

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

Consolidated Financial Statements and  
Independent Auditors' Report

For the Three Months Ended March 31, 2023 and 2022

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**Notice to Reader:**

For the convenience of readers, this report has been translated into English from the original Chinese version, prepared and used in the Republic of China. The English version has not been audited or reviewed by independent auditors. If there are any discrepancies between the English version and the original Chinese version, or any difference in the interpretation of the two versions, the Chinese-language report shall prevail.

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## **Independent Auditors' Report**

To Wayi International Digital Entertainment Co., Ltd.,

### **Introduction**

We have reviewed the consolidated balance sheets as of March 31, 2023 and 2022, 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) for the three months ended March 31, 2023 and 2022 of Wayi International Digital Entertainment Co., Ltd. and its subsidiary ("Wayi Group"). It is the management's responsibility to prepare financial statements that fairly present the Group's consolidated financial position in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard (IAS) 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission (FSC). Our responsibility is to draw conclusions on the consolidated financial statements as per the review results.

### **Scope**

We conducted the review in accordance with the "Review of Financial Statements" of the Auditing Standard No. 2410. The procedures carried out in reviewing the consolidated financial statements include inquiry (mainly with the person in charge of financial and accounting affairs), analytical procedures, and other review procedures. The scope of a review is substantially smaller than that of an audit and therefore does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

According to our review results, we have not found any circumstances that the foregoing consolidated financial statements have not been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC, and as a result, are not a fair presentation of the Wayi Group's consolidated financial position as of March 31, 2023 and 2022 as well as consolidated financial performance, consolidated financial performance, and consolidated cash flows for the three months ended March 31, 2023 and 2022.

Deloitte & Touche  
CPA Rui-Quan Chi

CPAI-Lung Chou

Financial Supervisory Commission  
Approval Document  
NO. 1060023872

Securities and Futures Commission Approval  
Document  
NO. 0930128050

May 9, 2023

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

## Consolidated Balance Sheets

March 31, 2023, December 31, 2022, and March 31, 2022

Unit: NT\$1,000

Code	Assets	March 31, 2023 (reviewed)		December 31, 2022 (reviewed)		March 31, 2022 (reviewed)	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalent (Notes 6 and 27)	\$ 114,329	33	\$ 116,629	33	\$ 139,125	37
1136	Financial assets at amortized cost - current (Notes 8 and 27)	98,963	29	96,736	28	81,581	22
1170	Accounts receivable - non-related parties (Notes 9 and 27)	3,862	1	2,247	1	3,863	1
1180	Accounts receivable - related parties (Notes 9, 27 and 28)	16,118	5	15,862	5	20,515	5
1200	Other receivables (Notes 9 and 27)	1,363	-	765	-	142	-
1220	Current tax assets	12	-	190	-	190	-
130X	Inventories	130	-	130	-	130	-
1410	Prepayments (Note 16)	7,521	2	11,310	3	5,743	2
1479	Other current assets (Note 16)	96	-	4	-	158	-
11XX	Total current assets	<u>242,394</u>	<u>70</u>	<u>243,873</u>	<u>70</u>	<u>251,447</u>	<u>67</u>
	Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current (Notes 7 and 27)	-	-	-	-	23,326	6
1550	Investments accounted for using equity method (Note 11)	7,247	2	7,457	2	8,134	2
1600	Property, Plant and Equipment (Notes 12 and 29)	59,551	17	59,483	17	59,638	16
1755	Right-of-use assets (Note 13)	7,404	2	9,548	3	10,483	3
1760	Investment properties, net (Notes 14 and 29)	15,002	5	15,157	4	15,621	4
1780	Other intangible assets (Note 15)	10,141	3	12,018	3	5,385	2
1980	Other non-current assets (Notes 16, 27 and 29)	2,963	1	1,763	1	1,607	-
15XX	Total non-current assets	<u>102,308</u>	<u>30</u>	<u>105,426</u>	<u>30</u>	<u>124,194</u>	<u>33</u>
1XXX	Total Assets	<u>\$ 344,702</u>	<u>100</u>	<u>\$ 349,299</u>	<u>100</u>	<u>\$ 375,641</u>	<u>100</u>
	Liabilities and Equity						
	Current liabilities						
2130	Contract liabilities - current (Note 21)	\$ 6,781	2	\$ 6,594	2	\$ 15,352	4
2150	Notes payable (Notes 17 and 27)	831	-	931	-	1,883	1
2170	Accounts payable - non-related parties (Notes 17 and 27)	3,378	1	2,026	1	7,234	2
2180	Accounts payable - related parties (Notes 27 and 28)	6	-	5	-	-	-
2219	Other payables (Notes 18 and 27)	24,745	7	15,307	4	55,317	15
2220	Other payables - related parties (Notes 27 and 28)	271	-	280	-	131	-
2230	Current income tax liabilities	377	-	118	-	-	-
2280	Lease liability - current (Note 13)	5,314	1	5,818	2	4,894	1
2399	Other current liabilities (Note 18)	1,919	1	494	-	366	-
21XX	Total current liabilities	<u>43,622</u>	<u>12</u>	<u>31,573</u>	<u>9</u>	<u>85,177</u>	<u>23</u>
	Non-current liabilities						
2580	Lease liabilities - non-current (Note 13)	2,146	1	3,786	1	5,635	1
2670	Other non-current liabilities (Notes 18 and 27)	200	-	200	-	200	-
25XX	Total Non-current Liabilities	<u>2,346</u>	<u>1</u>	<u>3,986</u>	<u>1</u>	<u>5,835</u>	<u>1</u>
2XXX	Total Liabilities	<u>45,968</u>	<u>13</u>	<u>35,559</u>	<u>10</u>	<u>91,012</u>	<u>24</u>
	Equity attributable to owners of the Company (Note 20)						
3110	Ordinary shares	222,748	65	222,748	64	193,694	52
3200	Capital surplus	29,199	8	29,199	8	29,199	8
	Retained earnings						
3310	Statutory surplus reserve	9,294	3	9,294	3	-	-
3350	Undistributed earnings	37,493	11	52,499	15	61,736	16
3300	Total retained earnings	46,787	14	61,793	18	61,736	16
31XX	Total equity of owners of the Company	<u>298,734</u>	<u>87</u>	<u>313,740</u>	<u>90</u>	<u>284,629</u>	<u>76</u>
3XXX	Total Equity	<u>298,734</u>	<u>87</u>	<u>313,740</u>	<u>90</u>	<u>284,629</u>	<u>76</u>
	Total Liabilities and Equity	<u>\$ 344,702</u>	<u>100</u>	<u>\$ 349,299</u>	<u>100</u>	<u>\$ 375,641</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 March 31, 2023 and 2022

(Reviewed only; not audited as per the auditing standards)

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

Code		From January 1 to March 31, 2023		From January 1 to March 31, 2022	
		Amount	%	Amount	%
4000	Operating revenue (Notes 21 and 28)	\$ 30,588	100	\$ 48,294	100
5000	Operating costs (Notes 22 and 28)	( 12,122)	( 40)	( 21,310)	( 44)
5900	Gross profit	18,466	60	26,984	56
	Operating expenses (Notes 22 and 28)				
6100	Selling expenses	( 11,294)	( 37)	( 15,861)	( 33)
6200	General and administrative expenses	( 8,711)	( 28)	( 8,874)	( 18)
6300	Research and development expenses	-	-	( 221)	( 1)
6000	Total operating expenses	( 20,005)	( 65)	( 24,956)	( 52)
6900	Net operating profit (loss)	( 1,539)	( 5)	2,028	4
	Non-operating income and expenses				
7100	Interest income (Note 22)	1,119	4	66	-
7010	Other income (Note 22)	360	1	344	1
7020	Other gains and losses (Note 22)	( 1,029)	( 3)	5,502	12
7050	Financial costs (Note 22)	( 30)	-	( 29)	-
7060	Share of profits or losses of associates and joint ventures under equity method (Note 11)	( 210)	( 1)	( 380)	( 1)
7000	Total non-operating income and expenses	210	1	5,503	12
7900	Pre-tax income (loss)	( 1,329)	( 4)	7,531	16
7950	Income tax expense (Note 23)	( 312)	( 1)	-	-
8200	Current net income (loss)	( 1,641)	( 5)	7,531	16

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<u>Code</u>		<u>From January 1 to March 31, 2023</u>		<u>From January 1 to March 31, 2022</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
8500	Total comprehensive income for this period	( <u>\$ 1,641</u> )	( <u>5</u> )	<u>\$ 7,531</u>	<u>16</u>
	Net income (loss) attributable to				
8610	Owners of the Company	( <u>\$ 1,641</u> )	( <u>5</u> )	<u>\$ 7,531</u>	<u>16</u>
8620	Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8600		( <u>\$ 1,641</u> )	( <u>5</u> )	<u>\$ 7,531</u>	<u>16</u>
	Total Comprehensive Income				
	Attributable to				
8710	Owners of the Company	( <u>\$ 1,641</u> )	( <u>5</u> )	<u>\$ 7,531</u>	<u>16</u>
8720	Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8700		( <u>\$ 1,641</u> )	( <u>5</u> )	<u>\$ 7,531</u>	<u>16</u>
	Earnings (loss) per share (Note 24)				
9710	Basic	( <u>\$ 0.07</u> )		<u>\$ 0.34</u>	
9810	Diluted	( <u>\$ 0.07</u> )		<u>\$ 0.34</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 March 31, 2023 and 2022

(Reviewed only; not audited as per the auditing standards)

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 as of January 1, 2022	19,369	\$ 193,694	\$ 29,199	\$ -	\$ 92,944	\$ 315,837
B5	Appropriations and distribution of 2021 retained earnings: Cash dividends to shareholders of the Company	-	-	-	-	( 38,739)	( 38,739)
D1	Net income for the three months ended March 31, 2022	-	-	-	-	7,531	7,531
D5	Total comprehensive income/loss for the three months ended March 31, 2022	-	-	-	-	7,531	7,531
Z1	Balance on March 31, 2022	19,369	\$ 193,694	\$ 29,199	\$ -	\$ 61,736	\$ 284,629
A1	Balance as of January 1, 2023	22,274	\$ 222,748	\$ 29,199	\$ 9,294	\$ 52,499	\$ 313,740
B5	Appropriation and distribution of 2022 retained earnings Cash dividends to shareholders of the Company	-	-	-	-	( 13,365)	( 13,365)
D1	Net loss for the three months ended March 31, 2023	-	-	-	-	( 1,641)	( 1,641)
D5	Total comprehensive income/loss for the three months ended March 31, 2023	-	-	-	-	( 1,641)	( 1,641)
Z1	Balance on March 31, 2023	22,274	\$ 222,748	\$ 29,199	\$ 9,294	\$ 37,493	\$ 298,734

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 March 31, 2023 and 2022

(Reviewed only; not audited as per the auditing standards)

		Unit: NT\$1,000	
Code		From January 1 to March 31, 2023	From January 1 to March 31, 2022
	Cash flows from operating activities		
A10000	Pre-tax income (loss) for this period	(\$ 1,329)	\$ 7,531
A20010	Adjustments to reconcile net income (loss) to net		
A20100	Depreciation expenses	2,000	1,848
A20200	Amortization expenses	2,113	949
A20400	Gain on financial assets at fair value through profit or loss	-	( 1,672)
A20900	Finance costs	30	29
A21200	Interest Income	( 1,119)	( 66)
A22300	Share of the loss of associates and joint ventures under equity method	210	380
A23700	Impairment loss on non-financial assets	2,867	4,300
A29900	Lease modification gain	( 6)	-
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable - non-related parties	( 1,615)	16,673
A31160	Accounts receivable - related parties	( 256)	857
A31180	Other receivables	( 1)	( 35)
A31230	Prepayments	922	3,616
A31240	Other current assets	( 92)	29
A32125	Contract liabilities	187	548
A32130	Notes payable	( 230)	256
A32150	Accounts payable - non-related parties	1,352	( 11,055)
A32160	Accounts payable - related parties	1	-
A32180	Other payables	9,438	( 8,607)
A32990	Other payables - related parties	( 9)	( 5)
A32230	Other current liabilities	1,425	( 45)
A33000	Cash generated from operations	15,888	15,531
A33100	Interest received	522	25
A33300	Interest paid	( 1)	( 1)
A33500	Income tax received	125	7
AAAA	Net cash inflow from operating activities	16,534	15,562

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Code		From January 1 to March 31, 2023	From January 1 to March 31, 2022
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	(\$ 2,227)	\$ -
B00050	Disposal of financial assets at amortized cost	-	8,379
B02700	Acquisition of property, plant and equipment	( 416)	( 266)
B04500	Acquisition of intangible assets	( 236)	( 898)
B03800	Decrease in refundable deposits	-	1,079
B06500	Increase in other financial assets	( <u>1,200</u> )	<u>-</u>
BBBB	Net cash inflow (outflow) from investing activities	( <u>4,079</u> )	<u>8,294</u>
	Cash flows from financing activities		
C04020	Lease debt principal repayment	( 1,390)	( 1,372)
C04500	Cash dividends distributed	( <u>13,365</u> )	<u>-</u>
CCCC	Net cash outflow from financial activities	( <u>14,755</u> )	( <u>1,372</u> )
EEEE	Net increase (decrease) in cash and cash equivalents	( 2,300)	22,484
E00100	Opening balance of cash and cash equivalents	<u>116,629</u>	<u>116,641</u>
E00200	Ending balance of cash and cash equivalents	<u>\$ 114,329</u>	<u>\$ 139,125</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 March 31, 2023 and 2022

(Reviewed only; not audited as per the auditing standards)

(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. 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 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 May 9, 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) Standards issued by IASB but not yet endorsed by FSC

New, Amended, and Revised Standards and Interpretations	Effective Date Issued by I A S B ( N o t e 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" 1	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 have been prepared in accordance with the Regulations

Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. The consolidated financial statements do not contain all the information that needs to be disclosed in the annual financial statements as required by IFRSs.

##### (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) 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.

(IV) Other significant accounting policies

In addition to the information below, please refer to the summary of significant accounting policies in the 2022 consolidated financial statements.

Income tax expense

The income tax expense represents the sum of tax payable in the current period along with deferred tax. Income tax for the interim period is assessed on an annual basis and is calculated as per the interim pre-tax income at the tax rate applicable to the estimated total annual earnings.

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, when making significant accounting estimates, incorporated 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.

VI. Cash and Cash Equivalents

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	\$ 262	\$ 263	\$ 273
Checking and savings	114,067	116,366	130,264
Cash equivalents (investments with initial duration of less than 3 months)	-	-	8,588
	<u>\$ 114,329</u>	<u>\$ 116,629</u>	<u>\$ 139,125</u>

VII. Financial instruments at fair value through profit or loss

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets - non-current</u>			
Compulsory measurement of FVTPL			
Hybrid financial assets			
- structured deposits	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,326</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

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Domestic investment			
Bank time deposit with initial maturity date over 3 months	<u>\$ 98,963</u>	<u>\$ 96,736</u>	<u>\$ 81,581</u>

- (I) The interest rate ranges of time deposits with the initial maturity date over 3 months as of March 31, 2023, December 31, 2022, and March 31, 2022 were 4.70%-5.00%, 3.15%-5.00% and 0.21%-0.57% per annum, respectively.
- (II) Please refer to Note 29 for pledged financial assets measured at amortized cost.

IX. Accounts Receivable and Other Receivables

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Accounts receivable</u>			
measured at amortized cost			
Total carrying amount	\$ 19,980	\$ 18,109	\$ 24,378
Less: Allowance for loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 19,980</u>	<u>\$ 18,109</u>	<u>\$ 24,378</u>
<u>Other receivables</u>			
Receivable of certificate of			
deposit interest	\$ 1,340	\$ 743	\$ 101
Others	23	22	41
Less: Allowance for loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,363</u>	<u>\$ 765</u>	<u>\$ 142</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:

March 31, 2023

	Not Past Due	More than 270 days overdue	Total
Expected credit loss rate	-	100%	
Total carrying amount	\$ 19,980	\$ -	\$ 19,980
Allowance for losses (lifetime expected credit loss)	-	-	-
Amortized cost	<u>\$ 19,980</u>	<u>\$ -</u>	<u>\$ 19,980</u>

December 31, 2022

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

March 31, 2022

	Not Past Due	More than 270 days overdue	Total
Expected credit loss rate	-	100%	
Total carrying amount	\$ 24,378	\$ -	\$ 24,378
Allowance for losses (lifetime expected credit loss)	-	-	-
Amortized cost	<u>\$ 24,378</u>	<u>\$ -</u>	<u>\$ 24,378</u>

X. SubsidiariesSubsidiaries 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/spe cify details
			March 31, 2023	December 31, 2022	March 31, 2022	
The Company	WAYI-ASIA Company	Investment	100%	100%	100%	Note
WAYI-ASIA Company	WAYI-CAYMAN Company	Investment	100%	100%	100%	Note

Note: Its financial report for the same periods has been audited or reviewed by CPAs.

XI. Investment Accounted For Using the Equity MethodInvestments in associates

	March 31, 2023	December 31, 2022	March 31, 2022
Associates with significance:			
DIT Startup Co. Ltd.	<u>\$ 7,247</u>	<u>\$ 7,457</u>	<u>\$ 8,134</u>

Company Name	Percentage of Ownership and Votes		
	March 31, 2023	December 31, 2022	March 31, 2022
DIT Startup Co. Ltd.	11%	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 reviewed by CPAs. However, the Group's management believes that the aforementioned reviewed results will not cause a material impact.

## XII. Property, Plant and Equipment

	Land owned by the Group	Buildings and structures	Network devices	Facility equipment	Leasehold improvements	Transportation equipment	Other fixtures	Total
<u>Cost</u>								
Balance as of January 1, 2023	\$ 54,558	\$ 3,638	\$ 149,002	\$ 7,765	\$ 1,841	\$ 684	\$ -	\$ 217,488
Acquisition	-	-	20	322	204	-	-	546
Balance on March 31, 2023	\$ 54,558	\$ 3,638	\$ 149,022	\$ 8,087	\$ 2,045	\$ 684	\$ -	\$ 218,034
<u>Accumulated depreciation and impairment</u>								
Balance as of January 1, 2023	\$ -	\$ 1,233	\$ 148,879	\$ 6,322	\$ 887	\$ 684	\$ -	\$ 158,005
Depreciation expenses	-	30	54	199	195	-	-	478
Balance on March 31, 2023	\$ -	\$ 1,263	\$ 148,933	\$ 6,521	\$ 1,082	\$ 684	\$ -	\$ 158,483
Net amount on March 31, 2023	\$ 54,558	\$ 2,375	\$ 89	\$ 1,566	\$ 963	\$ -	\$ -	\$ 59,551
Net amount as at December 31, 2022 and January 1, 2023	\$ 54,558	\$ 2,405	\$ 123	\$ 1,443	\$ 954	\$ -	\$ -	\$ 59,483
<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	270	-	-	-	355
Balance on March 31, 2022	\$ 54,558	\$ 3,638	\$ 176,850	\$ 9,652	\$ 1,826	\$ 684	\$ 17	\$ 247,225
<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	-	31	57	91	165	-	-	344
Balance on March 31, 2022	\$ -	\$ 1,143	\$ 176,478	\$ 8,760	\$ 505	\$ 684	\$ 17	\$ 187,587
Net amount on March 31, 2022	\$ 54,558	\$ 2,495	\$ 372	\$ 892	\$ 1,321	\$ -	\$ -	\$ 59,638

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 6 years
Facility equipment	3 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>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Carrying amount of right-of-use asset			
Buildings	\$ 7,404	\$ 9,548	\$ 10,483
Transportation equipment	-	-	-
	<u>\$ 7,404</u>	<u>\$ 9,548</u>	<u>\$ 10,483</u>

	<u>From January 1 to March 31, 2023</u>	<u>From January 1 to March 31, 2022</u>
Depreciation expense of right-of-use assets		
Buildings	\$ 1,367	\$ 1,225
Transportation equipment	-	125
	<u>\$ 1,367</u>	<u>\$ 1,350</u>

Except for the depreciation expenses recognized, the Group did not have any significant sublease or impairment of the right-of-use assets during the three months ended March 31, 2023 and 2022.

#### (II) Lease liabilities

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Carrying amount of lease liability			
Current	<u>\$ 5,314</u>	<u>\$ 5,818</u>	<u>\$ 4,894</u>
Non-current	<u>\$ 2,146</u>	<u>\$ 3,786</u>	<u>\$ 5,635</u>

Range of discount rate for lease liabilities was as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Buildings	1.04%~2.23%	1.04%~2.23%	1.04%~1.73%
Transportation equipment	-	-	1.73%

(III) Important lease activities and terms

The Group has leased in the building and transport equipment for operating use for a period of three 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>From January 1 to March 31, 2023</u>	<u>From January 1 to March 31, 2022</u>
Short-term lease expense	<u>\$ 10</u>	<u>\$ 12</u>
Total cash (outflow) of leases	<u>(\$ 1,400)</u>	<u>(\$ 1,384)</u>

XIV. Investment properties

	<u>Completed investment properties</u>
<u>Cost</u>	
Balance as of January 1, 2023	<u>\$ 22,271</u>
Balance on March 31, 2023	<u>\$ 22,271</u>
<u>Accumulated depreciation and impairment</u>	
Balance as of January 1, 2023	\$ 7,114
Depreciation expenses	<u>155</u>
Balance on March 31, 2023	<u>\$ 7,269</u>
Net amount on March 31, 2023	<u>\$ 15,002</u>
Net amount as at December 31, 2022 and January 1, 2023	<u>\$ 15,157</u>
<u>Cost</u>	
Balance as of January 1, 2022	<u>\$ 22,271</u>
Balance on March 31, 2022	<u>\$ 22,271</u>
<u>Accumulated depreciation and impairment</u>	
Balance as of January 1, 2022	\$ 6,496
Depreciation expenses	<u>154</u>
Balance on March 31, 2022	<u>\$ 6,650</u>
Net amount on March 31, 2022	<u>\$ 15,621</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 properties at the end of the lease term.

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 properties on December 31, 2022 was NT\$104,294 thousand. As assessed by the Group's management, there was no significant change in the fair value on March 31, 2023 compared to December 31, 2022.

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>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Investment properties letting commitment	<u>\$ 630</u>	<u>\$ 945</u>	<u>\$ 1,890</u>

#### XV. Other Intangible Assets

	<u>Computer software</u>	<u>Software royalty</u>	<u>Total</u>
<u>Cost</u>			
Balance as of January 1, 2023	\$ 7,224	\$ 8,964	\$ 16,188
Acquisition	152	84	236
Disposition	( 309)	-	( 309)
Balance on March 31, 2023	<u>7,067</u>	<u>9,048</u>	<u>16,115</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2023	2,340	1,830	4,170
Amortization expenses	1,175	938	2,113
Disposition	( 309)	-	( 309)
Balance on March 31, 2023	<u>3,206</u>	<u>2,768</u>	<u>5,974</u>
Net amount on March 31, 2023	<u>\$ 3,861</u>	<u>\$ 6,280</u>	<u>\$ 10,141</u>
Net amount as at December 31, 2022 and January 1, 2023	<u>\$ 4,884</u>	<u>\$ 7,134</u>	<u>\$ 12,018</u>

<u>Cost</u>			
Balance as of January 1, 2022	\$ 3,753	\$ 2,797	\$ 6,550
Acquisition	<u>315</u>	<u>-</u>	<u>315</u>
Balance on March 31, 2022	<u>4,068</u>	<u>2,797</u>	<u>6,865</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2022	414	117	531
Amortization expenses	<u>599</u>	<u>350</u>	<u>949</u>
Balance on March 31, 2022	<u>1,013</u>	<u>467</u>	<u>1,480</u>
Net amount on March 31, 2022	<u>\$ 3,055</u>	<u>\$ 2,330</u>	<u>\$ 5,385</u>

Amortization expenses were calculated by straight-light 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:

	From January 1 to March 31, 2023	From January 1 to March 31, 2022
Operating costs	\$ 1,924	\$ 744
General and administrative expenses	<u>189</u>	<u>205</u>
	<u>\$ 2,113</u>	<u>\$ 949</u>

#### XVI. Other assets

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Prepayments (Note 1)	\$ 5,022	\$ 8,395	\$ 3,199
Deferred costs	588	644	804
Other prepayments	1,911	2,271	1,740
Others	<u>96</u>	<u>4</u>	<u>158</u>
	<u>\$ 7,617</u>	<u>\$ 11,314</u>	<u>\$ 5,901</u>
<u>Non-current</u>			
Refundable deposits	\$ 763	\$ 763	\$ 607
Other financial assets (Note 2)	<u>2,200</u>	<u>1,000</u>	<u>1,000</u>
	<u>\$ 2,963</u>	<u>\$ 1,763</u>	<u>\$ 1,607</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\$2,867 thousand and NT\$4,300 thousand for the three months ended March 31, 2023 and 2022, respectively. 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

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Other payables			
Salaries and bonus payable	\$ 1,621	\$ 6,007	\$ 6,522
Advertising fee payable	7,486	6,758	7,289
Service fee payable	957	845	933
Insurance premium payable	578	583	701
Dividends payable	\$ 13,365	\$ -	\$ 38,739
Others (pension and business tax)	738	1,114	1,133
	<u>\$ 24,745</u>	<u>\$ 15,307</u>	<u>\$ 55,317</u>
Other liabilities			
Other receipts (temporary receipts and cash collected for clients)	<u>\$ 1,919</u>	<u>\$ 494</u>	<u>\$ 366</u>
<u>Non-current</u>			
Guarantee deposits	<u>\$ 200</u>	<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>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Number of shares authorized (thousand shares)	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>
Authorized Capital stock	<u>\$ 1,600,000</u>	<u>\$ 1,600,000</u>	<u>\$ 1,600,000</u>
Number of shares issued and fully paid (thousand shares)	<u>22,274</u>	<u>22,274</u>	<u>19,369</u>
Amount of shares issued	<u>\$ 222,748</u>	<u>\$ 222,748</u>	<u>\$ 193,694</u>

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>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u>			
Premium of shares issued	<u>\$ 29,199</u>	<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 earnings distribution proposals for the 2022 and 2021 are as follows:

	2022	2021
Legal reserve	<u>\$ 3,664</u>	<u>\$ 9,294</u>
Cash dividends	<u>\$ 13,365</u>	<u>\$ 38,739</u>
Stock dividends	<u>\$ 13,365</u>	<u>\$ 29,054</u>
Cash dividend per share (NT\$)	\$ 0.6	\$ 2
Stock dividend per share (NT\$)	\$ 0.6	\$ 1.5

The distribution of the above-mentioned cash dividends was approved by a resolution of the Board of Directors on March 27, 2023 and March 24, 2022, and the remaining earnings distribution items for 2021 were also resolved at the regular shareholders' meeting held on June 23, 2022. The remaining earnings distribution items for 2022 were pending a resolution by the regular shareholders' meeting to be held on June 21, 2023.

## XXI. Revenue

	<u>From January 1 to March 31, 2023</u>	<u>From January 1 to March 31, 2022</u>
Revenue from Contracts with Customers		
Online Games and Digital Content	\$ 30,588	\$ 48,074
Service income	-	53
Other income	-	167
	<u>\$ 30,588</u>	<u>\$ 48,294</u>

### (I) Contract balance

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>	<u>January 1, 2022</u>
Accounts receivable (Note 9)	\$ 19,980	\$ 18,109	\$ 24,378	\$ 41,908
Contract liabilities				
Online Games and Digital Content	\$ 6,781	\$ 6,594	\$ 15,352	\$ 14,804

### (II) Disaggregation of contract revenue

<u>Product Category</u>	<u>From January 1 to March 31, 2023</u>	<u>From January 1 to March 31, 2022</u>
Artwork design services (Note 28)	\$ 23,356	\$ 30,006
Mobile Games	5,681	12,405
Computer games	1,551	5,663
Labor income - others (Note 28)	-	53
Others	-	167
	<u>\$ 30,588</u>	<u>\$ 48,294</u>

## XXII. Current net income (loss)

### (I) Interest Income

	<u>From January 1 to March 31, 2023</u>	<u>From January 1 to March 31, 2022</u>
Cash in banks	\$ 29	\$ 5
Financial assets at amortized cost	1,088	57
Imputed interest on deposits	2	4
	<u>\$ 1,119</u>	<u>\$ 66</u>

### (II) Other income

	<u>From January 1 to March 31, 2023</u>	<u>From January 1 to March 31, 2022</u>
Rental income	\$ 309	\$ 300
Other income	51	44
	<u>\$ 360</u>	<u>\$ 344</u>

(III) Other gains and losses

	From January 1 to March 31, 2023	From January 1 to March 31, 2022
Gains on financial assets and financial liabilities		
Financial assets mandatorily measured at FVTPL	\$ -	\$ 1,672
Foreign exchange gain (loss), net	( 1,033 )	3,830
Lease modification gain	6	-
Miscellaneous expenditure	( 2 )	-
	<u>( \$ 1,029 )</u>	<u>\$ 5,502</u>

(IV) Finance costs

	From January 1 to March 31, 2023	From January 1 to March 31, 2022
Interest on lease liabilities	\$ 29	\$ 29
Imputed interest on deposits	1	-
	<u>\$ 30</u>	<u>\$ 29</u>

(V) Impairment loss

	From January 1 to March 31, 2023	From January 1 to March 31, 2022
Prepayments (included in operating costs)	<u>\$ 2,867</u>	<u>\$ 4,300</u>

(VI) Depreciation and amortization

	From January 1 to March 31, 2023	From January 1 to March 31, 2022
Depreciation expenses summarized by function		
Operating costs	\$ 54	\$ 57
Operating expenses	<u>1,946</u>	<u>1,791</u>
	<u>\$ 2,000</u>	<u>\$ 1,848</u>
Amortization summarized by function		
Operating costs	\$ 1,924	\$ 744
Operating expenses	<u>189</u>	<u>205</u>
	<u>\$ 2,113</u>	<u>\$ 949</u>

(VII) Employee benefit expenses

	From January 1 to March 31, 2023	From January 1 to March 31, 2022
Short-term employee benefits	\$ 10,634	\$ 12,867
Post-employment benefits		
Defined contribution plans	438	570
Total employee benefit expenses	<u>\$ 11,072</u>	<u>\$ 13,437</u>
Summarized by functions		
Operating costs	\$ 1,202	\$ 3,473
Operating expenses	9,870	9,964
	<u>\$ 11,072</u>	<u>\$ 13,437</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. As the Group suffered a net loss before tax for the three months ended March 31, 2023, no employee remuneration and director remuneration were estimated; the estimated employee remuneration and director remuneration for the three months ended March 31, 2022 are as follows:

Accrual rate

	From January 1 to March 31, 2022
Employees' compensation	1%
Remuneration of Directors	0.45%

Amount

	January 1, 2022 to March 31, 2022
Employees' compensation	\$ 76
Remuneration of Directors	\$ 34

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 2022 and 2021 paid and the amounts recognized in the consolidated financial statements for 2022 and 2021.

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 gains or losses

	From January 1 to March 31, 2023	From January 1 to March 31, 2022
Total foreign currency exchange gain	\$ 1,840	\$ 3,949
Total foreign currency exchange loss	( 2,873 )	( 119 )
Net gain (loss)	( \$ 1,033 )	( \$ 3,830 )

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:

	From January 1 to March 31, 2023	From January 1 to March 31, 2022
Current tax		
Arising during this period	\$ -	\$ -
Surtax on undistributed earnings	312	-
Income tax expense recognized in profit or loss	( \$ 312 )	( \$ - )

(II) Verification of income tax

The tax returns filed by the Company up to 2021 have been approved by the tax authorities.

XXIV. Earning (loss) per share

	From January 1 to March 31, 2023	From January 1 to March 31, 2022
Basic earning (loss) per share	( \$ 0.07 )	( \$ 0.34 )
Diluted earning (loss) per share	( \$ 0.07 )	( \$ 0.34 )

Unit: NT\$ per share

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, due to retrospective adjustment, during the three months ended March 31, 2022 are as follows:

Unit: NT\$ per share

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earning per share	<u>\$ 0.39</u>	<u>\$ 0.34</u>
Diluted earning per share	<u>\$ 0.39</u>	<u>\$ 0.34</u>

The net income (loss) and weighted average number of ordinary shares used to calculate the earnings (loss) per share are as follows:

Current net income (loss)

	From January 1 to March 31, 2023	From January 1 to March 31, 2022
Net income (loss) used for calculating basic earnings per share	( <u>\$ 1,641</u> )	<u>\$ 7,531</u>
Net income (loss) used for calculating diluted earnings per share	( <u>\$ 1,641</u> )	<u>\$ 7,531</u>

Number of shares

	From January 1 to March 31, 2023	From January 1 to March 31, 2022
Weighted average number of ordinary shares used for calculating basic earnings (loss) per share	22,274	22,274
Effect of potentially dilutive ordinary shares:		
Employees' compensation	<u>-</u>	<u>1</u>
Weighted average number of ordinary shares used for calculating diluted earnings (loss) per share	<u>22,274</u>	<u>22,275</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

The Group conducted the following investments and financing activities in non-cash transactions during the three months ended March 31, 2023 and 2022:

1. During the three months ended March 31, 2023, the Group acquired the property, plant and equipment at a fair value of NT\$546 thousand, so the notes payable increased by NT\$130 thousand, and the cash payment for the acquisition of property, plant and equipment totaled NT\$416 thousand (see Note 12).
2. During the three months ended March 31, 2022, the Group acquired the computer software at a fair value of NT\$315 thousand, so the notes payable decreased by NT\$6 thousand and other payables decreased by NT\$577 thousand; and the cash payment for the acquisition of intangible assets totaled NT\$898 thousand (see Note 15).
3. During the three months ended March 31, 2022, the Group acquired the property, plant and equipment at a fair value of NT\$355 thousand, so other payables increased by NT\$89 thousand, and the cash payment for the acquisition of property, plant and equipment totaled NT\$266 thousand (see Note 12).

### (II) Changes in liabilities from financing activities

#### From January 1 to March 31, 2023

	January 1, 2023	Cash flow	Non-cash flow		Interest payments	March 31, 2023
			Cancellation of lease contract	Interest expense		
Lease liabilities	<u>\$ 9,604</u>	<u>(\$ 1,361)</u>	<u>(\$ 783)</u>	<u>\$ 29</u>	<u>(\$ 29)</u>	<u>\$ 7,460</u>

#### From January 1 to March 31, 2022

	January 1, 2022	Cash flow	Non-cash flow		Interest payments	March 31, 2022
			Cancellation of lease contract	Interest expense		
Lease liabilities	<u>\$ 11,873</u>	<u>(\$ 1,344)</u>	<u>\$ -</u>	<u>\$ 29</u>	<u>(\$ 29)</u>	<u>\$ 10,529</u>

## 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. Fair value hierarchy:

December 31, 2023: None.

December 31, 2022: None.

#### March 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Structured deposits	\$ -	\$ 23,326	\$ -	\$ 23,326

There were no transfers between Levels 1 and 2 fair values during three months ended March 31, 2023 and 2022.

#### 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>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Financial assets</u>			
Measured at fair value through profit or loss			
Mandatorily measured at fair value through profit or loss	\$ -	\$ -	\$ 23,326
Financial assets at amortized cost (Note 1)	237,598	234,002	246,833
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	29,431	18,749	64,765

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 the end of the period 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 decrease 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 income before tax will be a negative amount of the same amount.

	Impact of USD	
	From January 1 to March 31, 2023	From January 1 to March 31, 2022
Profit (Loss)	\$ 1,240 (i)	\$ 1,194 (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 USD exchange rate increased during this period, mainly due to an increase in time deposits denominated in USD during this period.

(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>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Interest rate risk related to fair value			
– Financial assets	\$ 98,963	\$ 96,736	\$ 81,581

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, it does not have an impact on the Group's net income after tax for the three months ended March 31, 2023 and 2022.

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 Consolidated Balance Sheets date, the carrying amount of the financial assets recognized in the Consolidated Balance Sheets is the main reason to cause maximum credit risk exposure to the Consolidated Company, which can be due to a counter party not fulfilling its performance obligations or a financial loss caused to the Consolidated Company for providing financial endorsements for others (disregarding collaterals or other instruments to strengthen creditworthiness, and considering the maximum irreversible amount exposed to risks).

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 March 31, 2023, December 31, 2022, and March 31, 2022 were 80.67%, 87.59%, and 84.15%, 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 March 31, 2023, December 31, 2022, and March 31, 2022 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.

### March 31, 2023

	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	\$ 13,351	\$ 134	\$ 15,746	\$ -	\$ -
Lease liabilities	<u>440</u>	<u>882</u>	<u>3,992</u>	<u>2,146</u>	<u>-</u>
	<u>\$ 13,791</u>	<u>\$ 1,016</u>	<u>\$ 19,738</u>	<u>\$ 2,146</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>\$ 5,314</u>	<u>\$ 2,146</u>

### 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>

### March 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	\$ 21,456	\$ 596	\$ 42,513	\$ -	\$ -
Lease liabilities	<u>406</u>	<u>813</u>	<u>3,675</u>	<u>5,635</u>	<u>-</u>
	<u>\$ 21,862</u>	<u>\$ 1,409</u>	<u>\$ 46,188</u>	<u>\$ 5,635</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>\$ 4,894</u>	<u>\$ 5,635</u>

(2) Line of credit

	March 31, 2023	December 31, 2022	March 31, 2022
Credit line of secured bank loans (to be extended with agreement between two parties)			
– Loan quota used	\$ -	\$ -	\$ -
– Loan quota not yet used	145,000	145,000	175,000
	<u>\$ 145,000</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>Name of related party</u>	<u>From January 1 to March 31, 2023</u>	<u>From January 1 to March 31, 2022</u>
Artwork design services	Wanin International Co., Ltd.	\$ 23,356	\$ 30,006
Service income	Wanin International Co., Ltd.	-	53
Mobile Games	Wanin International Co., Ltd.	53	-
		<u>\$ 23,409</u>	<u>\$ 30,059</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

<u>Type of related party/name</u>	<u>From January 1 to March 31, 2023</u>	<u>From January 1 to March 31, 2022</u>
Wanin International Co., Ltd.	<u>\$ 6</u>	<u>\$ -</u>

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

<u>Accounting items</u>	<u>Name of related party</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Accounts receivable - related parties	Wanin International Co., Ltd.	<u>\$ 16,118</u>	<u>\$ 15,862</u>	<u>\$ 20,515</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 during the three months ended March 31, 2023 and 2022.

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

<u>Accounting items</u>	<u>Type of related party/name</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Accounts payable - related parties	Wanin International Co., Ltd.	<u>\$ 6</u>	<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>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Wanin International Co., Ltd.	<u>\$ 271</u>	<u>\$ 280</u>	<u>\$ 131</u>

(VII) Prepayments

<u>Type of related party/name</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Wanin International Co., Ltd.	<u>\$ 422</u>	<u>\$ 465</u>	<u>\$ 516</u>

(VIII) Lease agreements as a lessee

<u>Accounting items</u>	<u>Type of related party/name</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Lease liabilities	Wanin International Co., Ltd.	<u>\$ 4,938</u>	<u>\$ 6,863</u>	<u>\$ 10,529</u>

  

<u>Type of related party/name</u>	<u>From January 1 to March 31, 2023</u>	<u>From January 1 to March 31, 2022</u>
<u>Interest expense</u>		
Wanin International Co., Ltd.	<u>\$ 14</u>	<u>\$ 29</u>
<u>Lease expenses</u>		
Wanin International Co., Ltd.	<u>\$ 1,156</u>	<u>\$ 1,244</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

<u>Accounting items</u>	<u>Name of related party</u>	<u>From January 1 to March 31, 2023</u>	<u>From January 1 to March 31, 2022</u>
Operating expenses - miscellaneous	Wanin International Co., Ltd.	<u>\$ 174</u>	<u>\$ 271</u>
Other Interest Income	Wanin International Co., Ltd.	<u>\$ 2</u>	<u>\$ 1</u>

  

<u>Accounting items</u>	<u>Type of related party/name</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Refundable deposits	Wanin International Co., Ltd.	<u>\$ 594</u>	<u>\$ 594</u>	<u>\$ 594</u>
Contract liabilities	Wanin International Co., Ltd.	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ -</u>

(X) Compensation to key management personnel

	<u>From January 1 to March 31, 2023</u>	<u>From January 1 to March 31, 2022</u>
Short-term employee benefits	<u>\$ 2,949</u>	<u>\$ 2,642</u>
Post-employment benefits	<u>54</u>	<u>37</u>
	<u>\$ 3,003</u>	<u>\$ 2,679</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:

	March 31, 2023	December 31, 2022	March 31, 2022
Land	\$ 49,051	\$ 49,051	\$ 49,051
Investment properties	15,002	15,157	15,621
Other financial assets - non-current	2,200	1,000	1,000
	<u>\$ 66,253</u>	<u>\$ 65,208</u>	<u>\$ 65,672</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:

March 31, 2023

	Foreign currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 4,073	30.45	\$ 124,036

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

March 31, 2022

	Foreign currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 4,172	28.625	\$ 119,424

The Group's foreign exchange gains or losses (realized and unrealized) for the three months ended March 31, 2023 and 2022 were a loss of NT\$1,033 thousand and a gain of

NT\$3,830 thousand, respectively. Due to the variety of foreign currency transactions, it is not possible to disclose the exchange gains or losses on the basis of the foreign currency of each significant impact.

#### 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. (None)
8. Accounts receivable from related parties reaching NT\$100 million or 20% of its paid-in capital. (None)
9. Derivative financial instrument transactions (None)
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 3)

#### 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  
March 31, 2023

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	Financial assets at fair value through profit or loss - noncurrent	14,286	\$ _____ -	1.19	\$ _____ -	
	Gamemag. Co., Ltd.	None	Financial assets at fair value through profit or loss - noncurrent	460,000	\$ _____ -	4.00	\$ _____ -	
	Taiwan eSports League Co., Ltd.	None	Financial assets at fair value through profit or loss - noncurrent	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 March 31, 2023

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	\$ 31,713	( \$ 48 )	( \$ 48 )	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	7,247	( 1,963 )	( 210 )	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 50,0000	1,690 USD 50,0000	-	100	2,141	( 79 )	( 79 )	Note 1

Note 1: The calculation is based on the financial statements for the three months ended March 31, 2023 reviewed by CPAs.  
Note 2: The calculation is based on the financial statements for the three months ended March 31, 2023 not reviewed by CPAs.

Wayi International Digital Entertainment Co., Ltd.  
Information of Major Shareholders  
March 31, 2023

Table 3:

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.