 2021

Unit: NT\$1,000

Code		Share capital		Capital surplus	Retained earnings		Total equity
		Number of Shares (thousand shares)	Amount		Statutory surplus reserve	Undistributed earnings	
A1	Balance on January 1, 2021	19,369	\$ 193,694	\$ 41,690	\$ -	(\$ 12,491)	\$ 222,893
	Other changes in capital surplus:						
C11	Compensation for deficit from paid-in capital reserve	-	-	(12,491)	-	12,491	-
D1	Net profit in 2021	-	-	-	-	92,944	92,944
D5	Total comprehensive income in 2021	-	-	-	-	92,944	92,944
Z1	Balance on December 31, 2021	19,369	193,694	29,199	-	92,944	315,837
	Appropriations and distribution of 2021 retained earnings:						
B1	Statutory surplus reserve	-	-	-	9,294	(9,294)	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	(38,739)	(38,739)
B9	Stock dividends to shareholders of the Company	2,905	29,054	-	-	(29,054)	-
D1	Net profit in 2022	-	-	-	-	36,642	36,642
D5	Total comprehensive income in 2022	-	-	-	-	36,642	36,642
Z1	Balance on December 31, 2022	<u>22,274</u>	<u>\$ 222,748</u>	<u>\$ 29,199</u>	<u>\$ 9,294</u>	<u>\$ 52,499</u>	<u>\$ 313,740</u>

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

Chairman: Shu-Kai Shih

Manager: Shu-Kai Shih

Accounting Supervisor: Ya-Ling Huang

Wayi International Digital Entertainment Co., Ltd.
Parent Company Only Statements of Cash Flows
From January 1 to December 31, 2022 and 2021

Unit: NT\$1,000

Code		2022	2021
	Cash flows from operating activities		
A10000	Net profit before tax for the year	\$ 36,821	\$ 92,944
A20010	Adjustments to reconcile net income (loss) to net		
A20100	Depreciation expenses	7,205	9,945
A20200	Amortization expenses	4,966	3,614
A20400	Net gain on financial assets measured at fair value through profit and loss	(1,748)	(379)
A20900	Finance costs	96	275
A21200	Interest Income	(1,378)	(217)
A22400	Share of profits (losses) of subsidiaries, associates and joint ventures under equity method	(1,891)	2,903
A22500	Gain on disposal of property, plant and equipment	(12)	(5)
A23700	Impairment loss on non-financial assets	6,377	13,679
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable - non-related parties	18,289	(17,178)
A31160	Accounts receivable - related parties	5,510	3,853
A31180	Other receivables	(16)	(2)
A31230	Prepayments	(4,010)	(10,818)
A31240	Other current assets	183	(20)
A32125	Contract liabilities	(8,210)	(14,221)
A32130	Notes payable	(538)	(391)
A32150	Accounts payable - non-related parties	(16,263)	15,448
A32160	Accounts payable - related parties	5	(45)
A32180	Other payables	(9,789)	9,893
A32190	Other payables - related parties	144	119
A32230	Other current liabilities	<u>83</u>	<u>(24)</u>
A33000	Cash generated from operations	35,824	109,373
A33100	Interest received	798	207
A33300	Interest paid	(2)	(168)
A33500	Income tax (paid) received	<u>(54)</u>	<u>207</u>
AAAA	Net cash inflow from operating activities	<u>36,566</u>	<u>109,619</u>

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Code		2022	2021
	Cash flows from investing activities		
B00200	Disposal of financial assets at fair value through profit or loss	\$ 23,402	\$ -
B00040	Acquisition of financial assets at amortized cost	(4,201)	(23,712)
B02700	Acquisition of property, plant and equipment	(1,518)	(2,834)
B02800	Proceeds from disposal of property, plant and equipment	114	5
B03800	Decrease in refundable deposits	923	1,423
B04500	Acquisition of intangible assets	(11,706)	(7,530)
BBBB	Net cash inflow (outflow) from investing activities	<u>7,014</u>	<u>(32,648)</u>
	Cash flows from financing activities		
C00200	Decrease in short-term loans	-	(32,222)
C04020	Lease debt principal repayment	(5,105)	(8,467)
C04500	Cash dividends distributed	(38,739)	-
CCCC	Net cash outflow from financial activities	<u>(43,844)</u>	<u>(40,689)</u>
EEEE	Net increase (decrease) in cash and cash equivalents	(264)	36,282
E00100	Cash and cash equivalents at beginning of year	<u>111,555</u>	<u>75,273</u>
E00200	Cash and cash equivalents at end of year	<u>\$ 111,291</u>	<u>\$ 111,555</u>

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

Chairman: Shu-Kai Shih Manager: Shu-Kai Shih Accounting Supervisor: Ya-Ling Huang

Wayi International Digital Entertainment Co., Ltd.
Notes to the Parent Company Only Financial Statements
From January 1 to December 31, 2022 and 2021
(Expressed in NT\$1,000 unless otherwise stated)

I. Company History

Wayi International Digital Entertainment Co., Ltd. (hereinafter referred to as "the Company") was established on August 12, 1993. It was first named "Wayi International Co., Ltd.," and later renamed "Wayi International Digital Entertainment Co., Ltd" in June 2000. It's main business includes computer software, hardware, trading, and information software programming services.

The Company's shares started to be traded on the Taipei Exchange on March 29, 2004.

The parent company only financial statements are presented in New Taiwan Dollars, which is the Company's functional currency.

II. Approval Date and the Procedures of Financial Statements

These parent company only financial statements were adopted by the Board of Directors on March 27, 2023.

III. Application of New and Revised Standards, Amendments and Interpretations

(I) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretation (IFRIC), and Interpretation Notice (SIC) (hereinafter referred to as "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the "FSC").

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a significant effect on the Company's accounting policies.

(II) The IFRSs endorsed by the FSC with effective date starting 2023

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

Note 1. The amendment shall be applied to annual reporting periods beginning on or after January 1, 2023.

Note 2. This amendment shall be applied to changes in accounting policies and changes in accounting estimates that occur for annual periods beginning on or after January 1, 2023.

Note 3. The amendments are applicable prospectively to the transactions incurred after January 1, 2022, except for the deferred tax accounted for on temporary differences in leasing and decommissioning obligation as of January 1, 2022.

1. Amendments to IAS 1 "Disclosure of Accounting Policies"

This amendment prescribes that the Company shall apply the concept of materiality in making decisions about the disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in the Company's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. This amendment also clarifies that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not to be disclosed by the Company.
- The Company's accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial.
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

Moreover, this amendment gives examples to explain that it is likely to consider accounting policy information significant to the financial statements if that information relates to significant transactions, other events or conditions and the accounting policy:

- (1) Has changed during the period by the Company, and this change results in a material change on information of the financial statements;
- (2) Was chosen properly by the Company from alternatives permitted by IFRS Standard;

- (3) Was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS Standard that specifically applies;
- (4) Relates to an area for which the Company is required to make significant judgments and assumptions; or
- (5) Relates to complex accounting, and users of the Company's financial statements would otherwise not understand the relating transactions, other events or conditions

2. Amendments to IAS 8 "Definition of Accounting Estimates"

This amendment defines accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". The accounting policy may require items in financial statements to be measured at monetary amounts that cannot be observed directly and must instead be estimated. Therefore, an input or a measurement technique has to be used to develop an accounting estimate to achieve this goal. The changes are considered as changes in accounting estimates while the effects of changes in accounting estimates from changes in an input or a measurement technique do not belong to correction of prior period errors.

Besides the abovementioned effects, as of the date the accompanying financial statements were authorized for issue, the Company assessed that other standards and the amendments of the interpretations would not have a significant impact on the Company's accompanying financial position and financial performance.

(III) Standards issued by IASB but not yet endorsed by FSC

New Standards, Interpretations and Amendments	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures"	Not determined
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Liabilities are classified as current or non-current"	January 1, 2024
Amendments to IAS 1 "Non-current	January 1, 2024

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

Note 2. A seller-lessee shall retroactively apply the amendments to IFRS 16 to the "Lease Liability in a Sale and Leaseback" signed after the date of initial application of IFRS 16.

Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"
(Amendments in 2020) and “Non-current Liabilities with Covenants”
(Amendments in 2022)

The amendment in 2020 clarifies whether or not the liabilities are classified as non-current, it should be evaluated whether at the end of the reporting period the Company has the right to defer settlement of the liability for at least twelve months after the reporting period. If the Company has the right at the end of the reporting period, the liability is classified as non-current regardless of whether the Company expects to exercise the right.

The amendments in 2020 also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The amendments in 2022 further clarify that only the covenants that are required to comply with before the end of the reporting period will affect the classification of liabilities. Although the covenants that must be complied with within 12 months after the reporting period do not affect the classification of liabilities, relevant information must be disclosed so that financial report users can understand that the Company may not be able to comply with the covenants and must repay within 12 months after the reporting period risk.

The amendments in 2022 stipulate that for the purpose of debt classification, the aforementioned settlement refers to the transfer of cash, other economic resources or equity instruments of a Company to the counterparty of the transaction resulting in the elimination of liabilities. However, the terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments. And in accordance with IAS 32 "Financial Instruments:

Presentation", if the option is recognized separately in equity, the aforementioned clauses do not affect the classification of liabilities.

Besides the effects mentioned and up until the publishing date of the parent company only financial statements, the Company is continuing to assess the amendment effects from other standards and interpretations on financial status and performance. Relevant effects shall be disclosed when an assessment is completed.

IV. Summary of Significant Accounting Policies

(I) Statement of Compliance

The parent company only financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the IFRSs endorsed and issued into effect by the FSC.

(II) Basis of Preparation

Except for financial assets measured at fair value, the financial statements were prepared on a historical cost convention.

The fair value measurement is grouped into Levels 1 to 3 based on the observability and importance of related inputs:

1. Level 1 inputs: Quoted (unadjusted) prices for identical assets or liabilities that are obtainable in active markets on the measurement date
2. Level 2 inputs: Inputs, other than quoted market prices within level 1, that are observable directly (in terms of price) or indirectly (derived from the price) for the assets or liabilities.
3. Level 3 inputs: Unobservable inputs for the assets or liabilities.

In preparing the parent company only financial statements, the Company's investments in joint ventures and associates are accounted for using the equity method. To reconcile the carrying amounts of the current fiscal year's profit and loss, other comprehensive income, and equity stated in the parent company only financial statements to the carrying amounts of the current year's profit and loss, other comprehensive income, and equity attributable to the parent company stated in the parent company only financial statements, any difference incurred as the result of changes in accounting policies in the preparations of the parent company only financial statements and the parent company only financial statements are adjusted in Investments Accounted for Using Equity Method and

Share of Profit and Loss of Subsidiaries, Associates and Joint ventures under equity method.

(III) Classification of current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (but excluded those restricted from being exchanged or used for debt repayment after more than 12 months of the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities that are expected to be due within 12 months after the balance sheet date (even if an agreement to refinance or to reschedule payments on a long-term basis is completed after the balance sheet date and before the financial reports are authorized for issue, it is classified as a current liability).
3. Liabilities of which the Company does not have an unconditional right to defer settlement for at least 12 months after the date of the balance sheet.

All other assets and liabilities are classified as non-current.

(IV) Foreign currencies

In preparing the financial report, transactions denominated in a currency other than the Company's functional currency (i.e. foreign currency) are translated into the Company's functional currency by using the exchange rate at the date of the transaction.

Monetary items denominated in foreign currencies are translated at the closing rates at the balance sheet date. Exchange differences arising from settlement or translation of monetary items are recognized in profit or loss in the year in which they arise.

Non-monetary items measured at fair value in a foreign currency are retranslated using the exchange rates at the date when the fair value is determined; All exchange differences arising from the settlement or translation of monetary items are taken to profit or loss in the period in which they arise, except for exchange differences arising on the retranslation of non-monetary items in

respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated.

In the preparation of the parent company only financial statements, the assets and liabilities of foreign operations (including subsidiaries in other countries that use currencies different from the functional currency of the Company) are translated into New Taiwan dollar at the closing rate of exchange prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

If the retained interests after the Company disposes of all the interests in the foreign operation, or disposes of part of the interests in the subsidiaries of the foreign operation but loses control, or disposes of the joint agreement of the foreign operation or the related enterprise are financial assets and are treated in accordance with the accounting policy of financial instruments, all accumulated exchange differences related to the foreign operation will be reclassified to profit or loss.

In relation to a partial disposal of a subsidiary of a foreign operation that does not result in the loss of control, the accumulated exchange difference will be incorporated into equity transactions on a pro rata basis and will not be recognized as profit or loss. For all other situations of partial disposal of a foreign operation, the proportionate share of the accumulated exchange difference recognized in other comprehensive income is reclassified to profit or loss.

(V) Investments in subsidiaries

The Company applies the equity method to the accounting of subsidiaries.

Subsidiaries are entities on which the Company has controlling ownership.

Under the equity method, investments are initially recognized at cost, and post-acquisition adjustment is made in accordance with changes in the Company's shares of profit and loss and other comprehensive income as well as the dividend distribution in the subsidiaries. In addition, changes in the

Company's other interests in the subsidiaries are presented according to the shareholding ratio.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The difference between the carrying amount of investment and the fair value of consideration received/paid on the acquisition of the investment is directly recognized in equity.

When the Company's shares of losses of a subsidiary equal or exceed its equity in that subsidiary (which includes any carrying amount of the investment accounted for by using the equity method and long-term equity that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its losses according to the ownership proportion.

Any excess of acquisition cost over the Company's share of an subsidiary's identifiable assets and liabilities measured at the fair value on the date of acquisition is recognized as goodwill. The goodwill shall be included in the carrying amount of the investment but not allowed for amortization. If the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities exceeds acquisition cost, the excessive amount is recognized immediately in current profit or loss.

In the assessment of impairment, cash generating unit based on the overall structure of financial reports is considered and is compared with recoverable amount and carrying value. If the recoverable amount of the asset later increases, the reversal of the impairment loss shall be recognized as profits, but the carrying amount of the asset after reversal of impairment loss may not exceed the carrying amount of the asset before recognizing the impairment loss, net of amortization. Impairment loss attributable to goodwill shall not be reversed in subsequent periods.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. The Company accounted for all amounts recognized in other comprehensive income

in relation to the subsidiary on the same basis as would be required if the Company had directly disposed of the related assets and liabilities..

Profits or losses resulting from downstream transactions are eliminated in full in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized in the parent company only financial statements only to the extent of interests in the subsidiary that are not owned by the Company.

(VI) Investments in associates

Associates are entities over which the Company has major influence but they are neither subsidiaries nor joint ventures.

The Company applies the equity method to the accounting of associates.

Under the equity method, investments in associates are initially recognized at cost, and post-acquisition adjustment is made in accordance with changes in the Company's shares of profit and loss and other comprehensive income as well as the dividend distribution. Also, changes in the Company's interest in associates and joint ventures are adjusted in accordance with the shareholding ratio.

Any excess of acquisition cost over the Company's share of an associate's or a joint venture's identifiable assets and liabilities measured at the fair value on the date of acquisition is recognized as goodwill. The goodwill shall be included in the carrying amount of the investment but not allowed for amortization. If the Company's share of the net fair value of the identifiable assets and liabilities exceeds acquisition cost, the excessive amount is recognized immediately in profit or loss.

When an associate issues new shares and the Company does not subscribe to such shares to the extent that its original shareholding ratio can be maintained, the difference is recorded as an adjustment to capital surplus - changes in the net value of shares in associates and joint ventures accounted for using equity method and other investments accounted for using equity method. However, if the Company fails to subscribe to or acquire sufficient new shares to maintain its original ownership percentage which causes its interest in the associate to decrease, the investment amount previously recognized in other comprehensive income in relation to the associate shall be remeasured in proportion to the reduction of shareholding. The basis of such accounting treatment shall be the same as would be required if the associate or joint venture had directly disposed of the related assets or liabilities. The aforementioned adjustment shall be recorded to net off capital reserve to the extent of the original increase in the investment accounted for under equity method; any remaining balance shall be debited to retained earnings.

When the Company's share of loss derived from the investment of an associate equals or exceeds the Company's interest (including the carrying amount of the investment and other long-term substantial interests in the associate's net asset in proportion to ownership percentage), the Company shall cease recognizing losses further. The Company only recognizes extra losses and liabilities to the extent that there is a legal obligation, constructive obligation, or payment on behalf of an associate.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of the value in use and fair value less costs to sell) with its carrying amount. Any impairment loss will not be recognized as a charge against the carrying amount of an investment (including goodwill). Any reversal of impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date when the Company ceases to have significant influence over an associate. When the Company retains an interest in the former associate the Company measures the retained interest at fair value at that date. The difference between the carrying amount of the associate at the date ceasing the use of the equity method, and the fair value of any retained interest and any proceeds from disposing interest in the associate is recognized as gain or loss on disposal of the associate. In addition, the Company shall account for all the amounts recognized in other comprehensive income in relation to that associate on the same basis as would be required if the associate had directly disposed of the related assets or liabilities. Additionally, when an investment in associate becomes a joint venture investment, or vice versa, the Company continues to adopt the equity method, but not remeasure the reserved interests.

When the Company makes transactions with the associate, profits or losses resulting from such transactions with an associate or joint venture are recognized in the Company's parent company only financial statements only to the extent of interests in the associate or joint venture that are not owned by the Company.

(VII) Property, Plant and Equipment

Property, plant and equipment are measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment.

Except that self-owned land is not listed for depreciation, the remaining property, plant and equipment are depreciated separately for each significant component on a straight-line basis over their useful life. The Company reviews at least annually the estimated useful lives, residual values and depreciation methods at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

Upon derecognition of property, plant and equipment, the difference between the proceeds from disposal and the carrying amount of such asset is recognized in profit or loss.

(VIII) Investment properties

A investment property is real estate held for the purpose of earning rent or capital appreciation or both (including meeting the definition of investment real estate). Investment property also includes land that has not yet been determined for future use.

Self-owned investment properties are initially recognized at cost (including transaction cost) and subsequently at cost less accumulated depreciation and accumulated impairment loss.

Investment properties are depreciated on a straight-line basis.

Property, plant and equipment are listed under investment property with carrying amount at end of self-use.

When an investment property is excluded, the difference between the net disposal price and the carrying amount of the asset is recognized as profit or loss.

(IX) Intangible assets

1. Intangible assets acquired separately

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

2. Derecognition of intangible assets

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

(X) Impairment of property, plant and equipment, right-of-use asset, investment property and intangible assets

On each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment property and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any impairment indication exists, the Company estimates the recoverable amount of the asset. If the recoverable amount of an individual asset is not possible to determine, the recoverable amount of the cash-generating unit to which the asset belongs is used in estimation.

For indefinite intangible assets and intangible assets that are not yet available for use, they are subject to annual impairment test at the time there are indications of impairment.

The recoverable amount is the fair value minus cost of sales or its value in use, whichever is higher. If the recoverable amount of individual asset or the cash generating unit is lower than its carrying amount, the carrying amount of the asset or the cash generating unit shall be reduced to the recoverable amount and the impairment loss shall be recognized in profit or loss.

Because the inventory, real estate, plant and equipment and intangible assets recognized in the customer contract are subject to impairment recognition according to the inventory impairment loss regulations and the above regulations first, and then the difference between the carrying amount of the assets related to the contract cost and the remaining amount of the consideration expected to be recovered from the provision of goods or services less the directly related cost shall be recognized as the impairment loss, and then the carrying amount of the assets related to the contract cost shall be included in the cash generating unit for the impairment assessment of the cash generating unit.

When the impairment loss is subsequently reversed, the carrying amount of an asset, the cash generating unit, or the contract cost-related asset is reversed to the extent not exceed the carrying amount (minus amortization or depreciation) of the asset, cash generating unit, or contract cost-related asset that had not been impaired in the previous years. The reversal of impairment loss shall be recognized in profit or loss.

(XI) Financial instruments

Financial assets and liabilities are recognized in the balance sheet when the Company becomes a party of a contract of financial instrument.

Financial assets and financial liabilities not at fair value through profit or loss are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial assets or financial liabilities. The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss shall be immediately recognized in profit or loss.

1. Financial assets

Financial assets purchased or sold in a regular way are recognized and de-recognized on the basis of the accounting on transaction date

(1) Measurement types

The financial assets held by the Company are those measured at fair value through profit or loss, and those measured at amortized cost.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are forced to be measured at fair value through profit or loss. Financial assets forcibly measured at FVTPL include undesignated equity instrument investment measured at fair value through other comprehensive income, as well as unclassified debt instrument investments measured at amortized cost or at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are measured at fair value, and their dividends, interest, and remeasured benefits or losses are recognized as other gains and losses. Please refer to Note 26 for the determination of fair value.

B. Financial assets at amortized cost

The Company's financial assets that meet the following conditions are subsequently measured at amortized cost:

- a. Financial assets are under a business model whose purpose is to hold financial assets and collecting contractual cash flows; and
- b. The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

Subsequent to initial recognition, financial assets measured at amortized cost (including cash and cash equivalents, and account receivables at amortized cost) are recognized in the amount which equals to the gross carrying amount discounted at effective interest method less any impairment loss. Any foreign currency exchange gain (loss) is recognized in profit or loss.

Except for the following cases, the interest income is calculated by applying the effective interest rate to multiply the gross carrying amount of a financial asset:

- a. For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.
- b. Financial assets that are not credit impairment from purchases or at the time of founding but subsequently become credit impairments shall be calculated by multiplying the effective interest rate in the reporting period after the credit impairment by the cost after the amortization of financial assets.

Credit-impaired financial assets are those where the issuer or debtor has experienced major financial difficulties, defaults, the debtor is likely to claim bankruptcy or other financial reorganization, or due to financial difficulties, the active market for financial assets disappears.

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

(2) Impairment of financial assets

The Company assesses impairment loss based on the expected credit losses on each balance sheet date for financial assets at amortized cost (including account receivables), investments in debt instruments that are measured at FVTOCI, and impairment losses on operating lease receivables.

Accounts receivable and operating lease receivables are recognized as allowance for losses based on lifetime expected credit loss. For all other financial instruments, the Company assesses if there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. If the credit risk on the financial instrument has increased significantly since initial recognition, impairment allowance is recognized based on lifetime Expected Credit Loss.

Expected credit losses (ECL) refers to weighted average credit loss calculated by taking the default risks of corresponding credits as the weights. 12-month expected credit losses refer to expected credit losses which will result from possible default events of a financial instrument to occur within 12 months as of the date of the publication of the financial statements. Lifetime expected credit losses refer to the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Company determines, in the following situations, that the default of financial assets have occurred without considering the collateral held by it:

- A. There are internal or external information showing that the debtor is no longer able to pay off the debt.
- B. Overdue more than 270 days, unless there is reasonable and corroborable information showing that the delayed default basis is more appropriate.

The carrying amount of the impairment loss of all financial assets is reduced by the provision account, while the provision loss of the investment in debt instruments measured at fair value through other composite gains or losses is recognized as other composite gains or losses and does not reduce the carrying amount.

(3) Derecognition of financial assets

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

On derecognition of an entire financial asset measured at amortized cost, the difference between the carrying amount and the consideration received is recognized in profit or loss. On derecognition of a debt instruments measured at fair value through other comprehensive income in its entirety, the difference between the financial asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss. On derecognition of an equity instruments measured at fair value through other comprehensive income in its entirety, the cumulative gain or loss is reallocated to retained earnings, but not recognized to profit or loss.

2. Financial liabilities

(1) Subsequent measurement

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

(2) Derecognition of financial liabilities

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

(XII) Revenue recognition

After performance obligations are identified in customers' contracts, transaction price is appropriated for each obligation, and revenue is recognized upon the completion of a performance obligation.

1. Sales revenue from goods

Revenue from sales of products arises from customers purchasing the game points from channel distributors. The currencies are converted into virtual products in the Company's gaming platforms and video platforms and subsequently recognized as revenue in accordance with the consumption rate and the estimated consumption period. Since game points are sold by distributors, the Company has the main responsibility for whether the game points held by customers can be converted into game products and used normally. The Company is recognized as contract liability before the commitment is completed.

2. Labor income

Labor income refers to artwork design created for clients or gaming points accounting services provided for clients (who are also in the gaming industry).

(1) Artwork design services

Revenue from artwork design service is recognized upon the labor service is provided unless otherwise agreed in the contract.

(2) Game point account processing

The Company sells game points to consumers on behalf of customers, and does not obtain the control of specific goods or services before the specific goods or services are transferred to the customers. When the stored value is exchanged for game points on the platform, control is transferred to the customer and no net income is recognized when there is no subsequent obligation.

(XIII) Lease

The Company assesses whether a contract is (or contains) a lease on the execution date of the contract.

1. Company as the Lessor

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

Operating lease payments less lease incentives are recognized as operating income on a straight-line basis over the duration of such lease.

2. Company as the lessee

A right-of-use asset and a lease liability are recognized for all leases at the inception date of such leases, except for leases qualified for recognition exemption, e.g. leases with low-value underlying assets and short-term leases, for which an expense is recognized on a straight-line basis over the lease term.

A right-of-use asset is initially measured at cost (including the initial measured amount of lease liability, the amount of lease payments made to the lessors less lease incentives received prior to the inception of the lease, initial direct costs and the estimated costs of restored underlying assets), and subsequently measured at cost less accumulated depreciation and accumulated impairment, adjusted for any remeasurements of the lease liability. Right-of-use assets are expressed separately in the Parent Company Only Balance Sheets.

A right-of-use asset is depreciated on a straight-line basis over the period from the lease commencement date to the end of its useful lives, or to the end of the lease term, whichever is earlier.

A lease liability is initially measured at the present value of lease payments (including fixed payments). If the interest rate implicit in a lease can be easily determined, the lease payment is discounted at the interest rate. If the interest rate cannot be easily determined, the lessee's incremental borrowing rate of interest shall be used.

Subsequently, lease liabilities are measured at the amortized cost using the effective interest rate method, and interest expense is amortized over the lease term. In the case that future lease payments change as a result of a change in the lease term, the Company remeasures the lease liability and correspondingly adjusts the right-of-use asset, except in the case when the carrying amount of the right-of-use asset has reduced to zero, in which case

any residual remeasured amount shall be recognized in profit or loss. Lease liabilities are expressed separately in the Parent Company Only Balance Sheets.

(XIV) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as cost for those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(XV) Employee benefits

1. Short-term employee benefits

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

2. Post-employment benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

(XVI) Income tax

The income tax expense represents the sum of tax payable in the current period along with deferred tax.

1. Current tax

The Company determines the current income (loss) in accordance with the laws as well as regulations established by each income tax reporting jurisdiction, and calculates the payable (recoverable) income tax accordingly.

The additional income tax on undistributed earnings calculated in accordance with the Income Tax Act of Taiwan shall be recognized in the year of adoption at the shareholders' meeting.

Adjustments to the income tax payable from previous years are recognized in the income tax of current year.

2. Deferred tax

Deferred income tax is calculated at temporary differences between the carrying amount of assets and liabilities and the tax base used to determine taxable income.

Deferred tax liabilities are mostly recognized based on all taxable temporary differences. Deferred tax assets are recognized to the extent that it is most probable that those deductible temporary differences and loss credits can be applied to produce taxable profits.

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

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

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

3. Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also

recognized in other comprehensive income or directly in equity, respectively.

V. Critical Accounting Judgments, and Key Sources of Estimation Uncertainty

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

The Company will incorporate the recent developments of the COVID-19 pandemic and its possible impact on the economic environment into relevant material accounting estimates such as cash flow estimates, growth rates, discount rates and profitability. Management will continue to review the estimates and underlying assumptions. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

VI. Cash and Cash Equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand	\$ 263	\$ 271
Checking and savings	<u>111,028</u>	<u>111,284</u>
	<u>\$ 111,291</u>	<u>\$ 111,555</u>

The interest rate intervals of the cash in banks at the balance sheet date were listed as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash in banks	0.001%~1.05%	0.001%~0.2%

VII. Financial instruments at fair value through profit or loss

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets - non-current</u>		
Compulsory measurement of FVTPL		
Hybrid financial assets		
- structured deposits	<u>\$ -</u>	<u>\$ 21,654</u>

The structured deposits include an embedded derivative that is not closely related to the main contract. Because the main contract included in the hybrid contract is an asset within the scope of IFRS 9, the overall hybrid contract evaluation is mandatory to be classified as fair value through profit or loss.

VIII. Financial assets at amortized cost

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current</u>		
Domestic investment		
Bank time deposit with original maturity date over 3 months	<u>\$ 70,633</u>	<u>\$ 66,432</u>

(I) The interest rate intervals of term deposits with original maturity date over 3 months as of December 31, 2022 and 2021 were 3.15%~5.00% and 0.20%~0.33% per annum, respectively.

(II) Please refer to Note 28 for pledged financial assets at amortized cost.

IX. Accounts Receivable and Other Receivables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Accounts receivable</u>		
measured at amortized cost		
Total carrying amount	\$ 18,109	\$ 41,908
Less: allowance for loss	<u>-</u>	<u>-</u>
	<u>\$ 18,109</u>	<u>\$ 41,908</u>

Other receivables

Receivable of certificate of deposit interest	\$ 628	\$ 48
Others	22	6
Less: Allowance for loss	<u>-</u>	<u>-</u>
	<u>\$ 650</u>	<u>\$ 54</u>

Accounts receivable

The Company's average credit term for sales of goods is 30 to 60 days. Accounts receivable does not bear interest. The Company applies lifetime expected credit losses to allowance for accounts receivable. The lifetime expected credit losses are calculated based on a provision matrix that takes into account the default history and current financial position of customers, prevailing industrial and economic trends, and also considers GDP forecast. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for losses based on the past due status of receivables is not further distinguished according to different segments of the Company's customer base.

If there is evidence showing that transaction counterparty is in severe financial difficulty and the Company cannot expect reasonable recoverable amount, such as debts overdue for more than 270 days from counterparty under liquidation, the Company will write off the receivables in full. The receivables initially written off but collected afterwards were recognized in profit and loss.

Analysis of aging notes and accounts receivable based on the provisional matrix is as follows:

December 31, 2022

	<u>Not Past Due</u>	<u>More than 270 days overdue</u>	<u>Total</u>
Expected credit loss rate	-	100%	
Total carrying amount	\$ 18,109	\$ -	\$ 18,109
Loss allowance (lifetime ECLs)	-	-	-
Amortized cost	<u>\$ 18,109</u>	<u>\$ -</u>	<u>\$ 18,109</u>

December 31, 2021

	<u>Not Past Due</u>	<u>More than 270 days overdue</u>	<u>Total</u>
Expected credit loss rate	-	100%	
Total carrying amount	\$ 41,908	\$ -	\$ 41,908
Allowance for losses (lifetime expected credit loss)	-	-	-
Amortized cost	<u>\$ 41,908</u>	<u>\$ -</u>	<u>\$ 41,908</u>

X. Investment Accounted For Using the Equity Method

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Investments in subsidiaries	\$ 31,761	\$ 28,813
Investments in associates	7,457	8,514
	<u>\$ 39,218</u>	<u>\$ 37,327</u>

(I) Investments in subsidiaries

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Unlisted stocks		
WAYI Softmagic Investment (Asia) Ltd.	<u>\$ 31,761</u>	<u>\$ 28,813</u>

	<u>Percentage of Ownership and Votes</u>	
<u>Investee Company</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
WAYI Softmagic Investment (Asia) Ltd.	100%	100%

Share of profits or losses and other comprehensive income of subsidiaries under equity method for 2022 and 2021 are recognized based on the financial reports of each subsidiary audited by CPA for the same period.

(II) Investments in associates

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Associates with significance:		
DIT Startup Co. Ltd.	<u>\$ 7,457</u>	<u>\$ 8,514</u>
	<u>Percentage of Ownership and Votes</u>	
<u>Company Name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
DIT Startup Co. Ltd.	11%	11%

For the information of the main business and products, main place of business and country registered for the aforementioned associates, please refer to Table 2, "Information of Invested Companies."

The chairman of the Company also serves as the chairman of DIT Startup Co. Ltd. so can significantly influence the associate.

The Company's shares of profit or loss and other comprehensive income of the investments accounted for using the equity method are calculated based on financial statements which have not been audited by CPA. However, The Company's management believes that the aforementioned unaudited result will not cause material impact.

All the aforementioned associates are accounted for using the equity method in the parent company only financial statements.

The summary of financial information below is based on individual associates' financial statements prepared in accordance with IFRSs for which adjustments have been made in the financial statements due to the use of the equity method.

DIT Startup Co. Ltd.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current assets	\$ 33,526	\$ 53,637
Non-current assets	37,627	27,452
Current liabilities	(1,569)	(1,647)
Equity	<u>\$ 69,584</u>	<u>\$ 79,442</u>
Percentage of Ownership	11%	11%
Interests of the Company	<u>\$ 7,457</u>	<u>\$ 8,514</u>
Carrying amount of		
Investment	<u>\$ 7,457</u>	<u>\$ 8,514</u>

	2022	2021
Operating revenue	\$ 3,223	\$ 867
Net loss for the year	(\$ 9,857)	(\$ 14,733)

XI. Property, Plant and Equipment

Self-use

	Land owned by the Company	Buildings and structures	Network devices	Facility equipment	Leasehold improvements	Transportatio n equipment	Other fixtures	Total
<u>Cost</u>								
Balance as of January 1, 2022	\$ 54,558	\$ 3,638	\$ 176,765	\$ 9,382	\$ 1,826	\$ 684	\$ 17	\$ 246,870
Acquisition	-	-	85	1,303	130	-	-	1,518
Disposition	-	-	(27,848)	(2,920)	(115)	-	(17)	(30,900)
Balance on December 31, 2022	<u>\$ 54,558</u>	<u>\$ 3,638</u>	<u>\$ 149,002</u>	<u>\$ 7,765</u>	<u>\$ 1,841</u>	<u>\$ 684</u>	<u>\$ -</u>	<u>\$ 217,488</u>
<u>Accumulated depreciation and impairment</u>								
Balance as of January 1, 2022	\$ -	\$ 1,112	\$ 176,421	\$ 8,669	\$ 340	\$ 684	\$ 17	\$ 187,243
Depreciation expenses	-	121	232	545	662	-	-	1,560
Disposition	-	-	(27,774)	(2,892)	(115)	-	(17)	(30,793)
Balance on December 31, 2022	<u>\$ -</u>	<u>\$ 1,233</u>	<u>\$ 148,879</u>	<u>\$ 6,322</u>	<u>\$ 887</u>	<u>\$ 684</u>	<u>\$ -</u>	<u>\$ 158,005</u>
Net balance on December 31, 2022	<u>\$ 54,558</u>	<u>\$ 2,405</u>	<u>\$ 123</u>	<u>\$ 1,443</u>	<u>\$ 954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,483</u>
<u>Cost</u>								
Balance on January 1, 2021	\$ 54,558	\$ 3,638	\$ 192,451	\$ 11,226	\$ 39,387	\$ 684	\$ 17	\$ 301,961
Acquisition	-	-	-	791	1,711	-	-	2,502
Disposition	-	-	(15,686)	(2,635)	(39,272)	-	-	(57,593)
Balance on December 31, 2021	<u>\$ 54,558</u>	<u>\$ 3,638</u>	<u>\$ 176,765</u>	<u>\$ 9,382</u>	<u>\$ 1,826</u>	<u>\$ 684</u>	<u>\$ 17</u>	<u>\$ 246,870</u>
<u>Accumulated depreciation and impairment</u>								
Balance on January 1, 2021	\$ -	\$ 991	\$ 191,741	\$ 11,108	\$ 39,340	\$ 634	\$ 17	\$ 243,831
Depreciation expenses	-	121	366	196	272	50	-	1,005
Disposition	-	-	(15,686)	(2,635)	(39,272)	-	-	(57,593)
Balance on December 31, 2021	<u>\$ -</u>	<u>\$ 1,112</u>	<u>\$ 176,421</u>	<u>\$ 8,669</u>	<u>\$ 340</u>	<u>\$ 684</u>	<u>\$ 17</u>	<u>\$ 187,243</u>
Net on December 31, 2021	<u>\$ 54,558</u>	<u>\$ 2,526</u>	<u>\$ 344</u>	<u>\$ 713</u>	<u>\$ 1,486</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,627</u>

Depreciation expenses are calculated by straight-light basis using the estimated useful lives as follows:

Buildings

Buildings and structures	30 years
Network devices	3 to 8 years
Facility equipment	3 to 5 years
Leasehold improvements	1.5 to 3 years
Transportation equipment	3 years
Other fixtures	3 years

Please refer to Note 28 for the amount of self-use property, plant and equipment pledged as collateral for borrowings.

XII. Lease Agreement

(I) Right-of-use asset

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of right-of-use asset		
Buildings	\$ 9,548	\$ 11,708
Transportation equipment	<u>-</u>	<u>125</u>
	<u>\$ 9,548</u>	<u>\$ 11,833</u>
	<u>2022</u>	<u>2021</u>
Acquisition on right-of-use assets	<u>\$ 2,742</u>	<u>\$ 14,705</u>
Depreciation expense of right-of-use assets		
Buildings	\$ 4,902	\$ 7,569
Transportation equipment	<u>125</u>	<u>753</u>
	<u>\$ 5,027</u>	<u>\$ 8,322</u>

(II) Lease liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of lease liability		
Current	<u>\$ 5,818</u>	<u>\$ 5,010</u>
Non-current	<u>\$ 3,786</u>	<u>\$ 6,863</u>

Range of discount rate for lease liabilities was as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Buildings	1.04%~2.23%	1.04%~1.73%
Transportation equipment	-	1.73%

(III) Important lease activities and terms

The Company leases the building and transport equipment for operating use for a period of 3 years. At the end of the lease term, the Company has no bargain purchase option over the land and building leased, and the Company may not sublease or transfer all or part of the leased items without the lessor's consent.

(IV) Other leasing information

	<u>2022</u>	<u>2021</u>
Short-term lease expense	<u>\$ 39</u>	<u>\$ 60</u>
Total cash (outflow) of leases	<u>(\$ 5,144)</u>	<u>(\$ 8,527)</u>

The Company chooses to lease office equipment that meets the short-term lease and certain computer equipment that meets the low-value lease assets. These office equipment are subject to the recognition exemption, and the relevant right-of-use assets and lease liabilities are not recognized for these leases.

All lease commitments with lease terms beginning after the balance sheet date are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Lease commitments	<u>\$ 9,742</u>	<u>\$ 12,014</u>

XIII. Investment properties

	<u>Completed investment properties</u>
<u>Cost</u>	
Balance as of January 1, 2022	<u>\$ 22,271</u>
Balance on December 31, 2022	<u>\$ 22,271</u>
<u>Accumulated depreciation and impairment</u>	
Balance as of January 1, 2022	\$ 6,496
Depreciation expenses	<u>618</u>
Balance on December 31, 2022	<u>\$ 7,114</u>
Net balance on December 31, 2022	<u>\$ 15,157</u>
<u>Cost</u>	
Balance on January 1, 2021	<u>\$ 22,271</u>
Balance on December 31, 2021	<u>\$ 22,271</u>
<u>Accumulated depreciation and impairment</u>	
Balance on January 1, 2021	\$ 5,878
Depreciation expenses	<u>618</u>
Balance on December 31, 2021	<u>\$ 6,496</u>
Net balance on December 31, 2021	<u>\$ 15,775</u>

The lease term of an investment properties is 3 years with an option to extend the lease term for 1 year. When exercising the right to renew the lease, the lessee shall agree to adjust the rent according to the market rent. The lessee does not have the preferential right to take over the investment property at the end of the lease term.

The total amount of lease payments to be received in the future for leasing investment property with an operating lease is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Year 1	\$ 945	\$ 1,260
Year 2	<u>-</u>	<u>945</u>
	<u>\$ 945</u>	<u>\$ 2,205</u>

Investment properties are depreciated by straight-line basis using the useful lives as follows:

Buildings and structures	36 years
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The fair value of the investment property is measured by the independent appraisal companies (appraisers) CCIS Real Estate Joint Appraisers Firm at the input value of Level 3 on each balance sheet date. The evaluation uses the comparative method and the income method, and the fair value of the evaluation income is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Fair value	<u>\$ 104,294</u>	<u>\$ 103,146</u>

The measurement of the above fair value has included the consideration of the uncertainty of the impact of the subsequent development of the COVID-19 pandemic on market fluctuations.

Please refer to Note 28 for the amount of investment property pledged as collateral for loans.

The lease commitment during the lease term commencing after the balance sheet date is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Investment property letting commitment	<u>\$ 945</u>	<u>\$ 2,205</u>

XIV. Other Intangible Assets

	Computer software	Software royalty	Total
<u>Cost</u>			
Balance as of January 1, 2022	\$ 3,753	\$ 2,797	\$ 6,550
Acquisition	4,798	6,167	10,965
Disposition	(1,327)	-	(1,327)
Balance on December 31, 2022	<u>7,224</u>	<u>8,964</u>	<u>16,188</u>
<u>Accumulated amortization and impairment</u>			
Balance on January 1, 2022	414	117	531
Amortization expenses	3,253	1,713	4,966
Disposition	(1,327)	-	(1,327)
Balance on December 31, 2022	<u>2,340</u>	<u>1,830</u>	<u>4,170</u>
Net balance on December 31, 2022	<u>\$ 4,884</u>	<u>\$ 7,134</u>	<u>\$ 12,018</u>
<u>Cost</u>			
Balance on January 1, 2021	\$ 2,636	\$ -	\$ 2,636
Acquisition	5,176	2,797	7,973
Disposition	(4,059)	-	(4,059)
Balance on December 31, 2021	<u>3,753</u>	<u>2,797</u>	<u>6,550</u>
<u>Accumulated amortization and impairment</u>			
Balance on January 1, 2021	976	-	976
Amortization expenses	3,497	117	3,614
Disposition	(4,059)	-	(4,059)
Balance on December 31, 2021	<u>414</u>	<u>117</u>	<u>531</u>
Net balance on December 31, 2021	<u>\$ 3,339</u>	<u>\$ 2,680</u>	<u>\$ 6,019</u>

Amortization expenses were calculated by straight-line basis using the estimated useful lives as follows:

Computer software	1 to 3 years
Software royalty	1 to 2 years

Amortization expenses summarized by function:

	2022	2021
Operating costs	\$ 3,891	\$ 1,968
General and administrative expenses	<u>1,075</u>	<u>1,646</u>
	<u>\$ 4,966</u>	<u>\$ 3,614</u>

XV. Other assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current</u>		
Prepayments (Note 1)	\$ 8,395	\$ 11,825
Deferred costs	644	255
Other prepayments	2,066	1,392
Others	<u>4</u>	<u>187</u>
	<u>\$ 11,109</u>	<u>\$ 13,659</u>
<u>Non-current</u>		
Refundable deposits	\$ 763	\$ 1,686
Other financial assets (Note 2)	<u>1,000</u>	<u>1,000</u>
	<u>\$ 1,763</u>	<u>\$ 2,686</u>

Note 1. Due to poor sales of the online games that the Company distributes, the Company expects to reduce the future economic benefits of the prepayments for the original games. Therefore, the Company recognized impairment losses of NT\$6,377 thousand and NT\$13,679 thousand, respectively, for 2022 and 2021. The Company adopts the use value as the recoverable amount of this prepayment at a discount rate of 2.2274% and 1.0357%, respectively. The impairment loss is recognized in operating cost in the parent company only statements of comprehensive Income.

Note 2. Other financial assets are demand deposits provided to guarantee banks as collateral as commercial credit card guarantees. Please refer to Note 28.

XVI. Notes payable and accounts payable

The period for the Company to pay royalties and installments is set between 30 to 60 days. The Company has established financial risk management policies to ensure that all payables are paid within the pre-agreed credit terms.

XVII. Other liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current</u>		
Other payables		
Salaries and bonus payable	\$ 6,007	\$ 10,979
Advertising fee payable	6,758	11,181
Service fee payable	845	881
Insurance premium payable	583	822
Others (pension and business tax)	<u>1,114</u>	<u>1,810</u>
	<u>\$ 15,307</u>	<u>\$ 25,673</u>
Other liabilities		
Other receipts (temporary receipts and cash collected for clients)	<u>\$ 494</u>	<u>\$ 411</u>
<u>Non-current</u>		
Guarantee deposits	<u>\$ 200</u>	<u>\$ 200</u>

XVIII. Post-employment benefits plans

Defined contribution plans

Under the plan, 6% of employees' monthly salary is contributed as pension each month by the Company to employees' personal accounts set up by the government of the Bureau of Labor Insurance.

XIX. Equity

(I) Share capital

Ordinary shares

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Number of shares authorized (thousand shares)	<u>160,000</u>	<u>160,000</u>
Authorized share capital	<u>\$ 1,600,000</u>	<u>\$ 1,600,000</u>
Number of shares issued and fully paid (thousand shares)	<u>22,274</u>	<u>19,369</u>
Amount of shares issued	<u>\$ 222,748</u>	<u>\$ 193,694</u>

The resolution of the Company's Board of Directors on August 12, 2021 approved the proposal of private placement for capital increase by cash approved at the extraordinary meeting of shareholders on October 23, 2020. The remaining unraised quota of 4,048 thousand shares had expired on October 22, 2021 which was not planned to continue to raise.

According to the resolution of the shareholders' meeting on June 23, 2022, the Company issued 2,905 thousand new shares with the capital increase of NT\$29,054 thousand from the undistributed earnings. The par value of each share is NT\$10, and the paid-in share capital after capital increase is NT\$222,748 thousand. The above case of capital increase from earnings was approved by the Securities and Futures Bureau of the FSC on July 29, 2022. According to the resolution of the Board of Directors, September 5, 2022 is the base date for capital increase, and the change registration has been completed on September 8, 2022.

(II) Capital surplus

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>May be used to offset a</u> <u>deficit, distributed as cash</u> <u>dividends, or transferred to</u> <u>share capital</u>		
Premium of shares issued	<u>\$ 29,199</u>	<u>\$ 29,199</u>

Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends (up to a certain percentage of the Company's paid-in capital once a year).

(III) Retained earnings and dividend policy

Under the surplus distribution policy as set forth in the Company's Articles of Incorporation, provided that the Company has net profit for the current year, it shall be first used to pay income taxes and make up for any accumulated losses, and then set aside 10% as a statutory surplus reserve. Any excessive balance may be reserved or transferred to be a special surplus reserve pursuant to relevant laws. Any remaining balance in retained earnings may be appropriated as dividends in accordance with a proposal for profit distribution as approved by the Board of Directors and submit it to the shareholders' meeting for distribution of shareholder dividends. The Company may authorize the Board of Directors to distribute all or part of the dividends and bonuses payable in cash with the attendance of more than two-thirds of the directors and the resolution of more than half of the directors present, and report to the latest shareholders' meeting. When there is no loss, the Company may authorize the Board of Directors to distribute all or part of the statutory surplus reserve (more than 25% of the paid-in capital) and the capital reserve in compliance with the Company Act in cash with the attendance of more

than two-thirds of the directors and the resolution of more than half of the directors present, and report to the latest shareholders' meeting. For the distribution policy for employees' compensation and remuneration of directors to Note 21 (8): Remunerations for Employees, Directors and Supervisors.

The Company needs to set aside an amount as legal reserve unless where such legal reserve amounts to the amount of total authorized capital. The legal reserve may be used to offset deficit, When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

The Company's regular meetings of shareholders held on August 4, 2021 passed the following proposals for loss offsetting for 2020:

	2020
Compensation for deficit from paid-in capital reserve	<u>\$ 12,491</u>

The Company's surplus distribution proposal for the year 2021 as follows:

	2021
Statutory surplus reserve	<u>\$ 9,294</u>
Cash dividends	<u>\$ 38,739</u>
Share dividends	<u>\$ 29,054</u>
Cash dividend per share (NT\$)	\$ 2
Stock dividend per share (NT\$)	\$ 1.5

The above-mentioned cash dividend was resolved by the Board of Directors on March 24, 2022 to distribute, and the remaining earnings distribution items were also resolved at the regular shareholders' meeting held on June 23, 2022.

On March 27, 2023, the Board of Directors of the Company planned a resolution on the surplus distribution proposal for the year 2022 as follows:

	2022
Statutory surplus reserve	<u>\$ 3,664</u>
Cash dividends	<u>\$ 13,365</u>
Stock dividends	<u>\$ 13,365</u>
Cash dividend per share (NT\$)	\$ 0.6
Stock dividend per share (NT\$)	\$ 0.6

The above-mentioned cash dividend was resolved by the Board of Directors to distribute, and the rest will be resolved by the shareholders' meeting held on June 21, 2023.

XX. Revenue

	<u>2022</u>	<u>2021</u>
Revenue from Contracts with Customers		
Online Games and Digital Content	\$ 146,323	\$ 242,568
Labor income	515	5,502
Royalty income	-	103
Other income	<u>428</u>	<u>191</u>
	<u>\$ 147,266</u>	<u>\$ 248,364</u>

(I) Contract balance

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable (Note 9)	<u>\$ 18,109</u>	<u>\$ 41,908</u>
Contract liabilities		
Online Games and Digital Content	<u>\$ 6,594</u>	<u>\$ 14,804</u>

(II) Disaggregation of contract revenue

<u>Product Category</u>	<u>2022</u>	<u>2021</u>
Artwork design services (Note 27)	\$ 104,049	\$ 187,562
Computer games	21,229	18,586
Mobile Games	21,045	36,522
Labor income - art design project income (Note 27)	445	1,071
Labor income - others (Note 27)	70	4,432
Others	<u>428</u>	<u>191</u>
	<u>\$ 147,266</u>	<u>\$ 248,364</u>

(III) Partially completed contracts

For partially completed contracts, the transaction prices and the expected timing for the recognition of revenue are as follows.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Rewarding points for purchasing virtual products		
- redeemed before 2022	\$ -	\$ 2,231
- redeemed before 2023	2,063	-

XXI. Net profit for the year

(I) Interest Income

	<u>2022</u>	<u>2021</u>
Cash in banks	\$ 484	\$ 37
Financial assets at amortized cost	886	165
Imputed interest on deposits	<u>8</u>	<u>14</u>
	<u>\$ 1,378</u>	<u>\$ 216</u>

(II) Other income

	<u>2022</u>	<u>2021</u>
Rental income	\$ 1,203	\$ 1,204
Written off income from overdue accounts payable	-	19
Other income	<u>394</u>	<u>210</u>
	<u>\$ 1,597</u>	<u>\$ 1,433</u>

(III) Other gains and losses

	<u>2022</u>	<u>2021</u>
Gains on financial assets and financial liabilities		
Financial assets mandatorily measured at FVTPL	\$ 1,748	\$ 379
Gain on disposal of property, plant and equipment	12	5
Foreign currency exchange gain (loss), net	<u>9,458</u>	(<u>2,238</u>)
	<u>\$ 11,218</u>	(<u>\$ 1,854</u>)

(IV) Finance costs

	<u>2022</u>	<u>2021</u>
Interest on bank borrowings	\$ -	\$ 164
Interest on lease liabilities	94	111
Imputed interest on deposits	<u>2</u>	<u>-</u>
	<u>\$ 96</u>	<u>\$ 275</u>

(V)	Impairment loss		
		<u>2022</u>	<u>2021</u>
	Prepayments (included in operating costs)	<u>\$ 6,377</u>	<u>\$ 13,679</u>
(VI)	Depreciation and amortization		
		<u>2022</u>	<u>2021</u>
	Depreciation expenses summarized by function		
	Operating costs	\$ 231	\$ 375
	Operating expenses	<u>6,974</u>	<u>9,570</u>
		<u>\$ 7,205</u>	<u>\$ 9,945</u>
	Amortization summarized by function		
	Operating costs	\$ 3,891	\$ 1,968
	Operating expenses	<u>1,075</u>	<u>1,646</u>
		<u>\$ 4,966</u>	<u>\$ 3,614</u>
(VII)	Employee benefit expenses		
		<u>2022</u>	<u>2021</u>
	Short-term employee benefits	\$ 46,747	\$ 58,383
	Post-employment benefits		
	Defined contribution plans	<u>2,050</u>	<u>2,438</u>
	Total employee benefit expenses	<u>\$ 48,797</u>	<u>\$ 60,821</u>
	Summarized by functions		
	Operating costs	\$ 9,658	\$ 14,870
	Operating expenses	<u>39,139</u>	<u>45,951</u>
		<u>\$ 48,797</u>	<u>\$ 60,821</u>

(VIII) Employees' compensation and remuneration of directors

According to the Company's articles of Incorporation, the Company shall pay the employees' compensation and remuneration of directors at not less than 1% and not more than 3%, respectively, of the pre-tax benefits before deducting of the remuneration and the compensation in the current year. The employees' compensation and remuneration of directors for 2022 and 2021, which have been approved by the Company's board of directors on March 27, 2023 and March 24, 2022, respectively, were as follows:

Accrual rate

	<u>2022</u>	<u>2021</u>
Employees' compensation	1.005%	1%
Remuneration of Directors	1.005%	0.45%

Amount

	<u>2022</u>	<u>2021</u>
Employees' compensation	<u>\$ 378</u>	<u>\$ 943</u>
Remuneration of Directors	<u>\$ 378</u>	<u>\$ 424</u>

If there is a change in the amounts after the annual parent company only financial statements are authorized for issue, the differences should be recorded as a change in the accounting estimate in the following year.

There was no difference between the actual amounts of employees' compensation and remuneration of directors for 2021 and 2020 paid and the amounts recognized in the parent company only financial statements for 2021 and 2020.

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

(IX) Foreign currency exchange gain (loss)

	<u>2022</u>	<u>2021</u>
Total foreign currency exchange gain	\$ 15,302	\$ 1,850
Total foreign currency exchange loss	(<u>5,844</u>)	(<u>4,088</u>)
Net gain (loss)	<u>\$ 9,458</u>	(<u>\$ 2,238</u>)

XXII. Income tax

(I) Main composition of income tax expenses recognized in profit or loss

The major components of income tax expense were as follows:

	<u>2022</u>	<u>2021</u>
Current tax		
In respect of the current year	\$ -	\$ -
Surtax on undistributed earnings	<u>179</u>	<u>-</u>
Income tax expense recognized in profit or loss	<u>\$ 179</u>	<u>\$ -</u>

The adjustment of accounting income and income tax expenses is as follows:

	<u>2022</u>	<u>2021</u>
Net profit before tax	\$ <u>36,821</u>	\$ <u>92,944</u>
Income tax expenses from net profit before tax calculated by legal tax rate	\$ 7,365	\$ 18,589
Non-deductible expenses	1,785	348
Surtax on undistributed earnings	179	-
Unrecognized loss carryforwards	(7,736)	(19,400)
Unrecognized deductible temporary difference	(<u>1,414</u>)	<u>463</u>
Income tax expense recognized in profit or loss	\$ <u>179</u>	\$ <u>-</u>

(II) Current income tax assets and liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current tax assets		
Tax refund receivable	\$ <u>190</u>	\$ <u>197</u>
Current income tax liabilities		
Income tax payable	\$ <u>118</u>	\$ <u>-</u>

(III) Deductible temporary differences and unused loss deductions that are not recognized as deferred tax assets in the Parent Company Only Balance Sheets.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Loss carryforwards		
Expired in 2024	\$ 181,990	\$ 169,698
Expired in 2025	193,377	193,377
Expired in 2026	132,692	132,692
Expired in 2027	96,534	96,534
Expired in 2028	44,622	95,870
Expired in 2029	<u>25,918</u>	<u>25,918</u>
	<u>\$ 675,133</u>	<u>\$ 714,089</u>
Deductible temporary differences	<u>\$ 111,120</u>	<u>\$ 117,240</u>

(IV) Verification of income tax

The tax returns filed by the Company have been assessed by the tax authorities for the fiscal year 2020 and heretofore.

XXIII. Earnings Per Share

	Unit: NT\$ Per Share	
	2022	2021
Basic earnings per share	<u>\$ 1.65</u>	<u>\$ 4.17</u>
Diluted earnings per share	<u>\$ 1.64</u>	<u>\$ 4.17</u>

For the earnings per share computation, it was adjusted retroactively for the issuance of bonus shares, for which the record date was set on September 5, 2022. Changes in the basic and diluted earnings per share adjusted retrospectively for 2021 were as follows:

	Unit: NT\$ Per Share	
	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earnings per share	<u>\$ 4.80</u>	<u>\$ 4.17</u>
Diluted earnings per share	<u>\$ 4.80</u>	<u>\$ 4.17</u>

The weighted average of ordinary shares and net profits used for calculating earnings per share are as follows:

Net profit for the year

	2022	2021
Net profit used for calculating basic earnings per share	<u>\$ 36,642</u>	<u>\$ 92,944</u>
Net profit used for calculating diluted earnings per share	<u>\$ 36,642</u>	<u>\$ 92,944</u>

Number of shares

	Unit: thousand shares	
	2022	2021
Weighted average of ordinary shares used for calculating basic earnings per share	22,274	22,274
Effect of potentially dilutive ordinary shares:		
Employees' compensation	<u>4</u>	<u>8</u>
Weighted average of ordinary shares used for calculating diluted earnings per share	<u>22,278</u>	<u>22,282</u>

If the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation or bonus will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares should be included in the calculation of diluted EPS until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

XXIV. Cash Flow Information

(I) Non-cash transactions

For the Year Ended December 31, 2022 and 2021, the Company conducted the following investments and financing activities in non-cash transactions:

1. The Company acquired the computer software with a fair value of NT\$10,965 thousand in 2022, the notes payable decreased by NT\$164 thousand, the other payables decreased by NT\$577 thousand, and the cash payment for the acquisition of intangible assets amounted to NT\$11,706 thousand (see Note 14).
2. The Company acquired the computer software with a fair value of NT\$7,973 thousand in 2021, the notes payable decreased by NT\$134 thousand, the other payables decreased by NT\$577 thousand, and the cash payment for the acquisition of intangible assets amounted to NT\$7,530 thousand (see Note 14).

(II) Changes in liabilities from financing activities

2022

	January 1, 2022	Cash flow	Non-cash flow		Interest payments	December 31, 2022
			New Leases	Interest expense		
Lease liabilities	\$ 11,873	(\$ 5,011)	\$ 2,742	\$ 94	(\$ 94)	\$ 9,604

2021

	January 1, 2021	Cash flow	Non-cash flow		Interest payments	December 31, 2021
			New Leases	Interest expense		
Lease liabilities	\$ 5,524	(\$ 8,356)	\$ 14,705	\$ 111	(\$ 111)	\$ 11,873

XXV. Capital Risk Management

The Company manages its capital to ensure that entities in the Company will be able to continue their operations while maximizing the return to stakeholders through the optimization of the debt and equity balance. The overall strategy of the Company has not changed since previous period.

The Company's capital structure consists of net debts (i.e., borrowings less cash and cash equivalents) and equities (i.e. share capital, capital reserve, and retained earnings).

The management of the Company periodically reassesses its capital structure and its inspections include assessment of various costs of capital and related risks. Based on recommendations of the key management, the Company will balance its overall capital structure through the issue of new shares and the issue of new debt or the redemption of old debts.

XXVI. Financial instruments

(I) Fair value information - financial instruments not measured at fair value

The Company does not have any financial assets and financial liabilities that are subject to significant difference with fair value.

(II) Fair value of financial instruments measured at fair value on a recurring basis

1. Levels of Fair value measurement

December 31, 2022: None.

December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through profit or loss</u>				
Structured deposits	\$ -	\$ 21,654	\$ -	\$ 21,654

There were no transfers between Levels 1 and 2 fair value measurement for 2022 and 2021.

2. Valuation technique and input measure at Level 2 fair value

<u>Categories of financial instruments</u>	<u>Valuation techniques and inputs</u>
Structured deposits	Discounted cash flow: Estimate future cash flows based on contracts and statements at the end of the period, and discounted at a discount rate that can reflect the credit risk of each counterparty.

(III) Classification of financial instruments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Measured at fair value through profit or loss		
Mandatorily measured at fair value through profit or loss	\$ -	\$ 21,654
Financial assets at amortized cost (Note 1)	202,446	222,635
<u>Financial liabilities</u>		
Measured at amortized cost (Note 2)	18,749	45,931

Note 1. The balances include cash and cash equivalents, accounts receivable, other receivables, refundable deposits, and other financial assets, which are measured at amortized cost.

Note 2. The balances include financial liabilities at amortized costs such as notes payable, accounts payable, other payables, and guarantee deposits.

(IV) Objectives and policies of Financial risk management

The Company's financial instruments majorly consist of equity debt investments, accounts receivable, and accounts payable. The Company's financial management department provides service to the business units, coordinates domestic and international financial operations, prepares and analyzes internal risk reports to monitor and manage financial risks related to the operation of the Company. These risks include market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

1. Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign exchange rates (see (1) below) and the changes in interest rates (see (2) below).

There had been no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.

(1) Foreign currency risk

Bank deposits calculated in US dollars cause the Company exposed to changes in foreign currency exchange rates.

The Company's carrying amounts of monetary assets and monetary liabilities denominated in non-functional currency denominated at the balance sheet date are disclosed in Note 30.

Sensitivity Analysis

The Company is mainly exposed to USD fluctuations.

The following table details the Company's sensitivity to a 1% increase and decrease in the New Taiwan dollars (the functional currency) against the relevant foreign currencies. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only the outstanding monetary items stated in foreign currencies, and the translation of carrying amounts at year end is calculated based on the assumption that exchange rates is changed by 1%. The positive numbers in the table below indicate the amount that will increase the net loss before tax when the NTD depreciates by 1% relative to each relevant currency; when the NTD appreciates by 1% relative to each relevant foreign currency, its impact on the net loss before tax will be a negative amount of the same amount.

	Impact of USD	
	2022	2021
Profit (Loss)	\$ 904 (i)	\$ 732 (i)

- (i) The above profit or loss of the Company is mainly from the cash and cash equivalents and financial assets measured at amortized cost, calculated by USD, which are outstanding and not being hedged to cash flows risk at balance sheet date.

The Company's sensitivity to the exchange rate increased in the current year, mainly due to the addition of cash and cash equivalents in US dollars for the year.

(2) Interest rate risk

The interest rate risk of the Company mainly comes from the interest rate risk caused by floating rate borrowings.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates on the balance sheet date were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Interest rate risk related to fair value		
– Financial assets	\$ 70,633	\$ 66,432

Sensitivity Analysis

The sensitivity analysis below is prepared based on the risk exposure of derivative and non-derivative instruments to the interest rates on balance sheet date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the balance sheet date was outstanding throughout the year. The rate of change is expressed as the interest rate increases by 1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate

If the interest rate increases or decreases by 1%, when all other variables keep unchanged, the Company's net loss after tax for years 2022 and 2021 will have no impact.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. As at the balance sheet date, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to the failure to discharge an obligation by the counterparties and financial guarantees provided by the Company arises from the carrying amounts of the respective recognized financial assets as stated in the Parent Company Only Balance Sheets.

The Company does not have significant credit exposure to any single counterparty or any group of counterparties with similar characteristics, except for W Company, the Company's largest customer. The Company's credit risks are concentrated on the biggest client, W company, and the ratio of total account receivables from the above-mentioned client as of December 31, 2022 and 2021 were 87.59% and 51.00%, respectively.

3. Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. The Company's management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

Bank loans are an important source of liquidity for the Company. The unused financing limit of the Company as at December 31, 2022 and 2021 are described in (2) Financing Limit below.

(1) Liquidity of non-derivative financial liabilities and the interest risk table

Non-derivative financial liabilities remaining contract maturity analysis is prepared in accordance with the earliest payment date expected of the Company and the undiscounted cash flows (including principal and accrued interest) of financial liabilities. Therefore, the Company may be required to immediately repay the bank loan is illustrated in the following table without considering the probability that the bank may immediately exercise such right. The other non-derivative financial liabilities maturity analysis is prepared in accordance with the agreed repayment date.

The interest flows are floating rate, in which the undiscounted amount was derived from the expected borrowing interest rate at the balance sheet date.

December 31, 2022

	Repayment on demand or less than 1 months	1~3 months	3 months~1 year	1~5 years	Over 5 years
Zero-interest-bearing liabilities	\$ 14,148	\$ 384	\$ 4,017	\$ -	\$ -
Lease liabilities	<u>482</u>	<u>966</u>	<u>4,370</u>	<u>3,786</u>	<u>-</u>
	<u>\$ 14,630</u>	<u>\$ 1,350</u>	<u>\$ 8,387</u>	<u>\$ 3,786</u>	<u>\$ -</u>

Further information on the maturity analysis of lease liabilities is listed as follows:

	Within 1 year	1~5 years
Lease liabilities	<u>\$ 5,818</u>	<u>\$ 3,786</u>

December 31, 2021

	Repayment on demand or less than 1 months	1~3 months	3 months~1 year	1~5 years	Over 5 years
Zero-interest-bearing liabilities	\$ 38,904	\$ 289	\$ 6,538	\$ -	\$ -
Lease liabilities	<u>469</u>	<u>875</u>	<u>3,666</u>	<u>6,863</u>	<u>-</u>
	<u>\$ 39,373</u>	<u>\$ 1,164</u>	<u>\$ 10,204</u>	<u>\$ 6,863</u>	<u>\$ -</u>

Further information on the maturity analysis of lease liabilities is listed as follows:

	<u>Within 1 year</u>	<u>1~5 years</u>
Lease liabilities	<u>\$ 5,010</u>	<u>\$ 6,863</u>

(2) Line of credit

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Credit line of secured bank loans (to be extended with agreement between two parties)		
– Loan quota used	\$ -	\$ -
– Loan quota not yet used	<u>145,000</u>	<u>175,000</u>
	<u>\$ 145,000</u>	<u>\$175,000</u>

XXVII. Related-Party Transactions

Except as disclosed in other notes, the Company had the following transactions with related parties.

(I) Related parties' name and relationships

<u>Name of related party</u>	<u>Relations with the Company</u>
Wanin International Co., Ltd.	Substantive related party
XAC Inc.	Substantive related party

(II) Operating revenue

<u>Accounting items</u>	<u>Type of related party/name</u>	<u>2022</u>	<u>2021</u>
Artwork design services	Wanin International Co., Ltd.	\$ 104,049	\$ 187,562
Labor income	Wanin International Co., Ltd.	70	4,432
	XAC Inc.	445	-
Others	Wanin International Co., Ltd.	<u>28</u>	<u>190</u>
		<u>\$ 104,592</u>	<u>\$ 192,184</u>

The Company is responsible for artwork, music, and sound effects. During the contract period, the Company shall provide promotional material for the game, including but not limited to graphics, music and video materials, to meet the needs of the game promotion. The artwork design revenue collected by the Company from the related parties is calculated based on the total rewarding points consumed during the month in the new games to receive shared revenues, and the sharing rate is 30%.

(III) Purchase

<u>Type of related party/name</u>	<u>2022</u>	<u>2021</u>
Wanin International Co., Ltd.	\$ <u>5</u>	\$ <u>-</u>

(IV) Receivables from related parties (excluding loans to related parties)

<u>Accounting items</u>	<u>Type of related party/name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable - related parties	Wanin International Co., Ltd.	\$ <u>15,862</u>	\$ <u>21,372</u>

The outstanding amount of receivables - related parties is not guaranteed. No provision has been made for losses in relation to accounts receivable from the related party for 2022 and 2021.

(V) Accounts payable - related parties (excluding loans from related parties)

<u>Accounting items</u>	<u>Type of related party/name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts payable - related parties	Wanin International Co., Ltd.	\$ <u>5</u>	\$ <u>-</u>

The outstanding amount of payables - related parties is not collateralized.

(VI) Other payables

<u>Type of related party/name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Wanin International Co., Ltd.	\$ <u>280</u>	\$ <u>136</u>

(VII) Prepayments

<u>Type of related party/name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Wanin International Co., Ltd.	\$ <u>465</u>	\$ <u>931</u>

(VIII) Lease agreements as a lessee

<u>Type of related party/name</u>		<u>2022</u>	<u>2021</u>
<u>Acquisition of right-of-use assets</u>			
Wanin International Co., Ltd.		\$ <u>-</u>	\$ <u>14,705</u>
<u>Accounting items</u>	<u>Type of related party/name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Lease liabilities	Wanin International Co., Ltd.	\$ <u>6,863</u>	\$ <u>11,745</u>
<u>Type of related party/name</u>		<u>2022</u>	<u>2021</u>
<u>Interest expense</u>			
Wanin International Co., Ltd.		\$ <u>94</u>	\$ <u>82</u>
<u>Lease expenses</u>			
Wanin International Co., Ltd.		\$ <u>4,976</u>	\$ <u>3,042</u>

In May 2021, the Company leased an office from a related party for a period of 3 years. The rent is based on the rent level of neighboring offices, and fixed lease payments are paid monthly in accordance with the lease.

(IX) Other Related Party Transactions

<u>Accounting items</u>	<u>Type of related party/name</u>	<u>2022</u>	<u>2021</u>
Operating expenses – advertising fee	Wanin International Co., Ltd.	\$ <u>214</u>	\$ <u>190</u>
Operating expenses - miscellaneous	Wanin International Co., Ltd.	\$ <u>706</u>	\$ <u>671</u>
Operating expenses - contests and prizes	Wanin International Co., Ltd.	\$ <u>95</u>	\$ <u>-</u>
Other interest income	Wanin International Co., Ltd.	\$ <u>5</u>	\$ <u>2</u>
Labor costs (accounting for operating costs)	Wanin International Co., Ltd.	\$ <u>-</u>	\$ <u>32</u>
<u>Accounting items</u>	<u>Type of related party/name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Refundable deposits	Wanin International Co., Ltd.	\$ <u>594</u>	\$ <u>594</u>

(X) Compensation to key management personnel

	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 9,519	\$ 8,394
Post-employment benefits	<u>180</u>	<u>147</u>
	<u>\$ 9,699</u>	<u>\$ 8,541</u>

The compensation to directors and other key management is determined by the Remuneration Committee based on personal performance and market trends.

XXVIII. Pledged Assets

The following assets were pledged as collateral for financing loans:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Land	\$ 49,051	\$ 49,051
Investment properties	15,157	15,775
Other financial assets - non-current	<u>1,000</u>	<u>1,000</u>
	<u>\$ 65,208</u>	<u>\$ 65,826</u>

XXIX. Significant Contingent Liabilities and Unrecognized Commitments

The significant commitments and contingencies of the Company at the balance sheet date are disclosed in other notes.

XXX. Information on Foreign Currency Assets and Liabilities with Significant Impact

The following information was aggregated by the foreign currencies other than functional currencies of the Company and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant impact on financial assets and liabilities recognized in foreign currencies are described as follows:

December 31, 2022

	<u>Foreign currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 2,943	30.71	\$ 90,390

December 31, 2021

	<u>Foreign currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 2,643	27.68	\$ 73,158

The Company's foreign currency exchange gain (loss) (realized and unrealized) for 2022 and 2021 were a gain of NT\$9,458 thousand and a loss of NT\$2,238 thousand, respectively.

XXXI. Supplementary Disclosure

(I) Information on Significant Transactions :

1. Loaning Funds to Others. (None)
2. Endorsements/guarantees provided to others (None)
3. Marketable securities held at the end of year (excluding investments in subsidiaries, associates and joint ventures) (Table 1)
4. Accumulated purchase or disposal of the same securities amount reaching NT\$300 million or 20% of the paid-in capital. (None)
5. Acquisition of Real Estate at Cost in Excess of NT\$300 Million or 20% of the Paid-in Capital. (None)
6. Disposal of Real Estate at Cost in Excess of NT\$300 Million or 20% of the Paid-in Capital. (None)
7. The amount of purchase and sales with the related parties amounts to NT\$100 million or more than 20% of the paid-up capital. (Table 3)
8. Accounts receivable from related parties reaching NT\$100 million or 20% of its paid-in capital. (None)
9. Derivative financial instrument transactions (Notes 7 and 26)

(II) Information on Investees. (Table 2)

(III) Information on Investments in Mainland China:

1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (None)
2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)
 - (1) Purchase amount and percentage, and the ending balance and percentage of payables.

- (2) Sales amount and percentage, and the ending balance and percentage of receivables.
 - (3) Property transaction amount and the resulting gain or loss.
 - (4) Ending balance of endorsement, guarantee or collateral provided and purposes.
 - (5) The maximum balance, ending balance, interest rate range and total amount of current interest of financing.
 - (6) Other transactions having a significant impact on profit or loss or financial status of the period, such as providing or receiving services.
- (IV) Information on major shareholders: Names of shareholders with a shareholding ratio of 5% or more and the amount and proportion of shareholding. (Table 4)

Wayi International Digital Entertainment Co., Ltd. and its Subsidiaries

Marketable Securities Held at the End of the Period

December 31, 2022

Table 1

Unit: NT\$1,000

Investor	Type and Name of Marketable Securities (Note 1)	Relationship with the issuer	General ledger account	End of the period				Remarks
				Number of shares	Carrying Amount	Shareholding (%)	Fair value	
Wayi International Digital Entertainment Co., Ltd.	<u>Shares</u> Digital Game Integrated Marketing Co., Ltd.	None	The financial asset in other comprehensive income profit and loss measured at fair value - non-current	14,286	\$ -	1.19	\$ -	
	Gamemag. Co., Ltd.	None	The financial asset in other comprehensive income profit and loss measured at fair value - non-current	460,000	\$ -	4.00	\$ -	
	Taiwan eSports League Co., Ltd.	None	The financial asset in other comprehensive income profit and loss measured at fair value - non-current	23,943	\$ -	0.34	\$ -	

Note 1. Securities in the table refer to stocks, bonds, beneficiary certificates, and other related derivative securities, within the scope of International Financial Reporting Standard No. 9 "Financial Instruments".

Note 2. For the information on investments in subsidiaries, associates and joint ventures, please refer to Table 2.

Wayi International Digital Entertainment Co., Ltd. and its Subsidiaries
Names, locations and related information of investees over which the Company exercised significant influence
From January 1 to December 31, 2022

Table 2

Unit: NT\$1,000; USD

Investor Company	Name of the invested company	Location	Principal business activities	Initial investment amount		Held at the end of the reporting period			Net income (loss) of the investee	Share of profit/loss of investee	Remarks
				Balance as of the end of this period	Balance as of the end of last year	Number of shares	Percentage	Carrying Amount			
Wayi International Digital Entertainment Co., Ltd.	WAYI Softmagic Investment (Asia) Ltd.	Caribbean Corporate Service Limited, 3Floor, Omar Hodge Building, Wickhams Cay I, P.O. Box 362. Road Town. Tortola, British Virgin Islands.	Investment	\$ 20,216 USD 599,555	\$ 20,216 USD 599,555	-	100	\$ 31,761	\$ 2,948	\$ 2,948	Note 1
	DIT Startup Co. Ltd.	5/F, No. 39, Lane 141, Xingai Road, Neihu District, Taipei	Venture Capital Investment	30,000	30,000	1,296,774	11	7,457	(9,857)	(1,057)	Note 2
WAYI Softmagic Investment (Asia) Ltd.	WAYI Softmagic Investment (Cayman) Ltd.	Harbour Trust Co., Ltd. P.O. Box 1787. Second Floor. One Capital Place, George Town. Grand Cayman, Cayman Islands. British West. Indies.	Investment	1,690 USD 50,000	1,690 USD 50,000	-	100	2,220	(24)	(24)	Note 1

Note 1. the calculation is based on the audited financial statements in 2022.

Note 2. the calculation is based on the unaudited financial statements in 2022.

Wayi International Digital Entertainment Co., Ltd. and its Subsidiaries
Amount of purchases from and sales to related parties reaching NT\$100 million or 20% of its paid-in capital
From January 1 to December 31, 2022

Table 3

Unit: NT\$1,000 unless otherwise stated

Buyer/Seller	Name of the counterparty	Relationship	Transaction details				Unusual trade conditions status and reasons (Note 1)		Notes/Accounts Receivable (Payable)		Remark (Note 2)
			Purchase (Sales)	Amount	Ratio of total purchase (sales)	Loan period	Unit price	Loan period	Balance	Ratio to Total Notes or Trade Receivable (payable)	
Wayi International Digital Entertainment Co., Ltd.	Wanin International Co., Ltd.	Substantive related party	Sales	\$ 104,147	70.72	45 days	Based on the total deposit value consumption point of the month as a calculation basis, 30% will be charged	-	\$ 15,862	87.59	-

Note 1. if the transaction conditions of the related parties are different from the general transaction conditions, the situation and reasons of the differences shall be stated in the column of unit price and credit granting period.

Note 2. in case of advance payment (receipt), the reasons, contractual terms, amount and difference from the general transaction shall be stated in the remarks column.

Wayi International Digital Entertainment Co., Ltd. and its Subsidiaries
Information of Major Shareholders
December 31, 2022

Table 4

Name of Major Shareholders	Shares	
	Number of shares held	Shareholding Ratio
Wanin International Co., Ltd.	6,844,800	30.72%
Given Business Inc.	4,540,752	20.38%
KGI Bank in Custody for the investment account of Tilun International Development Co. Ltd.	1,715,653	7.70%
HUANG-HSIN Investment Limited	1,261,320	5.66%
Qiao Yi Development Corporate Limited Taiwan Branch (Belize)	1,129,209	5.06%

Note: The major shareholder information in this table is based on Taiwan Depository & Clearing Corporation's data of shareholders who hold more than 5% of the Company's ordinary shares and preferred stock (including treasury shares), for which electronic registration and delivery were completed, on the last business day of the quarter. Share capital indicated in the Company's parent company only financial statements may differ from the actual number of shares that have been issued and delivered without physical registration as a result of different basis of preparation.

**WAYI INTERNATIONAL DIGITAL
ENTERTAINMENT CO., LTD.**

Chairman Shih, Shu-Kai