

Stock Code: 3546



Userjoy Technology Co., Ltd.

2023 Annual Report

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V. Overseas Securities Exchange:None**VI. Company website: <https://www.userjoy.com>**

USERJOY Technology Co., Ltd.

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I. Letter to Shareholders

In 2023, the Company not only continued to develop and operate online games and distributed overseas games, we also started to actively engage in the self-production and operation of mobile games, IP licensing, and to expand overseas markets. The 2023 operating results and the 2024 business plan are summarized as below.

1. 2023 Business Report

(1) Operating result:

1. Aanalysis of profitability:

Unit: NT\$ thousand; %

	2023	2022	Percentage increase/decrease (%)
Operating income	1,367,406	1,583,718	-13.66%
Gross margin	1,297,094	1,465,251	-11.48%
Operating profit	215,803	318,713	-32.29%
Net income after income tax	214,455	323,648	-33.74%
EPS (Unit: NT\$)	4.24	6.72	-36.90%
ROA%	11%	17%	-
ROE%	14%	22%	-

2. Major segment revenue analysis

Unit: NT\$ thousand; %

	2023	Percentage (%)
Self-operating	1,100,783	80.50%
Licensing	143,723	10.51%
Overseas operations	13,044	0.95%
Distribution and others	109,856	8.04%
Total	1,367,406	100%

- (2) Status of R&D: The Company expects to spend NT\$441,347 thousand on software and hardware R&D in the coming year, an increase of 5% from last year's NT\$419,936 thousand.

2. 2024 Business Plan

Looking forward to 2024, the Company will launch several in-house games. Meanwhile, in response to market trends and challenges, the Company will proactively expand our core competencies and develop the following major strategies in the coming year:

Newzoo, a games market research consulting firm, has released its latest forecast for the global games market in 2023. Newzoo estimated the global games market value to be US\$184 billion in 2023, an annual increase of 0.6%, turning from negative to positive again compared to the first drop in 2022 after the pandemic. By 2026, the market will grow to US\$205.7 billion, with a CAGR of +1.3% from 2021-2026, and the games market as a whole will continue to rise.

As technology advances, whether it is AI development or the emerging meta-universe, it also brings new vitality and potential to the games market. Based on market trends and gaming experience upgrades, the Company's future outlook and important strategies are as follows:

1. Cross-platform & Cloud Gaming: In the next generation gaming environment, games are no longer restricted to PCs or mobiles, and cloud gaming technology has broken through the

hardware limitations, allowing mobile games to be played in sync with PCs or TVs. These developments have brought more convenience and choices to users. We have successfully launched the cross-platform service of "Kingdom Heroes M" and "Fantasia Sango", and in the future, we will continue to support cross-platform for more games to provide users with the best gaming experience.

2. IP & Metaverse: The Xbox Series X, Apple Vision Pro, and other devices accelerate the progress of metaverse, and also demonstrate perfect combination of game IP and metaverse. Since the launch of game IP pan-entertainment, the Company has developed "Fantasia Sango", and "Trails of Cold Steel" into anime and manga, etc. We have also adapted the famous Japanese animation "Seven Mortal Sins X-TASY" into a game. USERJOY's in-house IP " Kingdom Heroes Online" and "Fantasia Sango" stand out as classic and evergreen IPs. In the future, we will also combine these IPs, movies and dramas with the metaverse to create a high-quality IP Metaverse.
3. AI Gaming: 2023 is generative AI's breakout year. To continue the breakthrough development of AI, the company will further introduce AI technology for all our game products, and try to apply AI technology in the directions of character setting, game scripts, simulated characters, marketing and publicity, and customer service. With the AI's assistances, we can reduce communication costs and graphics time, and validate and iterate our design concepts faster, and bring more efficient, more fun, and more diversified interactive game products to developers and users.
4. Esport: Esports has gained a lot of popularity and attention in recent years and has become an important and growing segment of the game industry, with young people more inclined to watch live games and esports competitions than traditional sports. The eSports industry has developed into a global industry, attracting many skilled gamers to participate and creating a huge market. However, Taiwan's eSports industry still relies on overseas game products and lacks a well-known local eSports brand. The Company is working on the development of the "Code-F" eSports game, hoping to bring new dynamics and opportunities to Taiwan's eSports industry in the future.
5. Game as A Service: It is a game business model, meaning after a game has been released, the developer keeps updating the game content so that the players can continue to play it. The Company's products uphold the spirit of GaaS, regularly updating game content and providing high quality customer service. We hope our players can enjoy the latest game content and community interaction, providing a sustainable and scalable gaming experience for players, games and the community.

Taiwan's game industry confronts global competition, and moving towards the international market is a necessary path. R&D and operation are the Company's two main forces, only by developing high quality products to meet the market needs, and improving our ability to operate in both domestic and overseas markets, we are able to achieve good results in the highly competitive game market. In response to market changes and embracing new challenges, we will continue to work hard in anticipation of even better results in the future, and we would like to thank all our colleagues for their hard work and all our shareholders for their long-term support.

Last but not least, I would like to wish the Company a prosperous year.

Wish all shareholders, ladies and gentlemen, all the best.

Chairman	Liu Hsin
CEO	Liu Hsin
Accounting Executive	Fang Lih Huey

II. Company Profile

1. Date of incorporation

(1) Date of incorporation: May 19, 1995

(2) Headquarters address and telephone no.

Name: USERJOY Technology Co., Ltd.

Address: 17F.-8, No. 2, Jian 8th Rd., Zhonghe Dist., New Taipei City

Tel: +886-2-8226-9989

Fax: +886-2-8226-9918

2. Milestones

1995	USERJOY Technology Co., Ltd. was founded with a capital of NT\$825 thousand.
1996	Launched The Super Heroes.
1997	Launched Super Heroes II - Revenge of the Devil.
1998	1. Launched Super Heroes II - The Northern Emissary. 2. Launched Lord of Ancient Kingdoms. 3. Launched Kingdom Heroes.
1999	1. Launched The Twin Heroes. 2. Launched Rich I. 3. Launched Kingdom Heroes II.
2000	1. Launched The Twin Heroes II. 2. Launched The Legend of Fancy Century. 3. Launched Legend of Sacred Stone.
2001	1. Joint venture to develop MMOG Holy Land Online, started to develop online games. 2. Beijing Unistar Co., Ltd. started. 3. Launched Legend of Chu Liuxiang. 4. Launched Super Heroes III. 5. Launched Go Go Gourment. 6. Launched The Fallen Angel.
2002	1. Launched The Twin Heroes III. 2. Launched Rich II. 3. Launched Kingdom Heroes III. 4. Launched The Legend of Fancy Century II. 5. Launched A Rhapsody of Strange Land. 6. Launched MMOG Holy Land Online.
2003	1. Launched Fantasia Sango. 2. Launched Kingdom Heroes IV.
2004	1. Invested in a R&D unit in Mainland China, Beijing Airship Co., Ltd. started. 2. Merged with UserJoy Technology Co., Ltd., Odin Technology Co., Ltd. and Eworld Soft with UserJoy Technology as the surviving company and renamed as Userjoy Technology Co., Ltd.
2005	1. Launched The Twin Heroes Online. 2. Launched Kingdom Heroes Online. 3. Launched Kingdom Heroes V. 4. Launched Fantasia Sango II.

2006	<ol style="list-style-type: none"> 1. Launched Kingdom Heroes VI. 2. Launched Jiue-Dai Mah-jong Online. 3. Publicly traded in November and listed on Emerging Stock Market in December. 4. Launched Angel Love Online. 5. Launched The Twin Heroes: Prologue.
2007	<ol style="list-style-type: none"> 1. Launched Kingdom Heroes Rich standalone. 2. Launched Fantasia SangoIII. 3. Launched Rich III. 4. Launched Kingdom Heroes VII. 5. Launched Fantasia Sango IV. 6. USERJOY JAPAN 株式会社 started. 7. "Angel Love Online " PLAYSTATION® 3 version project, cooperated with Japanese distributor Q ENTERTAINMENT. 8. Approved by TPEX for public offering. 9. Launched first "Field of Honor" for trial play. 10. Angel Love Online (web game), released in Indonesia, distributed by Scomptec Information Technology Company.
2008	<ol style="list-style-type: none"> 1. Initial public offering in TPEX on April 18. 2. Kingdom Heroes 2 Online (web game), released in Japan. 3. Angel Love Online is licensed to Run Up Game Distribution Ltd. and R&D Ltd. for distribution in Malaysia and Singapore regions. 4. Launched Field of Honor Online (web game). 5. China NetDragon's Eudemons Online (web game), Taiwan region distribution. 6. Angel Love 2 Online (web game), released in Taiwan. 7. Concerto Gate (PC), Taiwan region distribution.
2009	<ol style="list-style-type: none"> 1. Angel Love 2 Online (web game), released in Japan, distributed by Q Entertainment. 2. Concerto Gate (PC), Taiwan region distribution. 3. Kingdom Heroes 2 Online (web game), released in China. 4. Kingdom Heroes 2 Online released in Taiwan. 5. "PLAYSTATION® 2 Online" "PLAYSTATION® 3" version project, cooperated with Japanese distributor Q ENTERTAINMENT. 6. Heroes: Scions of Phoenix Online (web game), released in Taiwan.
2010	<ol style="list-style-type: none"> 1. Kingdom Heroes 2 Online (web game), released in Indonesia, distributed by Wave Game. 2. Kingdom Heroes 2 Online (web game), released in Northern America, distributed by Aeria Games. 3. Kingdom Heroes 2 Online (web game), released in Russia, distributed by Nival Network. 4. Heroes: Scions of Phoenix Online (web game), released in Singapore, and Malaysia regions, distributed by Paradise Flame.
2011	<ol style="list-style-type: none"> 1. Kingdom Heroes 2 Online (web game), released in Thailand, distributed by Ini3 Digital. 2. 問仙 (web game), released in January in Taiwan. 3. N3-Ninety-Nine Nights Online (web game), released in Taiwan, and Japan regions, cooperated with Q ENTERTAINMENT. 4. 夢想三國 (web game), 劍情天下 (web game), released in Taiwan. 5. 鬥法天地 (web game), 亂世隋唐 (web game), 三國信長 (web game), 108 煞 (web game), Taiwan region distribution.

	<ul style="list-style-type: none"> 6. MMORPG 神人 Online (web game), released in Taiwan. 7. Play Mah-jong 大滿貫 (mobile), Play Mah-jong 搓麻將 (mobile), Tuning Melo (mobile), released in Taiwan.
2012	<ul style="list-style-type: none"> 1. Zhengtu 2 (web game), released in Taiwan, Hong Kong, and Macao regions. 2. Heroes: Scions of Phoenix (web game), released in Japan. 3. Play Mah-jong -撿紅點 (mobile), Bumping Penguin (mobile), 魔導英雄傳, globally released. 4. Let's Vegas (web game), Chinese and English versions globally released. 5. Tiny Avengers Web (web game), released in Taiwan, and Japan regions. 6. Side scrolling Moe Knight (web game), released in Taiwan. 7. MMORPG Fantasy Saga Online (web game), released in Taiwan.
2013	<ul style="list-style-type: none"> 1. Subsidiary 雷神數位遊戲股份有限公司 started in Taichung City, focusing on mobile game R&D. 2. Kingdom Knights (web game), Chinese and English versions globally released. 3. Tiny Avengers (web game), released in Northern America, and Indonesia regions. 4. Fantasy Saga Online (web game), released in Japan, and Thailand regions. 5. Moe Knight (web game), released in Japan, distributed by NHN Japan. 6. 三國 INFINITY (mobile), Taiwan region distribution. 7. Let's Vegas Slots (mobile), released in Taiwan.
2014	<ul style="list-style-type: none"> 1. Let's Vegas Slots (mobile), released in Singapore, Malaysia, Australia, and Northern America regions, expand Userjoy's sales territory. 2. Indonesia branch PT. USERJOY Technology started, created a Southeast Asian mobile game distribution platform. 3. 卡米洛傳說 (mobile), released in Taiwan, Hong Kong, and Macao regions.
2015	<ul style="list-style-type: none"> 1. New Fantasy Adventure (mobile), Taiwan, Hong Kong, and Macao regions released. 2. Age of Hero Online (web game), Walkure Romanze: Tous Les Jours (mobile), Real Derby 3D (mobile), released in Taiwan. 3. Kingdom Heroes web game version project started, IP licensed to Guangdong ALPHA GROUP CO., LTD. 4. Kingdom Heroes web game version project started, IP licensed to Beijing Kaixinren Information Technology Co. 5. Kingdom Heroes Mobile (mobile), released in China, distributed by 9splay.
2016	<ul style="list-style-type: none"> 1. Play Mah-jong 搓麻將口袋版 (mobile), released in Taiwan. 2. The Legend of Heroes: Akatsuki no Kiseki (web game), released in Japan. 3. New Three Kingdoms Heroes (mobile), released in Taiwan, distributed by 9splay. 4. Three Kingdoms Heroes-大丈夫當謀天下 (mobile), released in China, distributed exclusively by FLMobile. 5. The Phantom Soul (mobile), released in Taiwan, Hong Kong, and Macao regions. 6. Super Heroes (mobile), released in Taiwan, Hong Kong, and Macao regions.
2017	<ul style="list-style-type: none"> 1. 万物乙女☆ダンジョンズ (web game), released in Japan

	<ol style="list-style-type: none"> 2. 寶島娛樂城 (mobile), released in Taiwan 3. Three Kingdoms Heroes - Reign (mobile), released in Taiwan, Hong Kong, and Macao regions
2018	<ol style="list-style-type: none"> 1. Fantasia Sango V (PC), globally released, distributed by fhvx.com. 2. Drone Striker VR (PlayStation 4), globally released. 3. Heroes of Arzar (mobile), globally released. 4. 創世群英 (mobile), released in Taiwan, Hong Kong, and Macao regions. 5. The Legend of Heroes: Trajectories of Stars (mobile), released in Taiwan, Hong Kong, Macao, Singapore, and Malaysia regions.
2019	<ol style="list-style-type: none"> 1. Three Kingdoms Heroes -一統天下 (web game), released in China. 2. Recruited animation team of Fantasia Sango. 3. The Legend of Heroes: Akatsuki no Kiseki (mobile), released Japan region. 4. Three Kingdoms Heroes -一統天下 (web game), released in Taiwan, Hong Kong, and Macao regions, distributed by Game XDD.
2020	<ol style="list-style-type: none"> 1. Kingdom Heroes M (mobile), Taiwan, Hong Kong, and Macao regions released, joint release with Gameflier International Corporation. 2. Kingdom Heroes M (mobile), award of Google Play Best of 2020. 3. Seven Mortal Sins～魔王崇拜～ (mobile), released in Taiwan, Hong Kong, and Macao regions. 4. 혈투 (mobile), released in Korea.
2021	<ol style="list-style-type: none"> 1. Kingdom Heroes 8 (Steam), globally released. 2. Kingdom Heroes M (mobile), released in Japan and South East Asia regions. 3. Kingdom Heroes Online (web game), direct distribution by USERJOY 4. Angel Love Online (web game), direct distribution by USERJOY 5. sin 七つの大罪 X-TASY (mobile), released in the Japan region 6. 《Lemuria of phosphorescent 4 (mobile), released in Taiwan, Hong Kong, Singapore, and Malaysia regions. 7. Kingdom Heroes Online (web game), released in Asia. 8. Angel Love Online (web game), released in Asia.
2022	<ol style="list-style-type: none"> 1. Seven Mortal Sins X-Tasy (mobile), globally released. 2. Fantasia Sango Mysteria (animation), globally released. 3. 영웅전설: 새벽의 궤적 M (mobile), released in the Korea region. 4. Kingdom Heroes 8 (Steam), English and Japanese released. 5. The Legend of The Sacred Stone EX (Steam), globally released. 6. Kingdom Heroes M (mobile), Google Play recommended. 7. Fantasia Sango (Steam), globally released. 8. Lemuria of phosphorescent 4 (mobile), released in the Japan region. 9. Antivine (Steam), globally released.
2023	<ol style="list-style-type: none"> 1. Fantasia Sango Mysteria (mobile), released in cross-platform globally. 2. The Legend of Heroes: Trails of Cold Steel - Northern War (animation). 3. Kingdom Heroes M (Steam), globally released. 4. Antivine (mobile), globally released. 5. YAAS Vegas - Casino Slots (mobile), globally released. 6. Kingdom Heroes - Tactics (mobile), released in cross-platform globally. 7. The Legend of Heroes: Trials of Cold Steel - Northern War (mobile), released in Japan cross-platform.

3. Brief history of the Company & the Group

USERJOY was founded in 1995, starting with the development of stand-alone games and creating timeless PC games such as "Super Heroes" and "Kingdom Heroes Online". Devoting to game R&D and innovation has always been the core of the company's development. From the early stand-alone game era to the development of massively multiplayer online games, to today's web games and mobile content, USERJOY continues to refine its R&D capabilities to bring contemporary gamers a variety of entertaining experiences.

Thanks to the players' long-term support, USERJOY has created many popular games and built a strong brand awareness. Famous IPs include "Kingdom Heroes Online" series, "Legend of Wulin 武林同盟傳" series, "Fantasy Three Kingdoms" series, "Angel Love" series, "Play Mah-jong 搓麻將", "Let's Vegas Slots", and other games.

As we are optimistic about the development of the overseas game market, in 2007, we established a subsidiary "USERJOY JAPAN" in Japan to provide perfect game services to Japanese players, and has become one of the top two Taiwanese game operators in Japan, with "Kingdom Heroes Online" and "Angel Love Online" being the most popular and well-known games among Japanese gamers. In addition, we also cooperate with overseas distributors by licensing in-house games, to expand the services of in-house games to other countries around the world.

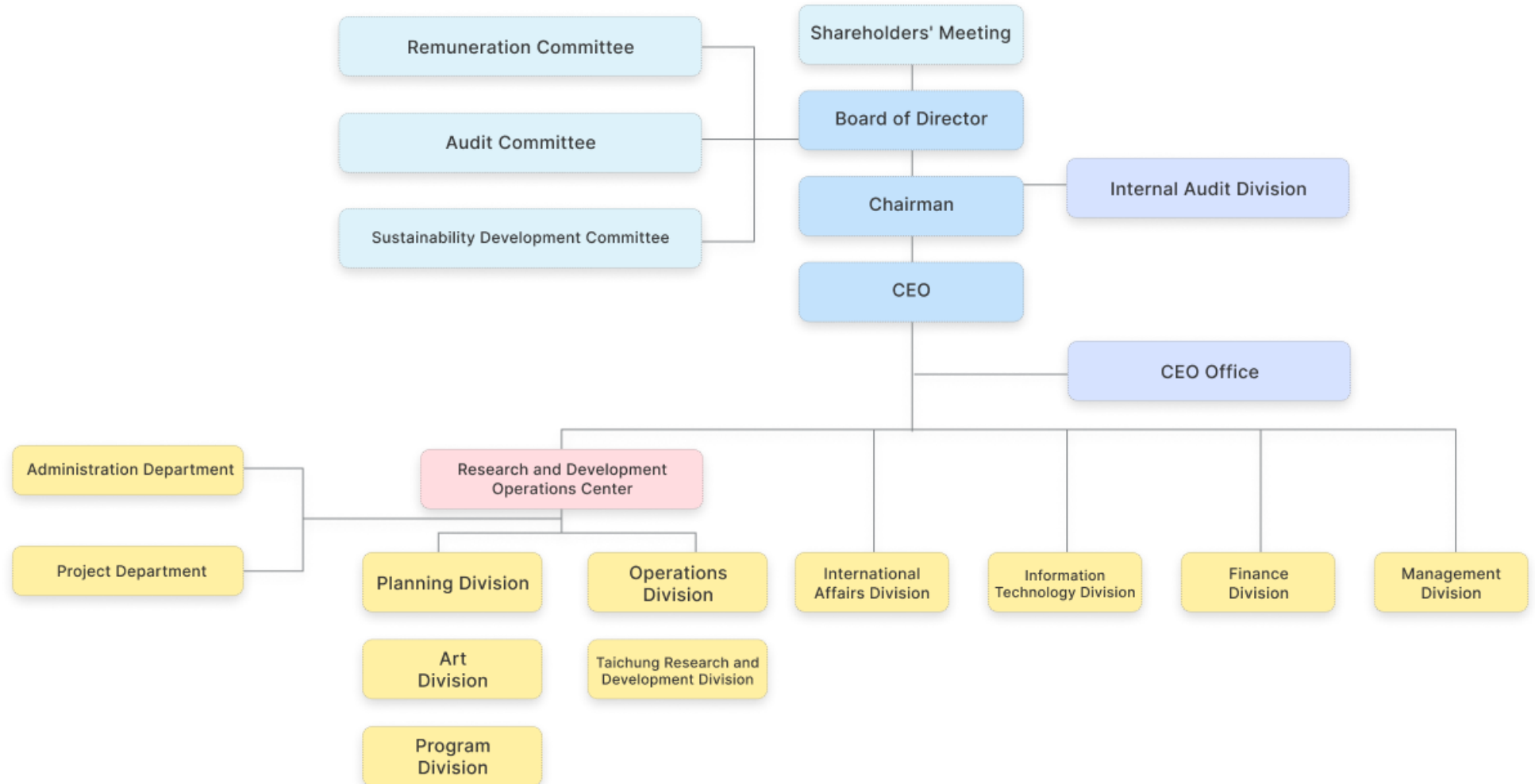
In response to rapid growth of mobile game market, in addition to maintaining the power of game development on various platforms, we have also invested in AR/VR game development, and are devoted to researching and developing mobile game content, aiming to expand the breadth and depth of game content to satisfy mobile device players' entertainment needs.

Looking ahead, we insist on in-house, operation optimization, and global licensing, and expect to bring excitement and joy to more players! We welcome all players to join us, and to realize the dream of developing great games and operating in the world market!

III. Corporate Governance Report

1. Organizational system

(1) Organizational structure



(2) Tasks of the principal divisions

Division	Main functions
Internal Audit Division	<ul style="list-style-type: none"> (1) Planning and execution of annual audit plan at home and abroad (2) Supervise the establishment and revision of the internal control system (3) Assisting the board of directors and managers to audit internal control operations for reasonableness and effectiveness, providing timely improvement suggestions and reviews, and reporting to the board of directors regularly (4) Responsible for the coordination of self-assessment, external evaluation, and project audits
CEO Office	<ul style="list-style-type: none"> (1) Planning and supervising the development of the company's management and quality policy objectives (2) Formulating and revising the Company's operating strategies and performance in stages or as a whole (3) Planning and execution of board of directors' resolutions (4) Developing and executing global business strategies
Finance Division	<ul style="list-style-type: none"> (1) Accounting and customer accounts receivable follow-up and processing. (2) Tax planning and execution (3) Planning and scheduling of company funds (4) Budget compilation, control and analysis (5) Financial statement preparation and analysis
Management Division	<ul style="list-style-type: none"> (1) HR Planning and Recruitment (2) Performance review management (3) Employee education, training and development (4) Salary management (5) Stock affairs management (6) General administration
IT Division	<ul style="list-style-type: none"> (1) Internal information system development, management and maintenance (2) Game website front and back-end platform development and maintenance (3) Mobile device game front and back-end platform development and maintenance (4) Game payment system setup and maintenance (5) Internal and external server room construction and management (6) Online game system setup and management (7) Internal and online game information security (8) Internal management unit of the Personal Data Protection Act
Operations Division	<ul style="list-style-type: none"> (1) Provide market suggestion, release planning and execution of new product development for R&D unit (2) Product operation after launch, actual revenue and cost control on domestic market (3) Product launch schedule management and coordination and contact (4) Planning and execution of in-house products (5) Negotiation, launch planning and execution of distributed products (6) Operation / marketing personnel cultivating and training planning (7) Cooperating with marketing related companies in online/physical channels (8) Executing in-house product/distributed product testing, staff training, and related development planning to improve product quality (9) Games members' customer service and customer service process planning and management, to improve the quality of service

	(10) Company website design, planning, and backend management and maintenance
R&D Operations Center	<ul style="list-style-type: none"> (1) New product development planning, management and execution. (2) Software project risk and cost management (3) Software R&D process planning, management and execution (4) Software staff skill upgrading and training planning (5) Project R&D document production and schedule management (6) Music staff quality improvement and task planning
International Affairs Division	<ul style="list-style-type: none"> (1) Game IP licensing, promotion and value-added sales, as well as cross-industry cooperation (2) In-house game product sales and overseas product distribution (3) Develop and maintain domestic and overseas customers, and maintain long-term good relations (4) Corporate brand management, communication and PR media events planning and execution (5) Media relations and corporate public welfare activities (6) Domestic and overseas exhibition planning and execution and market report collection

2. Information on the company's directors, supervisors, general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units

(1) Information on Directors and supervisors

May 15, 2024; Unit: shares

Job title (Note 1)	Nationality or place of registration	Name	Gender, age (Note 2)	Date of election / Appointme nt to current term	Term of office	Commence ment date of first term (Note 3)	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 4)	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree		
							No. of shares	Sharehold ing Ratio (%)	No. of shares	Sharehold ing Ratio (%)	No. of shares	Sharehold ing Ratio (%)	No. of shares	Sharehold ing Ratio (%)			Job title	Name	Relatio nship
Chairman	ROC	Liu Hsin	Male 50 ~60 years	June 29, 2022	3-year	October 12, 2004 (Note 5)	1,177,571	2.44	1,236,449	2.44	301,971	0.60	0	0	National Taiwan College of Arts, Department of Arts and Crafts Chairman, TGIPA CEO, USERJOY JAPAN Co., Ltd. CEO, BEIJING AIRSHIP SOFTWARE Co., Ltd. CEO, USERJOY HONG KONG Co., Ltd. Vice President, Odin Technology Co., Ltd. Vice President, Business Division 1, USERJOY Technology Co., Ltd.	CEO, USERJOY Technology Co., Ltd. CEO, USERJOY JAPAN Co., Ltd. Juristic person Director Representative, RICHLAND INVESTMENTS LIMITED Juristic person Director Representative, USERJOY HONG KONG Co., Ltd. Juristic person Director Representative, USERJOY T Technology Co., Ltd. Juristic person Director Representative, BEIJING AIRSHIP Software Co., Ltd.	None	None	None
Director	ROC	Chu Tse Wen	Male 50 ~60 years	June 29, 2022	3-year	October 12, 2004	1,462,520	3.04	1,535,646	3.08	244,735	0.48	0	0	Chinese Culture University, Department of Marine Geology Programming, Light Painting Technology Programming General Manager, Odin Technology Co., Ltd. General manager, USERJOY Technology Co., Ltd.	None	None	None	None
Director	ROC	Chang Chi Hsin	Male 50 ~60 years	June 29, 2022	3-year	October 12, 2004	1,095,708	2.27	1,150,493	2.27	141,451	0.28	0	0	Department of Information Technology, Yuan Ze University Programming, Odin Technology Co., Ltd. General Manager, Eworld Soft Co., Ltd. Vice President, Business Division 2, USERJOY Technology Co., Ltd.	None	None	None	None

Director	ROC	Lee Yu Shan	Male 50 ~60 years	June 29, 2022	3-year	December 21, 2000	1,397,559	2.90	1,467,436	2.90	53,425	0.11	0	0	Department of Electrical Engineering, National Taiwan University of Science and Technology Programming, COMPUTER ENTERTAINMENT Inc. Vice President, Business Division 3, USERJOY Technology Co., Ltd.	None	None	None	None
Independent Director	ROC	Lai Ju Kai	Male 60 ~70 years	June 29, 2022	3-year	May 22, 2007	0	0	0	0	0	0	0	0	National Taiwan Institute of Technology Sales Manager, Harley Enterprises Ltd. CEO, FULLERTON Technology Co., Ltd. Director, Taiwan Tech Innovation Co., Ltd.	Director, FULLERTON Technology Co., Ltd.	None	None	None
Independent Director	ROC	Chen Wei Dar	Male 50 ~60 years	June 29, 2022	3-year	June 19, 2010	0	0	0	0	0	0	0	0	MBA, Macau University of Science and Technology Financial manager, SITC Express Co., Ltd. Head of Underwriting Department, Wansheng Securities Co.	CEO, DRAGON SHIPPING AGENCY Co., Ltd. Independent Director, Kintech Electronics Co., Ltd. Director, SITC Express Co., Ltd. Director, INOS-T INTERNATIONAL Corp. Director, MAJOR DRAGON Co., Ltd. Supervisor, Global Transportation Corp. CEO, Dragon Force Shipping Agency Co., Ltd.	None	None	None
Independent Director	ROC	Li Yi Kuang	Male 50 ~60 years	June 29, 2022	3-year	May 22, 2007	0	0	0	0	0	0	0	0	Doctor of Law, China University of Political Science and Law Lawyer, Kenshin Law Firm Independent Director, Cheng Long Energy Technology Co., Ltd. The 11th Standing Committee of Taiwan Bar Association The 7th Board of Directors Taiwan Jurist Association The 18th Board of Directors, Chinese Association for Human Rights	Lawyer, Kenshin Law Firm Director, Andros Pharmaceuticals Co., Ltd. CEO, Zen Zen Biotech Co., Ltd. Supervisor, SUPER BRAVO BIO Co., Ltd. Supervisor, ANGUIL TECHNOLOGY Co., Ltd.	None	None	None

Note 1: For a corporate shareholder, the name of the corporate shareholder and its representative shall be listed separately (when listing the representative of a corporate shareholder, the name of the corporate shareholder shall also be noted), and Form 1 below shall also be completed.

Note 2: Please state the actual age, or, alternatively, state the age interval into which the actual age falls, e.g., 41~50 years, 51~60 years.

Note 3: Specify the time the person first began to serve as a director or supervisor of the Company. If there has been any break within a term or between terms, add a note specifying the circumstances.

Note 4: Specify experience and qualifications related to the current position. If during a period specified above the person has served in a position at a CPA firm that serves as external auditor/attestor, specify the position held and the duties for which the person was responsible.

Note 5: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer).

The Company's Chairman of the board of directors also serves as the CEO, which allows for quick communication and effective execution of management decisions and increases operational efficiency. Currently, more than half of the directors are not concurrently served as employees or managers, and we plan to increase the number of independent directors in the future.

1. Major Shareholders of Corporate Shareholders: None.

2. Major Shareholder is a Corporate/Juristic Person: None.

3. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors:

Qualification Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	No. of other public companies at which the person concurrently serves as an independent director
Liu Hsin (Director)	Education: Bachelor, Department of Arts and Crafts, National Taiwan College of Arts With more than 5 years of experience needed for the company's business, serving as Chairman and General Manager of the Company, and not having any circumstance under any subparagraph of Article 30 of the Company Act.	Not having any circumstance under any subparagraph of Article 30 of the Company Act.	None
Chu Tse Wen (Director)	Education: Bachelor, Department of Marine Geology, Chinese Culture University With more than 5 years of experience needed for the company's business, served as General Manager of the Company, and not having any circumstance under any subparagraph of Article 30 of the Company Act.	Not having any circumstance under any subparagraph of Article 30 of the Company Act.	None
Lee Yu Shan (Director)	Education: Bachelor, Department of Electrical Engineering, National Taiwan University of Science and Technology With more than 5 years of experience needed for the company's business, served as Vice General Manager of the Company, and not having any circumstance under any subparagraph of Article 30 of the Company Act.	Not having any circumstance under any subparagraph of Article 30 of the Company Act.	None
Chang Chi Hsin (Director)	Education: Bachelor, Department of Information Technology, Yuan Ze University With more than 5 years of experience needed for the company's business, served as Vice General Manager of the Company, and not having any circumstance under any subparagraph of Article 30 of the Company Act.	Not having any circumstance under any subparagraph of Article 30 of the Company Act	None

Lai Ju Kai (Independent Director)	Convener of the Company's Audit Committee Education: Bachelor, Department of Electrical Engineering, National Taiwan University of Science and Technology Director, FULLERTON Technology Co., Ltd. Sales Manager, Harley Enterprises Ltd. CEO, FULLERTON Technology Co., Ltd. Director, Taiwan Tech Innovation Co., Ltd. With experience in economy, finance, and risk management, advise on corporate governance and operational development during his term of office, and not having any circumstance under any subparagraph of Article 30 of the Company Act.	None of him, his spouse, or any of his relatives, including relatives within the second degree, is a director, supervisor, or employee of the Company or any of its affiliates. None of the Company's shares are held by himself, his minor children, or his spouse, nor held through nominees. Not a director, supervisor, or employee of any company having a specified relationship with the Company. Has not provided business, legal, financial, or accounting services to the Company or any of its affiliates within the past 2 years. Not concurrently serving as an independent director of other public companies. Meet the independence requirements for independent directors.	None
Chen Wei Dar (Independent Director)	Member of the Company's Audit Committee. Education: MBA, Macau University of Science and Technology CEO, DRAGON SHIPPING AGENCY Co., Ltd. Independent Director, Kintech Electronics Co., Ltd. Director, SITC Express Co., Ltd., INOS-T INTERNATIONAL Corp., MAJOR DRAGON Co., Ltd., etc. Supervisor, Global Transportation Corp., Standard Shipping Corp., GO TIGER Co., Ltd., etc. CEO, Dragon Force Shipping Agency Co., Ltd. Head of Underwriting Department, Wansheng Securities Co., Ltd. Financial manager, SITC Express Co., Ltd. With experience in accounting and finance, advise on corporate governance and operational development during his term of office. Not having any circumstance under any subparagraph of Article 30 of the Company Act.	None of him, his spouse, or any of his relatives, including relatives within the second degree, is a director, supervisor, or employee of the Company or any of its affiliates. None of the Company's shares are held by himself, his minor children, or his spouse, nor held through nominees. Not a director, supervisor, or employee of any company having a specified relationship with the Company. Has not provided business, legal, financial, or accounting services to the Company or any of its affiliates within the past 2 years. Not concurrently serving as an independent director of other public companies. Meet the independence requirements for independent directors.	1
Li Yi Kuang (Independent Director)	Member of the Company's Audit Committee. Education: Doctor of Law, China University of Political Science and Law Doctor of Law Lawyer, Kenshin Law Firm Director, Andros Pharmaceuticals Co., Ltd. CEO, Zen Zen Biotech Co., Ltd. Supervisor, SUPER BRAVO BIO Co., Ltd. Supervisor, ANGUIL TECHNOLOGY Co., Ltd. Independent Director, Cheng Long Energy Technology Co., Ltd. Director of the 11 th Standing Committee of Taiwan Bar Association Director of the 7 th Board of Directors Taiwan Jurist Association Director of the 18 th Board of Directors, Chinese Association for Human Rights Consultant of the Chinese Arbitration Association Legal Advisor to the Urban Development Bureau of Taipei City Government Legal Advisor, Dharma Drum Mountain With legal expertise and practical experience, advise on corporate governance and operational development during his term of office. Not having any circumstance under any subparagraph of Article 30 of the Company Act.	None of him, his spouse, or any of his relatives, including relatives within the second degree, is a director, supervisor, or employee of the Company or any of its affiliates. None of the Company's shares are held by himself, his minor children, or his spouse, nor held through nominees. Not a director, supervisor, or employee of any company having a specified relationship with the Company. Has not provided business, legal, financial, or accounting services to the Company or any of its affiliates within the past 2 years. Not concurrently serving as an independent director of other public companies. Meet the independence requirements for independent directors.	None

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of each director and supervisor. If a member of the Audit Committee, specify their accounting or finance background and work experience. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Company Act exists with respect to a director or supervisor.

Note 2: Describe the status of independence of each independent director, including but not limited to the following: did they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates? ; specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees); do they serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies)?; specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

2. Diversity and status of independence of the board of directors

1. Diversity of Board of Directors:

- The Company's Board of Directors is composed of 7 directors (including 3 independent directors).
- According to Article 20 of the Company's "Corporate Governance Best Practice Principles", the composition of the board of directors shall be determined by taking diversity into consideration, and an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:
 - (1). Basic requirements and values: Gender, age, nationality, and culture.
 - (2). Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
- In order to strengthen the board of directors' function to achieve the ideal goal of corporate governance, the members of the Company's board of directors shall have the knowledge, skills, and experience necessary to perform their duties, and shall possess the following abilities:
 - 1.Ability to make operational judgments. 2.Ability to perform accounting and financial analysis.
 - 3.Ability to conduct management administration. 4.Ability to conduct crisis management.
 - 5.Knowledge of the industry. 6.An international market perspective. 7.Ability to lead. 8.Ability to make policy decisions.
- Board of Directors is composed of diversified, industry experience and professionals. Reaching 95% of the goal.
 1. Director concurrently serves as an employee less than 2 persons. Reaching 100% of the goal,
 2. All seven directors are ROC nationality. Reaching 100% of the goal.
 3. The Company's directors on average have a term of 6 years or more, and 2 of the independent directors serve for less than 6 years.
 4. This composition is 3 independent directors (42.86%) and 1 director as an employee (14.29%).
 5. Director members' age range includes 6 directors falling within 51-60 years and 1 director falling within 61-70 years.
 6. Currently, there are no female directors, but we plan to invite female directors to join the board in the next re-election. The goal is to achieve more than 30% of female directors. We expect to increase 1 female director at the 8th board meeting in order to achieve the goal.

We also take diversity into consideration and formulate appropriate diversity policy for our own operation, business model and development needs in a timely manner.

Diversity policy and implementation of the Company's current board members are as follows:

Job title	Name	Nationality	Gender	Basic Composition						
				Concurrently serves as an employee of the Company	41-50 years old	51-60 years old	61-70 years old	No. of years as an independent director		
								3 years or less	3-9 years	9 years or more
Director	Liu Hsin	ROC	Male	~		~				
Director	Chu Tse Wen	ROC	Male			~				
Director	Chang Chi Hsin	ROC	Male			~				
Director	Lee Yu Shan	ROC	Male			~				
Independent Director	Lai Ju Kai	ROC	Male				~			~ (Note)
Independent Director	Chen Wei Dar	ROC	Male			~			~	
Independent Director	Li Yi Kuang	ROC	Male			~		~		

(Note) Considering Independent Director Lai Ru Kai's industry knowledge and experience in company operation and management, which bring significant benefits to the Company, although he has consecutively elected as an Independent Director of the Company for three terms, the Company still needs to rely on his profession to provide supervision and professional advice to the board of directors.

Job title	Name	Industry Experience						Professional ability		
		Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct crisis management	Knowledge of the industry	An international market perspective	IT technology	Finance	Law
Director	Liu Hsin	✓	✓	✓	✓	✓	✓			
Director	Chu Tse Wen	✓	✓	✓	✓	✓	✓			
Director	Chang Chi Hsin	✓	✓	✓	✓	✓	✓	✓		
Director	Lee Yu Shan	✓	✓	✓	✓	✓	✓			
Independent Director	Lai Ju Kai	✓	✓	✓	✓	✓	✓	✓	✓	
Independent Director	Chen Wei Dar		✓	✓	✓			✓	✓	
Independent Director	Li Yi Kuang		✓		✓		✓			✓

Information on the specific management goals and achievements of the Company's diversity policy:

Management goal	Status of achievement
At least one-third of the board of directors have game-related industry knowledge and expertise.	Achieved
At least one-third of the independent directors have professional knowledge in technology, finance, law.	Achieved
Female directors aim to reach 30% or more. It is expected to increase one female director in the 8th board meeting.	Expected to be re-elected in 2025.

2. Status of independence of the Board of Directors :

The Company has 3 independent directors, 2 of whom have a term of office of 3 years and 6 years, respectively, and 1 of whom has a consecutive term of office of 9 years and continues to be elected as an independent director because of his industry profession and experience in company operation and management, which brings significant benefits to the Company, and independent directors account for 42.86% of the total number of members of the board of directors.

The independent directors are all qualified under the regulations of the Securities and Futures Bureau of the Financial Supervisory Commission, and all directors are in compliance with Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act; and not a spouse or a relative within the second degree among the directors.

(Note) Considering Independent Director Lai Ru Kai's industry knowledge and experience in company operation and management, which bring significant benefits to the Company, although he has consecutively elected as an Independent Director of the Company for three terms, the Company still needs to rely on his profession to provide supervision and professional advice to the board of directors.

Name	Did they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates	Number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees)	Serve as a director, supervisor, or employee of any company having a specified relationship with the Company	The amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years
Lai Ju Kai	No	None	No	None
Chen Wei Dar	No	None	No	None
Li Yi Kuang	No	None	No	None

(2) Information on general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units

May 15, 2023; Unit: shares

Job title (Note 1)	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree		
					No. of shares	Shareholding ratio (%)	No. of shares	Shareholding ratio (%)	No. of shares	Shareholding ratio (%)			Job title	Name	Relationship
CEO	ROC	Liu Hsin	Male	June 17, 2013	1,177,571	2.44	1,236,449	2.44	301,971	0.60	National Taiwan College of Arts, Department of Arts and Crafts Chairman, TGIPA CEO, USERJOY JAPAN Co., Ltd. CEO, BEIJING AIRSHIP SOFTWARE Co., Ltd. CEO, USERJOY HONG KONG Co., Ltd. Vice President, Odin Technology Co., Ltd. Vice President, Business Division 1, USERJOY Technology Co., Ltd.	CEO, USERJOY Technology Co., Ltd. CEO, USERJOY JAPAN Co., Ltd. Juristic person Director Representative, RICHLAND INVESTMENTS LIMITED Juristic person Director Representative, USERJOY Hong Kong Co., Ltd. Juristic person Director Representative, USERJOY TECHNOLOGY Co., Ltd. Juristic person Director Representative, BEIJING AIRSHIP SOFTWARE Co., Ltd.	None	None	None
Vice President	ROC	Sun Shou Yi	Male	October 1, 2012	0	0	0	0	0	0	National Chiao Tung University Department of Electronics Engineering Game Plan, Oriental Algorithm Technology Corp. Senior Director, International Games System Co., Ltd. Senior Producer, USERJOY Technology Co., Ltd. Game Director, USERJOY Technology Co., Ltd.		None	None	None
Financial Assistant	ROC	Fang Lih Huey	Female	March 1, 2011	11,459	0.02	0	0	0	0	Chihlee College of Business, Department of Accounting and Statistics Auditor, Sun-Rise CPAs & Co. Chief Accounting Officer, Webs-tv Inc. Head of Finance Department, GRANDGLORY Biotechnology Corp. Accounting Supervisor, USERJOY JAPAN Co., Ltd.	Juristic person Director Representative, Fun Yours Technology Co., Ltd.	None	None	None
Assistant Manager/Chief Corporate Governance Officer	ROC	Ye Wen Tsan	Male	December 1, 200	725	0	0	0	0	0	National Chiao Tung University, Department of Computer Science CFO, Midea Media Technology Co. CFO, LaiJie Technology Co. Assistant Manager, GenNet Technology Co., Ltd.		None	None	None

Note 1: The information in this table should be disclosed for the general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units, including all persons in positions equivalent to general manager, assistant general manager, or deputy assistant general manager, regardless of job title.

Note 2: Specify experience and qualifications related to the current position. If during a period specified above, the person has served in a position at a CPA firm that serves as external auditor/attestor, specify the position held and the duties for which the person was responsible.

Note 3: If the general manager or person of an equivalent post (the highest level manager) and the chairperson of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g. increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer).

The Company's Chairman of the board of directors also serves as CEO, which allows for quick communication and effective execution of management decisions and increases operational efficiency. Currently, more than half of the directors do not serve concurrently as employees or managers, we plan to increase the number of independent directors in the future.

(3) Remuneration to Directors, Supervisors, General Manager, and Assistant General Managers

1. Remuneration to Directors (including Independent Directors)

Unit: NT\$ thousand ; thousand shares ; %

Job title	Name	Remuneration to directors								Sum of		Remuneration received by directors for concurrent service as an employee								Sum of		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base compensation (A) (Note 2)		Retirement pay and pension (B)		Director profitsharing compensation (C) (Note 3)		Expenses and perquisites (D) (Note 4)		A+B+C+D and ratio to net income (Note 11)		Salary, rewards, and special disbursements (E) (Note 5)		Retirement pay and pension (F)		Employee profit-sharing compensation (G) (Note 6)				A+B+C+D+E+F+G and ratio to net income (Note 10)		
		The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company		All consolidated entities (Note 7)		The Company	All consolidated entities (Note 7)	
		Amount in cash	Amount in stock	Amount in cash	Amount in stock																	
Chairman	Liu Hsin	120	120	0	0	796	796	0	0	916 0.43%	916 0.43%	2,611	2,611	0	0	1,192	0	1,192	0	4,719 2.20%	4,719 2.20%	0
Director	Chu Tse Wen	297	297	0	0	478	478	18	18	793 0.37%	793 0.37%	0	0	0	0	0	0	0	0	793 0.37%	793 0.37%	0
Director	Chang Chi Hsin	297	297	0	0	478	478	18	18	793 0.37%	793 0.37%	0	0	0	0	0	0	0	0	793 0.37%	793 0.37%	0
Director	Lee Yu Shan	297	297	0	0	478	478	13	13	788 0.37%	788 0.37%	0	0	0	0	0	0	0	0	788 0.37%	788 0.37%	0
Independent Director	Lai Ju Kai	177	177	0	0	186	186	18	18	381 0.18%	381 0.18%	0	0	0	0	0	0	0	0	381 0.18%	381 0.18%	0
Independent Director	Chen Wei Dar	177	177	0	0	186	186	18	18	381 0.18%	381 0.18%	0	0	0	0	0	0	0	0	381 0.18%	381 0.18%	0
Independent Director	Li Yi Kuang	177	177	0	0	186	186	18	18	381 0.18%	381 0.18%	0	0	0	0	0	0	0	0	381 0.18%	381 0.18%	0

1. Please describe the policy, system, standards and structure in place for paying remuneration to independent directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the independent directors the amount of remuneration paid.

Remuneration to directors and managers is in accordance with Article 18 of the Company's Articles of Incorporation, if the Company makes a profit during the year, no more than 3% of the amount shall be distributed to the directors (including independent directors).

Remuneration to independent directors is based on their involvement in the Company's operations and performance evaluation, which includes the realization of the Company's core values and operational management abilities, finance and business performance indicators and overall management indicators, continuing education and participation in sustainable operations, as well as other special contributions, or significant negative events, are measured and included in performance evaluations and compensation awards.

2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): None.

Remuneration Range Table

Ranges of remuneration paid to each of the Company's directors	Names of Directors			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company (Note 9)	All consolidated entities (Note 9) H	The Company (Note 8)	All consolidated entities (Note 9) I
Less than NT\$1,000,000	Liu Hsin, Chu Tse Wen, Chang Chi Hsin, Lee Yu Shan, Chen Wei Dar, Lai Ju Kai, Li Yi Kuang	Liu Hsin, Chu Tse Wen, Chang Chi Hsin, Lee Yu Shan, Chen Wei Dar, Lai Ju Kai, Li Yi Kuang	Chu Tse Wen, Chang Chi Hsin, Lee Yu Shan, Chen Wei Dar, Lai Ju Kai, Li Yi Kuang	Chu Tse Wen, Chang Chi Hsin, Lee Yu Shan, Chen Wei Dar, Lai Ju Kai, Li Yi Kuang
NT\$1,000,000 (incl.) ~NT\$2,000,000 (excl.)				
NT\$2,000,000 (incl.) ~NT\$3,500,000 (excl.)				
NT\$3,500,000 (incl.) ~NT\$5,000,000 (excl.)			Liu Hsin	Liu Hsin
NT\$5,000,000 (incl.) ~NT\$10,000,000 (excl.)				
NT\$10,000,000 (incl.) ~NT\$15,000,000 (excl.)				
NT\$15,000,000 (incl.) ~NT\$30,000,000 (excl.)				
NT\$30,000,000 (incl.) ~NT\$50,000,000 (excl.)				
NT\$50,000,000 (incl.) ~NT\$100,000,000 (excl.)				
NT\$100,000,000 or above				
Total	7	7	7	7

Note 1: The name of each director shall be stated separately (for a corporate shareholder, the names of the corporate shareholder and its representative shall be stated separately), based on the amount of the aggregated remuneration items paid to each. If a director concurrently serves as a general manager or an assistant general manager, please complete this Table and Table 3-1, or Tables 3-2.

Note 2: This refers to director base compensation in the most recent fiscal year (including director salary, duty allowances, severance pay, and various rewards and incentives, etc.).

Note 3: Please fill in the amount of director profit-sharing compensation approved by the board of directors for distribution for the most recent fiscal year.

Note 4: This refers to director expenses and perquisites in the most recent fiscal year (including travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc.). If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Company to the driver, but do not include it in the calculation of the director remuneration.

Note 5: This includes any remuneration received by a director for concurrent service as an employee in the most recent year (including concurrent service as general manager, assistant general manager, other managerial officer, or non-managerial employee) including salary, duty allowances, severance pay, rewards, incentives, travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc. If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Company to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, etc.—should be included in the calculation of remuneration.

Note 6: This refers to employee profit-sharing compensation (including stocks and cash) received by a director for concurrent service as an employee in the most recent fiscal year (including concurrent service as general manager, assistant general manager, other managerial officer, or non-managerial employee). Disclose the amount of profit-sharing compensation approved or expected to be approved by the board of directors for distribution for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table 1-3 should also be completed.

Note 7: Disclose the total amount of remuneration in each category paid to the directors of the Company by all companies in the consolidated financial report (including the Company).

Note 8: Disclose the names of the directors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each director by the Company.

Note 9: Disclose the names of the directors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each director of the Company by all companies in the consolidated financial report (including the Company).

Note 10: Net income means the net income after tax. If the Company has already adopted the IFRS, net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 11: a. In this column, specifically disclose the amount of remuneration received by the directors of the Company from investee enterprises other than subsidiaries or from the parent company.

b. If directors of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column J of the Remuneration Range Table, and the name of that column shall be changed to “Parent company and all investee enterprises.”

c. Remuneration means remuneration received by directors of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation and expenses and perquisites.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

3. Remuneration to General Manager and Assistant General Manager

Unit: NT\$ thousand ; thousand shares ; %

Job title	Name	Salary (A) (Note 2)		Retirement pay and pension (B)		Rewards, and special disbursements (C) (Note 3)		Employee profit-sharing compensation (D) (Note 4)				Sum of A+B+C+D and ratio to net income (Note 8)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 9)
		The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	The Company		All consolidated entities (Note 5)		The Company	All consolidated entities (Note 5)	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	Liu Hsin	4,374	4,374	0	0	1,882	1,882	2,383	0	2,383	0	8,639 4.03	8,639 4.03	None
Vice President	Sun Shou Yi													

*Disclosures must be made for all persons in positions equivalent to general manager or assistant general manager, regardless of job title (e.g., president, chief executive officer, chief administrative officer...etc.).

Remuneration Range Table

Ranges of remuneration paid to each of the Company's general manager(s) and assistant general manager(s)	Names of General Manager(s) and Assistant General Manager(s)	
	The Company (Note 6)	All consolidated entities (Note 7) E
Less than NT\$1,000,000		
NT\$1,000,000 (incl.) ~ NT\$2,000,000 (excl.)		
NT\$2,000,000 (incl.) ~ NT\$3,500,000 (excl.)		
NT\$3,500,000 (incl.) ~ NT\$5,000,000 (excl.)	Liu Hsin, Sun Shou Yi	Liu Hsin, Sun Shou Yi
NT\$5,000,000 (incl.) ~ NT\$10,000,000 (excl.)		
NT\$10,000,000 (incl.) ~ NT\$15,000,000 (excl.)		
NT\$15,000,000 (incl.) ~ NT\$30,000,000 (excl.)		
NT\$30,000,000 (incl.) ~ NT\$50,000,000 (excl.)		
NT\$50,000,000 (incl.) ~ NT\$100,000,000 (excl.)		
NT\$100,000,000 or more		
Total	2	2

Note 1: The name of each general manager and assistant general manager shall be stated separately, based on the amount of the aggregated remuneration items paid to each. If a director concurrently serves as a general manager or an assistant general manager, please complete this table and Table (1-1), or Tables (1-2).

Note 2: This includes salary, duty allowances, and severance pay to the general manager(s) and assistant general manager(s) in the most recent fiscal year.

Note 3: This includes the amounts of all types of rewards, incentives, travel expenses, special disbursements, stipends of any kind, provision of facilities such as accommodations or vehicle, and other compensation to the general manager(s) and assistant general managers(s) in the most recent fiscal year. If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the company to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, etc.—should be included in the calculation of remuneration

Note 4: This refers to employee profit-sharing compensation (including stocks and cash) received by the general manager(s) and assistant general manager(s) as approved or expected to be approved by the board of directors for the most recent fiscal year (including concurrent service as general manager, assistant general manager, other managerial officer, or non-managerial employee). If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table 1-3 should also be completed.

Note 5: Disclose the total amount of remuneration in each category paid to the general manager(s) and assistant general manager(s) by all companies in the consolidated financial report (including the Company).

Note 6: Disclose the names of the general manager(s) and assistant general manager(s) in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each general manager and assistant general manager by the Company.

Note 7: Disclose the names of the general manager(s) and assistant general manager(s) in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each general manager and assistant general manager of the Company by all companies in the consolidated financial report (including the Company).

Note 8: Net income means the net income after tax. If the Company has already adopted the IFRS, net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 9:

- a. In this column, specifically disclose the amount of remuneration received by the general manager(s) and assistant general manager(s) of the Company from investee enterprises other than subsidiaries or from the parent company.
- b. If general manager(s) or assistant general manager(s) of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column E of the Remuneration Range Table, and the name of that column shall be changed to “Parent company and all investee enterprises.”
- c. Remuneration means remuneration received by the general manager(s) and assistant general manager(s) of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

4. Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

May 15, 2024 Unit: NT\$ thousand ; %

	Job title (Note 1)	Name (Note 1)	Amount in stock	Amount in cash	Total	As a % of net profit
Managerial officers	Chairman & President	Liu Hsin	0	3,345	3,345	1.56
	Vice President	Sun Shou Yi				
	Assistant Manager	Ye Wen Tsan				
	Assistant Manager	Fang Lih Huey				

Note 1: Names and job titles should be disclosed individually, but profit distributions received may be disclosed in aggregate.

Note 2: Fill in the amount of employee profit-sharing compensation (including stocks and cash) received by the managerial officers as approved or expected to be approved by the board of directors for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. If the Company has already adopted the IFRS, net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 3: The applicable scope of “managerial officers” is defined under the 27 March 2003 FSC Order No. Tai-Cai-Zheng-III-0920001301 as persons in the following positions:

- (1) General manager(s) and equivalent level positions
- (2) Assistant general manager(s) and equivalent level positions
- (3) Deputy assistant general manager(s) and equivalent level positions
- (4) Chief officer of the finance division
- (5) Chief officer of the accounting division
- (6) Other persons who have the power to manage affairs and sign for the Company

Note 4: If any director, general manager, or assistant general manager receives profit-sharing compensation (including stocks or cash), complete this table in addition to Table 1-2.

(4) Compare and describe total remuneration, as a percentage of net income, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure

1. Total remuneration, as a percentage of net income (loss), as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers:

Job title	The Company				All consolidated entities			
	2023		2022		2023		2022	
	Total amount	As a % of net profit	Total amount	As a % of net profit	Total amount	As a % of net profit	Total amount	As a % of net profit
Directors	8,236	3.84	9,899	3.06	8,236	3.84	9,899	3.06
President & Vice President	8,639	4.03	8,485	2.62	8,639	4.03	8,485	2.62

2. Describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

(Determine remuneration policies, standards and packages)

1. Directors' remuneration is specified in Article 15 of the Company's Articles of Incorporation, whereby directors of the Company shall be compensated for their services, regardless of the Company's operating profit or loss, at a rate to be determined by the Board of Directors based on the extent of their participation in the Company's operations, the value of their contributions, and by reference to industry standards. Also, Article 18 of the Articles of Incorporation specifies, if the Company makes a profit during the year, shall be distributed to directors as remuneration in an amount of not more than 3%.
2. Remuneration to managers is determined in accordance with the manager's rank, years of service, professional experience, and the Company's operating results, financial condition, and operational condition, and individual performance. We also make reference to the salary level of equivalent positions. In addition, with reference to the market level in the industry through professional organizations, the Company sets the standard for managerial remuneration by making reference to the standards of the same industry, and maintains its competitiveness, incentives, and reasonableness. In addition, In accordance with Article 18 of the "Articles of Incorporation", not less than 3% and not more than 15% of amount shall be paid to employees as compensation.
3. Salary adjustments for managers may be made in accordance with the Company's annual operating and earnings conditions, each unit's operating performance, and individual performance, etc.
4. Implemented senior management remuneration and ESG performance policy:
please refer to the official website:
https://www.userjoy.com.tw/governance/corporate_major_03.aspx

(Procedure for determining remuneration)

1. Directors' remuneration procedures are in accordance with the "Rules for Performance Evaluation of Board of Directors", whereby the Board of Directors' internal self-evaluation, board members' (self or peer) self-evaluation and peer evaluation cover functional committees, to evaluate the directors (including independent directors) once a year to determine the reasonableness of remuneration and linkage of remuneration with their performance evaluation, the above are all reviewed by the remuneration committee, and reported and approved by the Board of Directors.
2. When determining manager remuneration, or reviewing or adjusting annual remuneration, the following information is required to be submitted:
 - ✓ The Company's annual operating and earnings conditions, each unit's operating performance and contribution, documentation of individual performance, and reference to market levels among industry peers.
 - ✓ Employee compensation and incentive compensation are allocated to managers within the approved percentage range.
 - ✓ Manager's remuneration is subject to review and approval by the Remuneration Committee and submitted to the Board of Directors for approval.
3. The Company's remuneration packages are determined in accordance with Remuneration Committee Charter, including cash bonus, stock options, stock dividends, retirement or pension pay, various allowances and other substantial incentives, within the range consistent with remuneration for directors and managers stated in the Regulations Governing Information to be Published in Annual Reports of Public Companies. °

(Linkage to operating performance and future risk exposure)

1. Remuneration policies and related payment standards are reviewed primarily by the Company's overall operating conditions. Determining payment standards according to performance achievement and contribution, with the aim of improving the overall organizational effectiveness of the Board of Directors and the management.
2. The Company integrates performance objectives with risk management to ensure management and prevention of potential risks within the scope of responsibilities. The performance evaluation results are used to determine the reasonableness of remuneration policies and linked with HR and pay and reward policies. The Company's management takes into account various risk factors in making important decisions to ensure these decision performances are reflected in the Company's profitability.

3. The state of the company's implementation of corporate governance

(1) Operations of the Board of Directors

The number of board meetings held in the most recent fiscal year was: 7 (A). The attendance by the directors and supervisors was as follows:

Title	Name (Note 1)	No. of meetings attended in person (B)	No. of meetings Attended by proxy	In-person attendance rate (%) 【 B / A 】 (Note 2)	Remarks
Chairman	Liu Hsin	7	0	100.0%	None
Director	Chu Tse Wen	7	0	100.0%	None
Director	Chang Chi Hsin	7	0	100.0%	None
Director	Lee Yu Shan	5	2	67.0%	None
Independent director	Lai Ju Kai	7	0	100.0%	None
Independent director	Chen Wei Dar	7	0	100.0%	None
Independent director	Li Yi Kuang	6	1	83.0%	None
All Directors' attendance rate: 46/49=93.9%					

Other information required to be disclosed:

1. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:

(1) Any matter under Article 14-3 of the Securities and Exchange Act: Please refer to pages 61 and 62 for details.

(2) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution: None. Please refer to pages 61 and 62 for details.

2. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted.

Board meeting	Content of motion	Recusal status	Voting
March 23, 2023 4 th meeting of the 7 th Board of Directors	Distribution of 2022 remuneration to employees and directors, supervisors.	Due to it involving directors' and managers' interests, so director Liu Hsin, director Chang Chi Hsin, director Lee Yu Shan and director Chu Tse Wen recused themselves from discussion and voting.	Directors with an interest in this motion recused themselves from discussion and voting, and acting chairman consulted all directors present and agreed to pass the proposal.
March 23, 2023 4 th meeting of the 7 th Board of Director	2023 salary adjustments for managers.	Director and CEO, Liu Hsin, was an interested party, so he recused himself from discussion and voting.	Acting chairman consulted all directors present and agreed to pass the proposal.
November 9, 2023 9 th meeting of the 7 th Board of Director	2023 year-end bonuses proposal for managers of the Company and USERJOY JAPAN Co., Ltd.	Due to it involving directors' and managers' interests, so Liu Hsin recused himself from participating the discussion and voting. Directors have a conflict of interest, recused themselves from discussion and voting.	Acting chairman consulted all directors present and agreed to pass the proposal.
March 14, 2024 11 th meeting of the 7 th Board of Director	Distribution of 2023 remuneration to employees and directors, supervisors.	Due to it involving directors' and managers' interests, so director Liu Hsin, director Chang Chi Hsin, director Lee Yu Shan and director Chu Tse Wen recused themselves from discussion and voting.	Directors with an interest in this motion recused themselves from discussion and voting, and acting chairman consulted all directors present and agreed to pass the proposal.
March 14, 2024 11 th meeting of the 7 th Board of Director	2023 salary adjustments for managers.	Director and CEO, Liu Hsin, was an interested party, so he recused himself from discussion and voting.	Acting chairman consulted all directors present and agreed to pass the proposal.

3. For a TWSE or TPEX listed company, disclose information including the evaluation cycle and period(s) of the board of directors' self-evaluations (or peer evaluations) and the evaluation method and content. Additionally, complete Table Implementation of Evaluations of the Board of Directors.

The Company's board of directors has established the "Rules for Performance Evaluation of Board of Directors", to set up a board performance evaluation system to enhance the functions of the board of directors' operation. The board of directors' performance evaluation is conducted at least once a year, with directors' self-evaluation conducted in the first quarter of the following year, and submit evaluation results to the board for review and improvement. Measurement items include the degree of participation in operations, awareness of the duties and responsibilities, professional and continuing education, and internal control, etc., and are conducted by questionnaire, which covers not only the entire board of directors and individual directors, but also various functional committees.

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Evaluation content
Once per year	January 1, 2023 to December 31, 2023	Board of Directors	Board of Directors's self-evaluation	Evaluation of the performance of the board: 1. degree of the board's participation in the operation of the company; 2. the quality of the board's decision making; 3. composition and structure of the board; 4. election and continuing education of the directors; 5. internal control, etc.
		Individual board members	Individual board members's self-evaluation	Evaluation of the performance of individual directors 1. familiarity with the goals and missions of the company; 2. awareness of the duties of a director; 3. participation in the operation of the company; 4. management of internal relationships and communication; 5. the director's professionalism and continuing education; 6. internal control, etc.
Once per year	January 1, 2023 to December 31, 2023	Remuneration Committee	Peer evaluations Members' and internal self-evaluation	1. participation in the operation of the company; 2. awareness of the duties of the functional committee; 3. quality of decisions made by the committee; 4. makeup of the functional committee and election of its members; 5. internal control, etc.
Once per year	January 1, 2023 to December 31, 2023	Audit Committee	Peer evaluations Members' and internal self-evaluation	1. participation in the operation of the company; 2. awareness of the duties of the functional committee; 3. quality of decisions made by the functional committee; 4. makeup of the committee and election of its members; 5. internal control, etc.
Once per year	January 1, 2023 to December 31, 2023	Other functional committees	Members' and internal self-evaluation	1. participation in the operation of the company; 2. awareness of the duties of the functional committee; 3. quality of decisions made by the functional committee; 4. makeup of the functional committee and election of its. Members; 5. internal control, etc.

Implementation of evaluations: 2023 performance evaluations of the board of directors and functional committees were conducted in 2024 Q1 and submitted to the board of directors' meeting on March 14, 2024.

Board's 2023 performance evaluation results were as follows:

Content	Score	Result
Overall average score of board performance evaluation (out of 5)	5	Excellent
Overall average score of board members' self-evaluation (out of 5)	4.95	Excellent

Remuneration Committee members' 2023 performance evaluation results were as follows:

Content	Score	Result
Overall average score of members' self-evaluation (out of 5)	4.95	Excellent
Overall average score of remuneration committee members' performance evaluation (out of 5)	4.95	Excellent

Audit Committee members' 2023 performance evaluation results were as follows:

Content	Score	Result
Overall average score of members' self-evaluation (out of 5)	4.95	Excellent

Overall average score of audit committee members' performance evaluation (out of 5)	4.95	Excellent
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The above performance evaluation details and follow-up improvements were submitted to the board meeting on March 14, 2024, and also disclosed on the Company's website.

4. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, increasing information transparency, etc.) and the measures taken toward achievement thereof.
 1. The Company has set up 3 independent directors, re-elected on June 29, 2022, and appointed by persons with rich management background and academics. The independent directors can assist all shareholders in exercising external supervision over the Company, and can also provide professional advice to the Company's management. The Audit Committee was established on June 27, 2019.
 2. Provide quarterly directors' continuing education information and promotion policy, in order to grasp the latest industry or corporate governance policy related information and arrange the directors' continuing education.
 3. In accordance with Article 14-6, Paragraph 1 of the Securities and Exchange Act, the Company established the remuneration committee on November 25, 2011, which was approved by the board of directors, and the committee has held 25 meetings since its re-election in 2016, with a 100% attendance rate of its members. The committee's responsibilities are to formulate and periodically review director's and manager's performance evaluation and remuneration policies, systems, standards, and structures, and to evaluate performance standards based on two major indicators and eight key points.
 - (1). Compliance with relevant laws and regulations
 1. Recusal of director's interests
 2. Achieve the required annual continuing education hours for directors
 3. Board meeting attendance rate
 4. Shareholders' meetings attendance rate
 - (2). Degree of participation in the Company's operations
 1. Reviewing the Company's accounting system, financial position and financial report, audit report and its tracking status.
 2. Communicating and interacting with the Company's CPAs.
 3. Assessing and supervising the Company's risks and potential risks.
 4. Communicating and interacting with the Company's management.

In accordance with Article 18 of the Articles of Incorporation, if the Company makes a profit in a year, the Company shall allocate not more than 3% as remuneration to the directors for that year. Therefore, the procedure for determining the remuneration is in accordance with the Company's "Rules for Performance Evaluation of Board of Directors and Managers", in addition to referring overall operating performance, industry future operational risk and development trends, and also the individual's performance achievement rate and degree of contribution to the Company's performance, to provide reasonable remuneration. The relevant performance evaluation and reasonableness of the remuneration have been reviewed by remuneration committee and the board of directors, and timely review the remuneration system according to actual operating conditions and relevant laws and regulations, in order to seek a balance between the Company's sustainable operation and risk control.

 4. On June 27, 2019, the shareholders' meeting approved the amendment of "Procedures for Election of Directors", and on March 24, 2022, reported the state of operation to the Board of Directors, and its operation was normal with no major deficiencies.

Note 1: For a director or supervisor that is a juristic person (corporate entity), disclose the name of the corporate shareholder and the name of its representative.

Note 2 :

- (1) If any director or supervisor left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of board meetings held and the number they attended in person during the period they were in office.
- (2) If any by-election for directors or supervisors was held before the end of the fiscal year, the names of the new and old directors and supervisors should be filled in the table, with a note stating whether the director or supervisor left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The inperson attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

(3) Operation of the Audit Committee

1. **Operation of the Audit Committee:** Annual focus and operation are as follows

1. Powers of the audit committee:

1. Adoption or amendment of an internal control system pursuant to Article 14-1 of Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. Adoption or amendment, pursuant to Article 36-1 of Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
4. A matter bearing on the personal interest of a director.
5. A material asset or derivatives transaction.
6. A material monetary loan, endorsement, or provision of guarantee.
7. The offering, issuance, or private placement of any equity-type securities.
8. The hiring or dismissal of an attesting CPA, or the compensation given thereto.
9. The appointment or discharge of a financial, accounting, or internal auditing officer.
10. Annual financial reports and half-year financial reports.
11. Business report and proposal for distribution of profit or set aside of loss.
12. Any other material matter so required by the company or the Competent Authority.

2. The Company's Audit committee has 3 members.

Annual focus: The Audit committee's duties for the year includes reviewing financial reports, assessing the effectiveness of the internal control system, matters related to corporate governance, revisions to the internal control system, and risk management matters.

3. The number of audit committee meetings held in the most recent fiscal year was: 6 (A). The attendance by the independent directors was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【 B / A 】 (Note)	Remarks
Independent Director	Lai Ju Kai	6	0	100%	None
Independent Director	Chen Wei Dar	6	0	100%	None
Independent Director	Li Yi Kuang	6	0	100%	None

Other information required to be disclosed:

1. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:

(1) Any matter under Article 14-5 of the Securities and Exchange Act.

Date	Content of the motion and follow up	Outcome of resolution	Measure taken by the Company
March 23, 2023 1 st Audit Committee	1. Financial statements and consolidated financial statements for 2022. 2. Issue new shares through capitalization of retained earnings. 3. Assessment of the effectiveness of internal control system" and "Statement on Internal Control System" for 2022.	Approved by all members	Approved by all directors present without dissent
May 11, 2023 2 nd Audit Committee	1. Consolidated financial statements for 2023 Q1.	Approved by all members	Approved by all directors present without dissent
August 10, 2023	1. Consolidated financial statements for 2023 Q2.	Approved by	Approved by all

3 rd Audit Committee	2. Amendment to some articles of the "Directors Remuneration Policy".	all members	directors present without dissent
October 5, 2023 4 th Audit Committee	1. Acquisition of a new office building.	Approved by all members	Approved by all directors present without dissent.
November 9, 2023 5 th Audit Committee	1. Consolidated financial statements for 2023 Q3. 2. Appointment of the CPA and independence evaluation. 3. Developing 2024 Audit Plan. 4. Amendment to the internal control system, internal audit system - "Management System of Financial Statement Preparation Processes".	Approved by all members	Approved by all directors present without dissent.
December 13, 2023 6 th Audit Committee	Applying for bank loans for acquisition of property.	Approved by all members	Approved by all directors present without dissent
March 14, 2024 1 st Audit Committee	1. Financial statements and consolidated financial statements for 2022. 2. Issue new shares through capitalization of retained earnings 3. "Assessment of the effectiveness of internal control system" and "Statement on Internal Control System" for 2022. 4. To meet the Group's operational needs, proposed to give a loan to its subsidiary, USERJOYJAPAN Co., Ltd. with an amount of JPY500 million, and authorized the Chairman of the Board of Directors to give loans to the same party in installments or to make a revolving credit line.	Approved by all members	Approved by all directors present without dissent
May 9, 2024 2 nd Audit Committee	1. Consolidated financial statements for 2024 Q1.	Approved by all members	Approved by all directors present without dissent

(2) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors: None.

2. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted: None.
3. Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication.)

(1) Internal audit unit submits the audit report to each independent director for review on a monthly basis, immediately communicates and discusses with the independent directors on the recommendations or opinions made by the independent directors, and communicates with the independent directors and the CPAs at the annual independent directors' pre-communication meeting; after the setup of the Audit Committee, according to the needs of the motion, it will be reported to the independent directors at the time of the Audit Committee.

(2) Communication between the independent directors and the internal audit unit is normally conducted through e-mail, telephone or pre-audit meetings.

(3) Communication between the independent directors and the internal audit manager and the CPAs is updated irregularly on the Company's website under Corporate Governance>Communication to Independent Directors:

https://www.userjoy.com.tw/governance/corporate_independent_directors_01.aspx

2. Communications between the independent directors and the chief internal audit officer are good, past communications are summarized below:

Date	Nature of the meeting	Communication content	Independent Directors' Opinion
March 14, 2023	Audit Committee	Report on the actual implementation of the 2023 audit plan and status report. Report on the implementation of the audit plan for January-February, 2024. Report on 2023 Q4 follow up matters.	None
November 9, 2023	Audit Committee	Report on the implementation of the audit plan for August-October, 2023. Report on 2023 Q3 follow up matters. Material matter follow up: GHG Inventory and Verification.	None
August 10, 2023	Audit Committee	Report on the implementation of the audit plan for May-July, 2023. Report on 2023 Q2 follow up matters.	None
May 11, 2023	Audit Committee	Report on the implementation of the audit plan for March-April, 2023. Report on 2023 Q1 follow up matters.	None
March 23, 2023	Audit Committee	Report on the actual implementation of the 2022 audit plan and status report. Report on the implementation of the audit plan for January-February, 2023. Report on 2022 Q4 follow up matters.	None

3. Communications between the independent directors and the CPAs, past communications are summarized below:

Date	Nature of the meeting	Communication content	Independent Directors' Opinion
April 10, 2023	Audit Committee	FSC launches "Sustainable Development Action Plans for TWSE- and TPEX-Listed Companies (2023)" Amendments to the amended Internal Control System Statement of the listed company shall be reported within 2 days from the date of approval by the Board of Directors. On January 7, 2023, the Legislative Yuan passed the third reading of Article 10-2 and Article 72 of the Statute for Industrial Innovation. Promotion of related information.	None
July 6, 2023	Audit Committee	A. Update on laws and regulations 1. FSC announces eNotice for dividend payment, to be online by the end of June. 2. SFC amended the Q&A regarding "Regulations Governing Preparation of Financial Reports by Securities Issuers". 3. TPEX amendment/newly added forms. 4. To coordinate with the Summary of the Auditor Engagement Standards issued by the Auditing Standards Committee, TPEX announced the standards applicable to the engagement of accountants, collectively referred to as the Standards on Auditing, and amended the relevant clauses. B. Tax Issues 1. Ministry of Finance stated that, profit-seeking enterprises filing a declaration on provisional payment for pre-calculation income tax return, CFC earnings is exempt from being included into taxable income calculation. 2. Draft notice "Regulations Governing Application of Tax Credits for Corporate in Forward-Looking Innovative R&D and Advanced Manufacturing Processes Expenditures"	None
October 6, 2023	Audit Committee	A. Update on laws and regulations 1. TPEX announced the new "Corporate ESG Highlights" section to demonstrate the sustainable development achievements for listed companies. 2. Advance notice from the SFC of amendments to the "Regulations Governing Information to be Published in Annual Reports of Public Companies" and the "Regulations Governing Information to be Published in Public Offering and Issuance Prospectuses", regarding disclosure of individual director's remuneration range, disclosure of plans to reduce carbon emissions, and early filing of annual reports of shareholders' meetings in an orderly manner. 3. Published IFRS Sustainability Disclosure Standards FAQs	None

		<p>4. TPEX amended the "Rules Governing Information Reporting by Companies with TPEX Listed Securities ": to include the performance evaluation results of the Audit Committee and the Remuneration Committee and filing the information by the end of March every year.</p> <p>5. In line with the "Corporate Governance 3.0 - Roadmap for Sustainable Development" and the " Sustainable Development Action Plan for Listed Companies (2023)", TPEX amended the requirements for the number of independent directors.</p> <p>6. TPEX added disclosure of material Information of Companies and amended the penalties for making misleading statements in material information.</p> <p>B. Tax Issues</p> <p>1. Ministry of Economic Affairs and the Ministry of Finance jointly announced the "Regulations Governing Application of Tax Credits for Corporate in Forward-Looking Innovative R&D and Advanced Manufacturing Processes Expenditures".</p> <p>2. The Ministry of Finance issued Order No. Tai-Cai-Shui-11204517390 on August 10, 2023, regarding Regulations governing recognition of employee expenses of companies that issue or grant their own stock or other equity instruments.</p>	
November 9, 2023	Audit Committee	<p>A. Responsibility of the Governance Unit</p> <p>1. Responsibilities of the Board of Directors</p> <p>2. Responsibilities of the Audit Committee</p> <p>3. Governance Units' Responsibility for Improving the Preparation of Financial Statements</p> <p>B. Audit scope and methodology</p> <p>C. Significant risks and key audit matters (2023)</p> <p>D. Laws and regulations update of the Securities and Futures Bureau</p> <p>1. Laws and regulations update.</p> <p>2. Tax Issues</p>	None
March 14, 2024	Audit Committee	<p>A. Group audit</p> <p>B. Key audit matters</p> <p>C. Responsibility of the Governance Unit</p> <p>D. Updates to the laws and regulations of the Securities and Futures Bureau</p> <p>1. Laws and regulations update.</p> <p>A. FSC announcement on handling affairs related to shareholders' meeting shall pay attention to comply with laws and regulations.</p> <p>B. SFB lowered the threshold for reporting and announcement of substantial shareholding from 10% to 5% in line with the Securities and Exchange Act, and amended the Regulations Governing the Declaration of Acquisition of Shares in Accordance with Article 43-1, Paragraph 1 of the Securities and Exchange Act", and take effect on May 10, 2024.</p> <p>C. TPEX amended the "Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies" and "Directions for the Implementation of Assurance Institutions for the Sustainability Report of TWSE/TPEX Listed Companies", as follows</p> <ul style="list-style-type: none"> ●Sustainability Report shall be approved by a resolution of the Board of Directors. ●TPEX listed companies with paid-in capital of less than NT\$2,000 million, are required to prepare a sustainability report starting from 2025. ●TPEX listed companies with paid-in capital of NT\$2 billion or more in Cement industry etc. 11 industry sectors, shall be applicable to industry sector sustainability indicators. ●Regarding the information related to greenhouse gas inventories and verification, stipulates that listed companies will be applicable to disclose the reductions in phases. <p>2. Tax Issues</p>	None

Note:

* If any independent director left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of audit committee meetings held and the number they attended in person during the period they were in office.

* If any by-election for independent directors was held before the end of the fiscal year, the names of the new and old independent directors should be filled in the table, with a note stating whether the independent director left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

(4) Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	√		<p>(1) The Company has established the "Corporate Governance Best-Practice Principles", been approved by the Board of Directors, and made simultaneous amendments to the relevant internal rules and regulations in accordance with the law, as well as implemented and handled information disclosure in accordance with the relevant laws and regulations in order to protect shareholders' rights and interests.</p> <p>(2) The Company has also established and implemented corporate governance related policies and regulations, such as "Regulations Governing Procedure for Board of Directors Meetings", "Rules of Procedure for Shareholders Meetings", "Rules Governing the Scope of Powers of Independent Directors", "Procedures for Election of Directors", "Rules Governing Financial and Business Matters Between this Corporation and its Related Parties", "Codes of Ethical Conduct", "Rules Governing the Exercise of Rights and Participation in Resolutions by Juristic Person Shareholders With Controlling Power", "Regulations Governing the Acquisition and Disposal of Assets", "Operational Procedures for Loans of Funds to others", "Operational Procedures for Endorsements/Guarantees", "Directions for the Implementation of Continuing Education for Directors", "Code of Practice for Important Information", "Ethical Corporate Management Best Practice Principles", "Procedures for Handling Material Inside Information", "Regulations Governing the Supervision and Management of Subsidiaries", "Remuneration Committee Charter", "Rules for Performance Evaluation of Board of Directors", and "Standard Operating Procedures for Handling Requests Made by Directors".</p>	No deviation from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
<p>2. Shareholding Structure and Shareholders' Rights</p> <p>(1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?</p> <p>(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?</p> <p>(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?</p> <p>(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?</p>	<p>√</p> <p>√</p> <p>√</p> <p>√</p>		<p>(1) The Company has a spokesman, an acting spokesman, and our stock agency, Capital Securities Corp., to handle issues such as shareholders' suggestions or disputes.</p> <p>(2) Company has a dedicated unit responsible for handling such matters, with assistance from Capital Securities Corp., Capital Securities provides a register of shareholders in order to keep track of major shareholders, and reports information related to changes in shareholdings in accordance with the regulations.</p> <p>(3) The Company has established and is in the process of implementing the following policies: "Procedures for Transactions with Specified Companies, Group Entities and Related Parties", "Regulations Governing the Supervision and Management of Subsidiaries", "Regulations Governing the Acquisition and Disposal of Assets", "Operational Procedures for Loans of Funds to Other Parties," "Operational Procedures for Endorsement and Guarantee," and "Rules Governing Financial and Business Matters Between this Corporation and its Related Parties". We have also built appropriate firewalls.</p> <p>(4) 1. The Company has established the "Rules Governing the Exercise of Rights and Participation in Resolutions by Juristic Person Shareholders With Controlling Power", "Codes of Ethical Conduct", and "Procedures for Handling Material Inside Information", and has conducted promotion on prevention of insider trading, in order to prevent insider trading from occurring.</p> <p>2. Also, via e-mail and communication software, to remind the directors to comply with Article 10 of the "Corporate Governance Best Practice Principles", prohibiting a director from trading its shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports. This is to avoid violating the information deposition period under Article 157-1 of the Securities and Exchange Act.</p> <p>3. The promotion contents are disclosed on the website under Corporate Governance > Internal Rules and Regulations > Other Important Policies.</p>	No deviation

Evaluation item	Implementation status (Note 1)		Summary description	Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons																		
	Yes	No																				
<p>3. Composition and responsibilities of the board of directors</p> <p>(1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?</p> <p>(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?</p> <p>(3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis?</p> <p>(4) Does the Company regularly evaluate its external auditors' independence?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) All of the Company's directors are professionals with important influence on the Company's business operations, talent cultivation and development, performance evaluation, and finance and accounting, etc. They provide professional advice and supervise the operation of the management team. Diversity of directors, diversity policy, specific management objectives and implementation: Please refer to pages 15、16 of the annual report.</p> <p>(2) The Company has established a remuneration committee and an audit committee in accordance with the law. The rest of the Company's operations are handled by each department in accordance with its responsibilities.</p> <p>(3) The Company's remuneration committee determines and periodically reviews the policies, systems, standards and structures for evaluating directors' and managers' performance and remuneration, and submits its recommendations to the Board of Directors for discussion.</p> <p>Board' 2023 performance evaluation results were as follows:</p> <table border="1"> <thead> <tr> <th>Content</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Overall average score of board performance evaluation (out of 5)</td> <td>5</td> </tr> <tr> <td>Overall average score of board members' self-evaluation (out of 5)</td> <td>4.95</td> </tr> </tbody> </table> <p>Remuneration Committee members' 2023 performance evaluation results were as follows:</p> <table border="1"> <thead> <tr> <th>Content</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Overall average score of members' self-evaluation (out of 5)</td> <td>4.95</td> </tr> <tr> <td>Overall average score of remuneration committee members' performance evaluation (out of 5)</td> <td>4.95</td> </tr> </tbody> </table> <p>Audit Committee members' 2023 performance evaluation results were as follows:</p> <table border="1"> <thead> <tr> <th>Content</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Overall average score of members' self-evaluation (out of 5)</td> <td>4.95</td> </tr> <tr> <td>Overall average score of audit committee members' performance evaluation (out of 5)</td> <td>4.95</td> </tr> </tbody> </table> <p>The above performance evaluation details and follow-up improvements were submitted to the board meeting on March 14, 2024, and also disclosed on the Company's website.</p> <p>(4) Each year, the Company requests our CPA to provide the Audit Quality Indicators (AQIs). (available at https://www.userjoy.com.tw/governance/corporate_major_03.aspx) and the Statement of Independence. We periodically evaluate CPA's independence and suitability according to "Independence Evaluation Form", and reports the evaluation results to the Board of Directors. 2024 results had been reported to the Board of Directors on November 9, 2023, and were reviewed and approved by the Board. Finance department has evaluated Deloitte & Touche' CPAs Chang Chih Yi and Huang Yi Min, both are qualified to meet the Company's independence standards. Please refer to Annex I and Annex II for details.</p>	Content	Score	Overall average score of board performance evaluation (out of 5)	5	Overall average score of board members' self-evaluation (out of 5)	4.95	Content	Score	Overall average score of members' self-evaluation (out of 5)	4.95	Overall average score of remuneration committee members' performance evaluation (out of 5)	4.95	Content	Score	Overall average score of members' self-evaluation (out of 5)	4.95	Overall average score of audit committee members' performance evaluation (out of 5)	4.95	No deviation
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Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
4. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, applying for company registration and change of registration, and compiling minutes of board meetings and annual general meetings)?	✓		<p>1.The Company has a concurrent corporate governance unit: Management Division. It is responsible for handling matters related to the Board of Directors' and Shareholders' meetings, registering and changing the registration of companies, and preparing minutes of the Board of Directors' and Shareholders meetings in accordance with the law, as well as corporate social responsibility.</p> <p>2.The Company has established a Corporate Governance Officer, served by Assistant Manager of the Management Division, in charge of corporate governance related affairs. Please refer to page P55~56 for scope of duties and continuing education.</p> <p>3.Report to the Board of Directors regularly (at least once a year) on annual plans and work performance.</p>	
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	✓		<p>1. The Company has established a shareholders' service line and mailbox, and has dedicated personnel to serve shareholders.</p> <p>2. The Company has set up a special section for stakeholders on the Company's website, Website>Governance>Stakeholders Clearly disclosed communication channels and responses to shareholders' concerns on important CSR issues.</p> <p>Website: https://www.userjoy.com.tw/governance/corporate_stakeholders_01.aspx</p>	No deviation
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	✓		The Company has appointed Capital Securities Corp. to handle such matters.	No deviation
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status? (2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)? (3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	✓ ✓ ✓		<p>(1) The Company's website. http://www.userjoy.com.tw/ Fully disclosed financial, business, and. corporate governance related information.</p> <p>(2) The Company has set up a website in both English and Chinese and has designated staff responsible for information collection and disclosure, and has implemented a spokesperson system in accordance with regulations. A spokesperson system has been implemented in accordance with the regulations. Information such as investors conference presentations is also disclosed on the Company's official website. Relevant information required to be reported is disclosed on MOPS in accordance with regulations.</p> <p>(3) The Company reported its financial statements within specified deadlines according to List of matters to be done by TPEX listed companies. The Company publishes and reports its annual financial report, the first, second, and third quarterly financial report, as well as operating statements for each month the specified deadlines.</p>	No deviation

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	√		1. Employee rights: The Company has established an Employee Welfare Committee and contributes to employee rights and labor pensions in accordance with the law, and complies with the Labor Standards Act and other labor-related rights to ensure their interests; also has established an Employee Stock Warranty Plan, Employee Stock Option Plan, etc., and share the Company's operating profits with all of our employees. 2. We hire physically disabled people to take care of the disadvantaged groups and to promote their employment. 3. We offer a flexible working schedule and provide fitness equipments and venues for stress relief and exercise health care, caring for our employees to be physically fit while working hard.	No deviation
	√		4. Investor Relations: The Company's official website has set up special sections to disclose financial, stock affairs, business and other related information for investors to access at all times, and has designated a responsible unit to collect relevant information and disclosure matters. We have set up a spokesperson, a proxy spokesperson, and a stock agency, Capital Securities Corp. to handle shareholders' and investors' inquiries.	No deviation
	√		5. Supplier relations: The Company has established the "Supplier Management Policy", through proper supplier management operations, not only to maintain the procurement quality, but also to establish a close working relationship.	No deviation
	√		6. Rights of Stakeholders: The Company has established "Procedures for Transactions with Specified Companies, Group Entities and Related Parties" to protect the rights and interests of the Company, shareholders, and related stakeholders. These procedures are available on the Company's website.	No deviation
	√		7. Directors' continuing education: The Company's directors hold relevant professional knowledge and arrange continuing education courses in accordance with the regulations, please refer to pages63 for details.	No deviation
	√		8. Directors' Attendance at Board Meetings, please refer to page 25: All of the Company's directors have met the relevant attendance rate requirements for attending board meetings, for details of their attendance at board meetings, please refer to the Corporate Governance section on MOPS.	No deviation
	√		9. Implementation of risk management policies and riskmeasurement standards: We has established the "Risk Management Policy" to manage the risk of uncertainties that may threaten corporate operations and has formulated internal controls in accordance with the law, with regular and occasional internal audits to check its implementation status, and has also purchased related insurance, such as fixed asset insurance, etc., to avoid the risk and to effectively manage the risk.	No deviation
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	√		10. Implementation of customer policy: We have established a credit management system to build up complete information on our customers and to provide appropriate credit limits and collection terms based on credit information to ensure smooth transactions.	No deviation
	√		11. Purchase of liability insurance for directors and supervisors: Since September 2007, we have purchased directors' and supervisors' liability insurance for directors and supervisors every year and reported the insurance status in accordance with the Rules Governing Information Reporting by Listed Companies.	No deviation
	√		12. Recusal of Directors on Motion of Interests: We have incorporated and implemented the provision of "Recusal of Directors from Motion of Interests" in Article 15 of Regulations Governing Procedure for Board of Directors Meetings.	No deviation

Evaluation item	Implementation status (Note 1)		Summary description	Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No		

9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.)

1. The 9th (2022) evaluation was 36-50% of the listed companies. The 10th (2023) evaluation was 6~20% of the listed companies.
2. The Company values all aspects of corporate governance and continues to strengthen corporate governance in order to maximize its value and build mutual benefits through the spirit and mechanism of corporate governance. Priority items and measures for improvement are summarized as follows:

Indicators	Priority enhancement objectives and measures	Improvement made
4.4 Has the company prepared and uploaded the sustainability report on MOPS and the company's website before the end of September by referring to the Standards published by the Global Reporting Initiatives (GRI)?	The Company has prepared and uploaded a sustainability report.	We have uploaded to Market Observation Post System (MOPS) before June 2023.
3.8 Has the company established an English-language website with financial, business and corporate governance information?	Invested in the English website in 2023.	Completed in October, 2023. Pending for evaluation.
1.1 Does the company report on the remuneration paid to the directors at the shareholders' meetings, including the remuneration policy, the content and amount of individual remuneration?	We have not been able to include a remuneration of directors in the Company's 2023 Shareholders Meeting in a timely manner. Improvement measures: From 2024 onwards, information on the directors' remuneration (explanation of remuneration policy and details) will be proposed at the Shareholders Meeting, and the information will be in compliance with the disclosure in the annual report.	2024 ongoing

Detailed evaluation results for each year, please visit the Corporate Governance Center or the Corporate Governance Evaluation Section of the Securities and Futures Institute for more information.

Note 1: Regardless of whether “Yes” or “No” is ticked regarding the implementation status, an explanation should still be provided in the explanation column for each item.

Deloitte.

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112.10.4 勤審 11207786 號

受文者：宇峻奧汀科技股份有限公司

主旨：本所接受委託查核 貴公司民國 112 年度財務報表，依照中華民國會計師公會全國聯合會「職業道德規範公報第十號查核與核閱之獨立性」之規定，審計小組成員聲明已遵守下列規範，未有違反獨立性情事。

說明：

一、審計小組成員及其配偶與受扶養親屬未有下列情事：

1. 持有 貴公司直接或間接重大財務利益。
2. 與 貴公司或其董監事、經理人間，有影響獨立性之商業關係。

二、在審計期間，審計小組成員及其配偶與受扶養親屬未擔任 貴公司之董監事、經理人或對審計工作有直接且重大影響之職務。

三、審計小組成員與 貴公司之董監事或經理人未有配偶、直系血親、直系姻親或二親等內旁系血親之關係。

四、審計小組成員未收受 貴公司或其董監事、經理人或主要股東價值重大之饋贈或禮物（其價值未超越一般社交禮儀標準）。

五、審計小組成員已執行必要之獨立性／利益衝突程序，未發現有違反獨立性情事或未解決之利益衝突。

勤業眾信聯合會計師事務所

會計師 張 至 誼

會計師 黃 毅 民



Annex II CPAs Independence Evaluation Item

宇峻奧汀科技股份有限公司 民國一一二年度 會計師獨立性評估表

一、依公司治理實務第 29 條規定公司應選擇專業負責且具獨立性之簽證會計師，並應定期(至少一年一次)評估聘任會計師之獨立性，本公司對於會計師之獨立評估如下：

1	委任會計師與本公司是否有直接或間接重大財務利益關係。	<input type="checkbox"/> 是，請說明。 <input checked="" type="checkbox"/> 否
2	委任會計師是否與本公司有密切之商業關係及潛在僱傭關係。	<input type="checkbox"/> 是，請說明。 <input checked="" type="checkbox"/> 否
3	委任會計師是否有擔任本公司之辯護人或代表本公司協調與其他第三人間發生的衝突。	<input type="checkbox"/> 是，請說明。 <input checked="" type="checkbox"/> 否
4	委任會計師本人及配偶或受扶養親屬是否與本公司或本公司董、監事有融資或保證行為。	<input type="checkbox"/> 是，請說明。 <input checked="" type="checkbox"/> 否
5	委任會計師本人及配偶或受扶養親屬目前或最近兩年內是否擔任本公司董監事、經理人或對審計案件有重大影響之職務；亦或於未來審計期間是否會擔任前述相關職務。	<input type="checkbox"/> 是，請說明。 <input checked="" type="checkbox"/> 否
6	委任會計師本人及配偶或受扶養親屬是否與本公司之董監事、經理人或對審計案件有重大影響之人員有親屬關係。	<input type="checkbox"/> 是，請說明。 <input checked="" type="checkbox"/> 否
7	委任會計師是否有仲介本公司所發行之股票或其他證券。	<input type="checkbox"/> 是，請說明。 <input checked="" type="checkbox"/> 否
8	委任會計師是否有對本公司提供可能直接影響審計工作的非審計服務項目。	<input type="checkbox"/> 是，請說明。 <input checked="" type="checkbox"/> 否
9	委任會計師是否兼營可能喪失其獨立性之其他事業。	<input type="checkbox"/> 是，請說明。 <input checked="" type="checkbox"/> 否
10	委任會計師是否收取任何與公司業務有關之佣金。	<input type="checkbox"/> 是，請說明。 <input checked="" type="checkbox"/> 否
11	委任會計師是否收受本公司及本公司董監事、經理人價值重大之餽贈或禮物(其價值超越一般社交禮儀標準)。	<input type="checkbox"/> 是，請說明。 <input checked="" type="checkbox"/> 否
12	委任會計師是否有不符業務事件主管機關對會計師輪調、代他人處理會計事務或其他足以影響獨立性之規範。	<input type="checkbox"/> 是，請說明。 <input checked="" type="checkbox"/> 否
13	委任會計師是否與本公司有上述之外之其他不適當關係。	<input type="checkbox"/> 是，請說明。 <input checked="" type="checkbox"/> 否
14	委任會計師應使其助理人員確守誠實、公正及獨立性。	<input checked="" type="checkbox"/> 是 <input type="checkbox"/> 否，請說明。

二、評估結論

核准：



評估人：



日期：

112.10.4

1. If the company has a remuneration committee in place, the composition, duties and operation of the committee shall be disclosed:

The Company has established a Remuneration Committee on November 25, 2011 in accordance with Article 14-6, Paragraph 1 of the Securities and Exchange Act, and was approved by the Board of Directors.

Information on Remuneration Committee Members

Capacity (Note 1)	Qualifications		Professional qualifications and experience (Note 2)	Independence analysis (Note 3)	Number of other public companies at which the person concurrently serves as remuneration committee member
	Name				
Independent Director	Lai Ju Kai		Note	Note	0
Independent Director	Chen Wei Dar		Note	Note	1
Independent Director	Li Yi Kuang		Note	Note	0

Note: The Company's Remuneration Committee is composed of all independent directors, and their professional qualifications and experience, and independence are set out on pages 13 to 14 of the Annual Report.

Operation of the Remuneration Committee

1. The Company's remuneration committee has a total of 3 members.
2. The number of remuneration committee meetings held in the most recent fiscal year was: 3 (A). The attendance by the members was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B / A) (Notes)	Remarks
Independent Director	Chen Wei Da	3	0	100%	
Independent Director	Lai Ju Kai	3	0	100%	
Independent Director	Li Yi Kuang	3	0	100%	

3. Official powers of the remuneration committee include:
 - (1). Formulate and regularly review directors' and managers' performance evaluation and remuneration policies, systems, standards and structures.
 - (2). Regularly evaluate and determine the remuneration of directors and managers.
 - (3). Other matters assigned by the Board of Directors.

Other information required to be disclosed:

1. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): None.
2. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion: None.
3. Remuneration Committee meeting dates, sessions, outcome of resolutions, and the measures taken by the Company with respect to the opinions given by of the remuneration committee for

the most recent year.

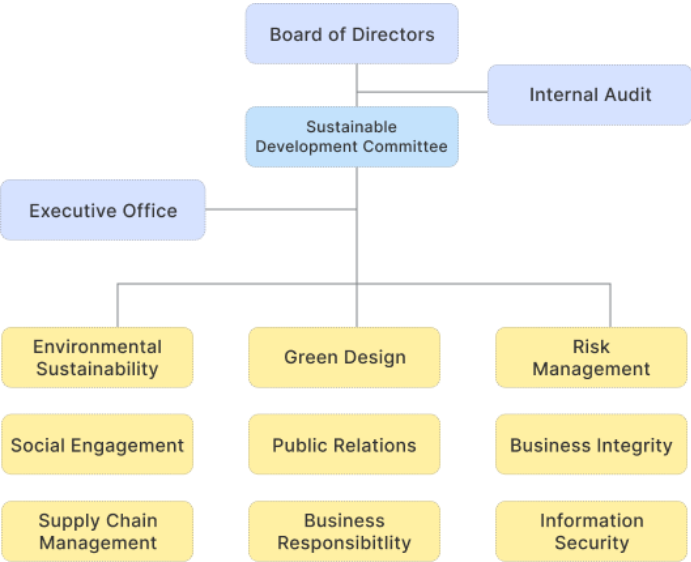
October 5, 2023 4 th Audit Committee	1. Acquisition of a new office building.	Approved by all members	Approved by all directors present without dissent.
November 9, 2023 5 th Audit Committee	1. Consolidated financial statements for 2023 Q3. 2. Appointment of the CPA and independence evaluation. 3. Developing 2024 Audit Plan. 4. Amendment to the internal control system, internal audit system - "Management System of Financial Statement Preparation Processes".	Approved by all members	Approved by all directors present without dissent.
December 13, 2023 6 th Audit Committee	Applying for bank loans for acquisition of property.	Approved by all members	Approved by all directors present without dissent
March 14, 2024 1 st Audit Committee	4. Financial statements and consolidated financial statements for 2022. 5. Issue new shares through capitalization of retained earnings 6. "Assessment of the effectiveness of internal control system" and "Statement on Internal Control System" for 2022. 4. To meet the Group's operational needs, proposed to give a loan to its subsidiary, USERJOYJAPAN Co., Ltd. with an amount of JPY500 million, and authorized the Chairman of the Board of Directors to give loans to the same party in installments or to make a revolving credit line.	Approved by all members	Approved by all directors present without dissent
May 9, 2024 2 nd Audit Committee	1. Consolidated financial statements for 2024 Q1.	Approved by all members	Approved by all directors present without dissent

Notes: (1) If any remuneration committee member left the committee before the end of the fiscal year, specify the date that they left the committee in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number they attended in person during the period they were on the committee.

(2) If any by-election for remuneration committee members was held before the end of the fiscal year, the names of the new and old committee members should be filled in the table, with a note stating whether the member left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number attended in person during the period of each such person's actual time on the committee.

2. Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Y es	N o	Summary description (Note 2)	
1.Has the company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be	✓		1. Governance framework for promote sustainable development: To strengthen and promote the concepts of corporate social responsibility and sustainable management, we have established the "Sustainable Development Committee". The Committee is chaired by Chairman of the Board of Directors and promoted by the General Manager's Office, with the Management Division assisting in the sustainable development tasks. In March of each year, we report to the Board of Directors and ask for their input to discuss the current and ongoing strategic directions. We also assign senior executives to coordinate and manage each ESG task	No deviation

<p>in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?</p>		<p>force.</p>  <pre> graph TD Board[Board of Directors] --- InternalAudit[Internal Audit] Board --- SDCC[Sustainable Development Committee] SDCC --- ExecutiveOffice[Executive Office] SDCC --- ES[Environmental Sustainability] SDCC --- GD[Green Design] SDCC --- RM[Risk Management] SDCC --- SE[Social Engagement] SDCC --- PR[Public Relations] SDCC --- BI[Business Integrity] SDCC --- SCM[Supply Chain Management] SDCC --- BR[Business Responsibility] SDCC --- IS[Information Security] </pre>	
	<p>√</p>	<p>2. Supervision of the Board:</p> <p>(1) We have established the "Sustainable Development Best Practice Principles" on August 26, 2011, reviewed and approved by the Board of Directors.</p> <p>(2) On August 10, 2023, the Board of Directors' meeting approved the " Sustainable Development Committee Charter" and established the "Sustainable Development Committee", promoted by the General Manager's Office, integrated the various ESG task forces and held meetings irregularly.</p> <p>(3) 2023 Sustainable development had good results, and after convening a meeting of the Sustainable Development Committee on 20 February 2024, we submitted each group's report to the Board of Directors on 23 March 2024. Report the implementation results to the Board of Directors at least once a year.</p> <p>Topics of the report are as follows:</p> <p>1) Sustainability Implementation Status: Social Involvement/Public Relations/Public Welfare, etc.</p> <ul style="list-style-type: none"> ✓ afeeguard employees' rights and employee care ✓ articipate in social contribution, humanistic care and social services ✓ mphasis on green environmental protection and energy saving ✓ mphasis on issues related to industry and society <p>2) Intellectual property management and implementation, ethical corporate management implementation status, annual board performance evaluation, greenhouse gas inventory and verification reports, etc.</p> <p>(4) Annual operation and implementation reports are disclosed on the website. https://www.userjoy.com.tw/sustainability/sustainability_sustainable_01.aspx https://www.userjoy.com.tw/sustainability/sustainability_social_01.aspx</p> <p>(5) 2024 corporate responsibility policy will continue to move toward sustainable development. In addition to continuing the goals set out in the previous year, we will actively engage in industry and society-related issues, expanding and deepening the scope of the policy.</p>	<p>No deviation</p>

		(6) Our Board of Directors fully authorizes and guides the sustainability strategy and implementation proposed by the Committee, including the "sustainability strategy roadmap", "preparation of sustainability report", "greenhouse gas inventory and verification", "net zero carbon reduction", and "promotion of social welfare activities", etc.																			
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	√	<p>1. Currently, the Chairman of the Board of Directors serves as the convenor and chairperson, and the General Manager's Office is responsible for promoting, and the Management Division is responsible for assisting in CSR matters.</p> <p>2. Report to the Board of Directors regularly in the first quarter of each year (at least once a year).</p> <p>3. 2023 CSR implementation results review was reported to the Board of Directors on March 14, 2023.</p> <p>4. The annual operation and implementation report is disclosed on the website > Under Corporate Governance or Sustainability, clearly disclosed: https://www.userjoy.com.tw/governance/corporate_major_03.aspx</p> <p>5. Sustainable Development Committee analyzes and communicates with internal and external stakeholders in accordance with the materiality principle of the sustainability report, integrates relevant information from each division and subsidiary, and evaluates material ESG issues based on this analysis. In accordance with the GRI Standards published by the Global Reporting Initiative (GRI), formulates risk management policies with effective identification, measurement, evaluation, supervision, and control as well as adopts specific action plans to reduce the impacts of risks.</p> <p>6. Based on the assessed risks, formulated the following risk management policies or strategies: :</p> <table border="1"> <thead> <tr> <th>Material Issues</th> <th>Risk Assessment Items</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Environmental</td> <td>Environmental impact and management</td> <td>1. Our company is in cultural and creative game and information software industry, not manufacturing related, is low-pollution, and has low impact on pollution emission. 2. We adopt TCFD to set up our climate risk identification process.</td> </tr> <tr> <td rowspan="2">Social</td> <td>Occupational Safety</td> <td>Regular annual fire drills; develop staff's emergency response and self-protection abilities.</td> </tr> <tr> <td>Product Safety</td> <td>Most of our products are sold as stored value online using virtual points. A very small amount of product packaging is produced and destroyed in cooperation with suppliers complying with environmental laws and regulations, and regularly evaluated.</td> </tr> <tr> <td rowspan="3">Corporate Governance</td> <td>Social Economy and Regulatory Compliance</td> <td>1. Establish a governance organization to implement internal control mechanisms to ensure our personnel and operations comply with relevant laws and regulations. 2. Apply for patents for our R&D products.</td> </tr> <tr> <td>Strengthen Board of Directors' Functions</td> <td>1. Plan courses for directors on relevant topics; provide directors with updated laws and regulations, etc., development and policies. 2. Purchase liability insurance for directors.</td> </tr> <tr> <td>Stakeholder Communication</td> <td>1. Conduct an annual review of issues on stakeholders concerns. 2. Communication channels for suggestions; set up an investor section and a spokesperson response mechanism.</td> </tr> </tbody> </table>	Material Issues	Risk Assessment Items	Description	Environmental	Environmental impact and management	1. Our company is in cultural and creative game and information software industry, not manufacturing related, is low-pollution, and has low impact on pollution emission. 2. We adopt TCFD to set up our climate risk identification process.	Social	Occupational Safety	Regular annual fire drills; develop staff's emergency response and self-protection abilities.	Product Safety	Most of our products are sold as stored value online using virtual points. A very small amount of product packaging is produced and destroyed in cooperation with suppliers complying with environmental laws and regulations, and regularly evaluated.	Corporate Governance	Social Economy and Regulatory Compliance	1. Establish a governance organization to implement internal control mechanisms to ensure our personnel and operations comply with relevant laws and regulations. 2. Apply for patents for our R&D products.	Strengthen Board of Directors' Functions	1. Plan courses for directors on relevant topics; provide directors with updated laws and regulations, etc., development and policies. 2. Purchase liability insurance for directors.	Stakeholder Communication	1. Conduct an annual review of issues on stakeholders concerns. 2. Communication channels for suggestions; set up an investor section and a spokesperson response mechanism.	No deviation
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3. Environmental Issues (1) Has the Company set an environmental management system designed to industry	√	(1) The Company's products are mainly sold in the form of virtual points. The Company is located in Zhonghe Far Eastern Century Park. The Park has set up a management committee and appointed a professional property management company to handle environmental, fire safety, security and hygiene matters, etc. We also carry out environmental management, fire safety and other related matters in accordance with relevant laws and	No deviation																		

characteristics?			regulations and the committee's requirements. The Company emphasizes on environmental issues. In addition to green procurement and energy management, we have completed the greenhouse gas inventory in 2022 and regularly update inventory information and report to the Board of Directors.																							
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	√		(2) The Company is non-manufacturing, with no hazardous waste or air pollution emissions from the nature of the game and cultural and creative industry. However, the toner cartridges used in the company's docuprint are recycled and reused by professional manufacturers, and confidential documents and obsolete destructions are also shredded and recycled by professional manufacturers.	No deviation																						
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	√		(3) We have evaluated the current and future risks of climate change, and its impact on the game software industry is not yet significant. However, we will publicize climate-related issues in education and training, and then evaluate and plan to promote related measures. In response to the government's green energy policy, we have been actively seeking power-saving and energy-saving office equipment and supplies in recent years, and continue to enhance green energy saving and carbon reduction.	No deviation																						
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	√		<p>In order to save energy and reduce carbon dioxide and greenhouse gases, we have set up energy-saving, carbon dioxide reduction and greenhouse gas reduction policies, which are not only publicized in education and training, but also put into practice. For example, we played a film“Home”during education and training, replaced all energy-saving lamps, limited air-conditioning temperatures and hours of use, and set up a bicycle parking area to encourage employees to use bicycles as a means of transportation to and from work, and so on.</p> <p>In terms of office energy use and emissions, USERJOY continues to strengthen energy management and energy conservation measures and monitor energy use. In terms of electricity consumption, office planning, adjustment, and renovation are all prioritized and evaluated on environmental protection and energy conservation, and all offices and subsidiaries have completed greenhouse gas inventories and inspections in accordance with ISO 14064-1, and in 2023 we completed the inventory phase as well. Below is the information:</p> <p>1. Greenhouse gas emissions in the most recent 2 years: (The Company does not have any emission items in Scope 1 and 3 currently) Scope 2 GHG emissions amounted to 286.6 tons of CO2e in 2023, and the Company's main energy consumption comes from Scope 2 electricity emissions.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>GHG emissions (tonCo2e)</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>283.3</td> </tr> <tr> <td>2023</td> <td>286.6</td> </tr> </tbody> </table> <p>To respond to carbon reduction, we are planning a number of carbon reduction measures:</p> <table border="1"> <thead> <tr> <th>Program</th> <th>In progress</th> <th>Projected</th> <th>Under planning</th> </tr> </thead> <tbody> <tr> <td>1. Replace all LED lamps</td> <td>√</td> <td></td> <td></td> </tr> <tr> <td>2. Virtualize internal server room (VM).</td> <td>√</td> <td></td> <td></td> </tr> <tr> <td>3. Turn lights off for one hour during lunch break every day</td> <td></td> <td></td> <td>√</td> </tr> </tbody> </table>	Year	GHG emissions (tonCo2e)	2022	283.3	2023	286.6	Program	In progress	Projected	Under planning	1. Replace all LED lamps	√			2. Virtualize internal server room (VM).	√			3. Turn lights off for one hour during lunch break every day			√	No deviation
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1. We introduced VM (Virtual machine) in 2020 and have reduced from 103 VMs to 52 VMs as of 2023, and reduced 4 tons of CO2 emissions, with a 94.44% achievement rate, and reduced 0.28% of total emissions in 2023, and we expect to reduce the number of VMs in 2024 again in order to reduce CO2e emissions.
2. In order to be friendly to the environment, we have further planned the LED lighting replacement program to reduce greenhouse gas emissions.
3. Please refer to pages 51 and 91 for related energy-saving policies.

2. Water resources management:

We attach great importance to water resource management. However, as the company belongs to the cultural and creative industry, there is no wastewater discharged from production processes or factories, and the head office and branch offices use relatively less water, so the impact is not significant.

In response to the water resource management, we are planning some management measures:

1. Install water-saving valves at water outlets to save one-third of water consumption.
2. Post water-saving slogans on water equipments.
3. Regularly inspect water fixtures to minimize water leakage.
4. Use water-saving equipment for building facilities as a priority.
5. Set up automatic shut-off for chilled water system at scheduled times.

Water consumption in most recent 2 years

Year	Water consumption (cubic meter)	Total number of employees (persons)	Average water consumption (cubic meter)
2022	3528	480	7.35
2023	3106	495	6.27

GHG emissions from water consumption in the most recent 2 years

Year	Water consumption (cubic meter)	Emission index	GHG emissions (tonCO2e) tons
2022	3528	0.156	0.55 tons
2023	3106	0.156	0.48 tons

3. Waste management and recycling:

With the popularity of mobile games, our products production was greatly increased since 2008. In recent years, we switched to the APP download and virtual point method to reduce the waste of resources such as product packaging, incoming and outgoing shipments, inventory transportation, printing, and CD-ROM production, etc. We have set up the production and destruction procedure management method for product packaging, all of which comply with the Environmental Protection Administration's laws and regulations.

We belong to service industry (non-manufacturing), and wastes are mainly generated from employees' daily services, so we verify and disclose them through greenhouse gas, so they are not included in our material issues, and are handled in accordance with the regulations of the local government. Although waste management is not a material issue for the Company, we still use service carbon footprint verification and greenhouse gas verification results to

develop green service innovations and refine operational processes in order to minimize the amount of carbon emissions from waste generated during the service process.

Most waste in USERJOY is domestic waste. In 2023, approximately 0.5 tons of recyclable waste and 22.3 tons of domestic waste were generated, totaling approximately 23 tons of waste. Various types of wastes were commissioned by Far Eastern Century Park Phase I Management Center to a licensed company to carry out waste disposal operations.

Disposal amount (Kg/year)

	2022	2023
Hazardous waste	0	0

Disposal amount (Kg/year)

Non-hazardous waste	2022	2023
Domestic waste	21,411	22,299
Paper	365	500
Plastic	19	15
Steel & Aluminum Cans	NA	11
Total	21,795	22,825

4. Energy saving and carbon reduction targets and achievements:

Item	Target	2022	2023	Achieved (Not achieved, please specify)	
Scope 2 - GHG emissions (tonCO2e)	Reduce by 10 (tonCO2e)	299.79	286.6	-13.19	Achieved
Average water consumption (cubic meter)	Reduce by 0.5 cubic meters	6.98	6.1	-0.88	Achieved
GHG emissions from water use (tonCO2e)/ton	Reduce by 0.05 tons	0.523 tons	0.471 tons	-0.052	Achieved
Hazardous waste (Kg)	Not applicable	Not applicable	Not applicable	-	Non-manufacturing
Non-hazardous waste (Kg)	Reduce by 500 Kg	21,795	22,825	+1030	Not achieved, mainly due to staff increase, additional new office floors and public areas belonging to the Management Committee, will include different company's domestic wastes.

4. Social Issues
(1) Has the company formulated relevant management policies and procedures in accordance with

√

1. We publicly declare our support for the United Nations' Universal Declaration of Human Rights, the Global Compact, the Guiding Principles on Business and Human Rights, the International Labor Organization Convention, and other international human rights treaties, to ensure all company's members are treated with fairness and dignity. For more information, please

No deviation

<p>relevant laws and regulations and international human rights conventions?</p>		<p>visit our website>Corporate Sustainability>Human Rights.</p> <p>2. The Company's human rights policy and specific programs are as follows:</p> <table border="1" data-bbox="523 226 1289 555"> <thead> <tr> <th>Management policy</th> <th>Specific program and implementation</th> </tr> </thead> <tbody> <tr> <td>1. Provide a safe workplace</td> <td>For details, please refer to "Work Rules" and "Work Safety and Health Rules", Chapter 1 to Chapter 7, Terms on environmental safety.</td> </tr> <tr> <td>2. Provide employees a healthy and balanced work environment</td> <td>Lunch break 10 minutes earlier; provide staff rest room and various sports equipment.</td> </tr> <tr> <td>3. Prohibit forced labor and comply with government Labor Act</td> <td>Implement a vacation system; encourage employees to engage in outdoor activities focusing on work-life balance.</td> </tr> <tr> <td>4. Implement human rights training for employees.</td> <td>In 2023, 400+ participants, we will keep focusing on human rights protection issues.</td> </tr> </tbody> </table>	Management policy	Specific program and implementation	1. Provide a safe workplace	For details, please refer to "Work Rules" and "Work Safety and Health Rules", Chapter 1 to Chapter 7, Terms on environmental safety.	2. Provide employees a healthy and balanced work environment	Lunch break 10 minutes earlier; provide staff rest room and various sports equipment.	3. Prohibit forced labor and comply with government Labor Act	Implement a vacation system; encourage employees to engage in outdoor activities focusing on work-life balance.	4. Implement human rights training for employees.	In 2023, 400+ participants, we will keep focusing on human rights protection issues.											
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<p>(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?</p>	<p>√</p>	<p>(2) We conduct annual surveys on salary levels of our peers as a basis for salary adjustments. We also set up a performance incentive policy to clearly define the rewards and punishments, and actively promote and encourage employees to participate in social responsibility as a reference for performance evaluation.</p> <p>In accordance with Article 18 of the Articles of Incorporation, if there is any profit in a fiscal year, shall be distributed to employees as compensation in an amount of not less than 3% and not more than 15%. However, if the Company has accumulated losses, it shall set aside an amount to cover such losses in advance. Employee compensation is paid to employees including employees of the Company's subsidiaries meeting certain specific requirements. According to the Company's "Employee Profit-sharing Policy" to handle. Information on the Company's profit and employee compensation in recent years:</p> <table border="1" data-bbox="598 1077 1265 1379"> <thead> <tr> <th></th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>EPS</td> <td>6.01</td> <td>6.72</td> <td>4.24</td> </tr> <tr> <td>Employee compensation</td> <td>\$18,235,380</td> <td>\$21,033,983</td> <td>\$16,725,817</td> </tr> <tr> <td>Number of employees</td> <td>465</td> <td>491</td> <td>498</td> </tr> <tr> <td>Average per person</td> <td>\$39,216</td> <td>\$42,839</td> <td>\$33,585</td> </tr> </tbody> </table>		2021	2022	2023	EPS	6.01	6.72	4.24	Employee compensation	\$18,235,380	\$21,033,983	\$16,725,817	Number of employees	465	491	498	Average per person	\$39,216	\$42,839	\$33,585	<p>No deviation</p>
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Average per person	\$39,216	\$42,839	\$33,585																				
<p>(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?</p>	<p>√</p>	<p>(3) We conduct annual employees' health checkups and fire prevention courses, and also hire nurse practitioners and health management consultants to care and protect employees' health and safety.</p> <p>1. Measures to ensure a safe and healthy workplace for our employees include:</p> <ul style="list-style-type: none"> •Conduct annual employees' health checkups and fire prevention courses, and provide employee health management services. •Hire nurse practitioners and health management consultants to conduct regular employee health counseling, health education activities, and psychological testing. •Establish an employee health promotion committee to promote various health promotion activities, such as sports competitions, health lectures, and health tests. <p>2. Provide employee safety and health education and training:</p> <ul style="list-style-type: none"> •Including safety and health regulations, safety and health management, occupational disaster prevention, and emergency response. •Establish safety and health management system, conduct regular safety and health inspections, risk assessment, accident investigation, and improvement tracking. 	<p>No deviation</p>																				

		<p>3. Number of occupational accidents, number of employees, percentage of total employees, and related improvement measures:</p> <ul style="list-style-type: none"> •In 2023, there were 2 occupational accidents, resulting in 2 injuries, accounting for 0.4% of total employees. •The causes of the occupational accidents were as follows: one was an accidental fall in the office, resulting in an injury to the hand; the other was a traffic accident causing a slight injury to the head while the staff was out of the office. •Improvement measures: one was to enhance office floor cleaning to prevent slip hazards; and the other was to remind staff to pay attention to traffic safety and wear safety helmets when going out for work. <p>4. Number of fire incidents, number of fatalities and injuries, ratio of fatalities and injuries to total number of employees in current year, and related improvement measures in response to the fire incidents:</p> <ul style="list-style-type: none"> •In 2023, there were no fire incidents and no casualties. •USERJOY has taken the following measures to prevent fire: •Regularly inspect fire fighting equipment, such as fire extinguishers, smoke detectors, automatic sprinklers, etc., to ensure their normal operation •Conduct regular fire drills, since 2017, 342 people have attended the course, and later fire drills have been included in newcomer education training, to implement fire fighting knowledge on how to properly use fire fighting equipment and familiar with the emergency evacuation routes, etc. •Strictly control flammable items, such as paper, ink, alcohol, etc., to avoid overstocking or contact with ignition sources. •Enhance fire safety publicity to remind employees to comply with fire safety regulations and pay attention to daily electricity safety. <p>5. We has established additional "Fire Safety Management Guidelines" to ensure employees' safety. The guidelines include strategies and principles for fire safety objectives, basic fire safety prevention strategies and practices, and a self-inspection checklist for fire safety prevention.</p> <p>6. Education and training:</p> <table border="1" data-bbox="555 1256 1270 1384"> <thead> <tr> <th>Year</th> <th>Course name</th> <th>Hours</th> <th>Participants</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>Fire safety seminar</td> <td>8</td> <td>52</td> </tr> <tr> <td>2023</td> <td>Fire safety seminar</td> <td>8</td> <td>38</td> </tr> </tbody> </table>	Year	Course name	Hours	Participants	2022	Fire safety seminar	8	52	2023	Fire safety seminar	8	38	
Year	Course name	Hours	Participants												
2022	Fire safety seminar	8	52												
2023	Fire safety seminar	8	38												
(4) Has the Company established effective career development training programs for employees?	√	<p>1. We have established education and training programs, internal instructor management programs, and will continue to develop education and training evaluation and promotion systems, a mentor system, and a talent evaluation system to strengthen employees' professionalism and management skills to improve performance and achieve overall business objectives.</p> <p>2. 2023 Actual education and training expenses: NT\$700,776</p>	No deviation												
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement	√	<p>1. In accordance with the "Game Software Rating Management Regulations" of the Ministry of Economic Affairs, we have labeled our products or web pages for download and marketing services with a rating identification mark. In addition, in accordance with the Ministry of Economic Affairs, the Company amended the "Mandatory Provisions and Prohibitory Provisions of Standard Form Contract to Be Included for On-line Game Consumption" and the "Standard Form Contract for On-line Game" to formulate a "User Agreement", develop and publicize its consumer rights policy, and set up a customer service department to provide customer service hotline, e-mail, and other communication channels. In addition, we also actively cooperate with the government to provide anti-fraud publicity on website and automated game probability verification to protect consumers' rights and interests.</p> <p>2. We also disclosed relevant information on the company's website:</p>	No deviation												

consumer protection and grievance policies?		Corporate Governance > Stakeholders > Communication Channels. 3. Our customer service provides customer service hotline and email service.	
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	√	1. We have established the "Supplier Management and OEM Management Regulations" to maintain procurement quality through appropriate supplier management, and in the selection and evaluation process, suppliers meeting environmental requirements of their industry sectors and providing environmental certification information (e.g., ISO 14001 or OHSAS 18001) will be prioritized for selection. 2. Specific implementation of supplier management is regularly disclosed on the Company's website > Corporate Governance > Internal Regulations > Other Important Policies.	No deviation
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	√	1. We adopts the GRI standards in preparing the sustainability report and discloses it on the Company's website. 2. The Company's website has set up a corporate sustainability section: Corporate Sustainability>Strategic Report>Sustainability Report Section. Please refer to the following: https://www.userjoy.com.tw/sustainability/sustainability_sustainable_02.aspx 3. Sustainability report is published on the Company's website and simultaneously uploaded to the Market Observation Post System (MOPS).	No deviation
<p>6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: No deviation.</p> <p>We have established the "Sustainable Development Best Practice Principles" on August 26, 2011, approved by the Board of Directors, and gradually amended by law. On August 10, 2023, we formulated the Sustainable Development Committee Charter and established the Sustainable Development Committee to promote the sustainable development of various businesses.</p> <ol style="list-style-type: none"> 1. And timely disclosed on the Company's website, available under the important internal rules and regulations: https://www.userjoy.com.tw/sustainability/sustainability_sustainable_01.aspx 2. The Company fulfills its corporate social responsibilities, respects social ethics and pays attention to other stakeholders' rights and interests, and values environmental, social, and corporate governance factors while pursuing sustainable operations and profitability, and incorporates them into our management and operations. 3. Relevant operating information is also disclosed on the Company's website https://www.userjoy.com.tw/sustainability/sustainability_sustainable_01.aspx <p>No significant deviation from the established principles.</p>			
6-1: Implementation of climate-related information			
Item	Implementation status		
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Company has established a Sustainable Development Committee on February 20, 2024, and regularly reports to the Board of Directors, and have assigned the General Manager to form a Sustainable Development Action Team, to identify and respond to climate-related risks and opportunities.		

2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	As of the date of publication of the annual report, the identification of climate risks and opportunities has not yet been completed, we will disclose the relevant information on the Company's website after completing relevant contents.
3. Describe the financial impact of extreme weather events and transformative actions.	As of the date of publication of the annual report, the financial impact of extreme weather events and transformative actions has not yet been completed, we will disclose the relevant information on the Company's website after completing relevant contents.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	As of the date of publication of the annual report, the climate risk identification, assessment, and management processes has not yet been completed, we will disclose the relevant information on the Company's website after completing relevant contents.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	As of the date of publication of the annual report, the scenario analysis to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described has not yet been completed. We will disclose the relevant information on the Company's website after completing relevant contents.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	As of the date of publication of the annual report, the transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks, has not yet been completed. We will disclose the relevant information on the Company's website after completing relevant contents.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	As of the date of publication of the annual report, we haven't use internal carbon pricing as a planning tool, therefore, not applicable.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	As of the date of publication of the annual report, we are not an entity that meets certain criteria, therefore, not applicable.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	As of the date of publication of the annual report, we are not an entity that meets certain criteria, therefore, not applicable.

7. Other important information to facilitate better understanding of the company's promotion of sustainable development:

We operate with high moral standards and ethical attitudes. In addition to pursuing the long-term shareholders' interests and protecting employees' rights, we also actively participate in humanistic care, social contributions and services, and emphasize green environmental protection and energy conservation and carbon emission reduction.

In line with this goal, the Company's General Manager leads the General Manager's Office to promote and the Management Division to assist in organizing various corporate social responsibility activities:

1. Corporate products and environment:

- (1) Our product production has been greatly changed to virtual point format to reduce waste of resources.
- (2) Production and destruction procedures of product packaging are in compliance with the regulations of the Environmental Protection Administration.
- (3) Amended the supplier management rules to require and regulate our suppliers to comply with the environmental protection laws and regulations according to the industry characteristics.

2. Fully implement energy saving and carbon reduction

(1) Environmental hygiene management and maintenance

- ✓ Play the movie "Home" directed by renowned filmmaker Luc Besson during newcomers' training to help employees understand energy conservation, carbon reduction, and love the earth as everyone's responsibility.
- ✓ Promote and require employees on waste sorting in line with the Park's environmental management and maintenance.
- ✓ Promote recycling and reuse of resources. Organize flea markets for used goods within the company to encourage reuse of resources.
- ✓ Regular workplace disinfection and rodent control.
- ✓ Regular carbon dioxide concentration testing in the workplace.
- ✓ Encourage employees to bring their own tableware for environmental protection and health.
- ✓ Promote no-straw campaign for beverages to minimize environmental damage.
- ✓ Donated \$10,000 to the Society of Wilderness to promote environmental protection concepts.
- ✓ Promote environmental protection and love the earth. In response to the International Coastal Cleanup Day, we participated in New Taipei City Government Environmental Protection Bureau's Coastal Cleanup's Wanli Baisha Bay beach cleanup activity on September 16, to protect the marine ecosystem.
- ✓ Establish a second-hand exchange platform to increase resource sharing and minimize waste of resources.

(2) Promote policies on energy saving, water, electricity and paper

- ✓ Installed water-saving valves in all buildings to minimize unnecessary waste of water resources.
- ✓ Maintain the air-conditioning system regularly every year to keep the system operating efficiently and to achieve efficiency in saving electricity and energy.
- ✓ Maintain and update air-conditioning equipment to minimize energy consumption.
- ✓ Installed heat blocking film on building glass to minimize heat radiation effect and reduce air-conditioning energy consumption.
- ✓ Replace all energy-efficient light fixtures to save energy.
- ✓ Set up automatic shut-off for chilled water system at scheduled times to save energy.
- ✓ Require cleaning staff to save water and not to leave the tap running.
- ✓ Require employees to turn off the lights during lunch break.
- ✓ Office air-conditioning is maintained at 26~28 degrees Celsius.
- ✓ We continue to introduce e-optimization in all operations, and up to 46 types of e-forms have been created, significantly reducing paper consumption.
- ✓ Encourage and promote employees to minimize the use of paper and use duplex printing equipment.
- ✓ Purchase computer equipment and machines with environmental labels as a priority.
- ✓ We do not provide paper cups in-house to minimize waste of resources.
- ✓ Encourage employees to take public transportation or ride bicycles, we also provide bicycle parking.

3. Employee Care and Management

- (1) Employee health care statistics from January 1 to December 31, 2023, a total of 313 times: including

general testing 135 times, health care consultation 147 cases, simple treatment 28 cases, major medical care 3 cases.

- (2) Hire psychological counselor, psychological counseling once a month for 9 people per month, totaling 108 appointments in 2023.
- (3) In response to changes in the covid-19 pandemic, caring for employees' physical and mental health:
 - ✓ Provide a vaccination leave for covid-19 vaccination, granting one day leave for each vaccination, totaling 492 persons (days) of vaccination leave in 2023.
 - ✓ In response to changes in the pandemic, to protect employees' physical and mental health, implemented work from home up to 71%.
 - ✓ In response to post-pandemic conditions, we organized health promotion seminars to enhance employees' immunity.
 - ✓ To safeguard employees' rights and maintain their health, we offered two years of free health checkups this year.
 - ✓ Fully care for employees' physical and mental health. If employees are unable to work at their workplaces due to special events, they can apply to work from home.

4. Community and social engagement (community risk assessment and measures taken)

Item	Contents (specific implementation result)	Opportunity	Risk																
Hire local employees	350 employees from New Taipei City and Taipei City households, with 91% of local employees hired.	Increase local employment opportunities and recruit suitable talent for a win-win situation.	Talent recruitment is too concentrated in the region.																
Donations	<p>1. Donated a total of NT\$95,000 to the Eden Social Welfare Foundation, the New Taipei City Private Zhonghe Development Center under the First Social Welfare Foundation, the Mennonite Social Welfare Foundation, and the Child Welfare League Foundation.</p> <p>2. Continue to adopt three domestic students from the "Taiwan Fund for Children and Families" in 2023, totaling more than NT\$1,162,000 over the years, benefiting 565 people.</p> <p>3. Built an e-invoice donation channel for the "Genesis Social Welfare Foundation" in the company's games, with 99,709 invoices donated in 2023.</p>	<p>1. Strengthen local community/social connections, invest company resources to help solve community/social environmental problems, and enhance their recognition to our company.</p> <p>2. Giving back to the community and society, a positive cycle.</p>	NA																
Corporate volunteering or other public welfare professional services	<p>1. Sponsored NT\$20,000 for the "2022 Christmas Charity Sale Fair" organized by the New Taipei City Private Zhonghe Development Center under the First Social Welfare Foundation on December 22, 2023.</p> <p>2. (February 21, May 23 and November 15) blood donation activities blood, offered official leave to encourage employees to donate blood, donated prizes totaling NT\$ 30,000.</p>	The Company is located in the Zhonghe Far Eastern Century Park, the management committee service center occasionally organizes community-related public welfare activities, we encourage colleagues to actively participate in and sponsor public welfare related activities fees. Giving back and at the same time enhance the company's goodwill and corporate image.	NA																
Supporting local education	<p>Supporting local education to establish educational cooperation with various schools (e.g. Hwa Hsia, Long Hua, East Asia, Deming, Southern Taiwan, Chung Hua Universities, etc.), providing summer internships and year-round internships for school students. Up to now, about 30 internship students have participated in workplace internships. In addition, students will be allowed to visit enterprises before the pandemic to learn more about workplace jobs.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4">Internship Numbers in the Past 2 Years:</th> </tr> <tr> <th>Category</th> <th>University</th> <th>Number of Students</th> <th>Internship Period</th> </tr> </thead> <tbody> <tr> <td>Internship</td> <td>Chung Hua</td> <td>1</td> <td>February to June 2024</td> </tr> <tr> <td>Internship</td> <td>Long Hua</td> <td>1</td> <td>July 2022 to June 2023</td> </tr> </tbody> </table>	Internship Numbers in the Past 2 Years:				Category	University	Number of Students	Internship Period	Internship	Chung Hua	1	February to June 2024	Internship	Long Hua	1	July 2022 to June 2023	Training and recruiting talent	Increase expenditure on resources for training talents.
Internship Numbers in the Past 2 Years:																			
Category	University	Number of Students	Internship Period																
Internship	Chung Hua	1	February to June 2024																
Internship	Long Hua	1	July 2022 to June 2023																

	Internship	Long Hua	2	September 2021 to January 2022		
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5. Emphasis on industry and social related issues

Actively participate in and care about various social issues related to the industry.

- (1). Comply with all laws and regulations such as the game content rating system, the protection of children and youths welfare and rights act and automated game probability verification.
- (2). Cooperate with the Taiwan Game Industry Promotion Association (TGIPA) to actively participate in industry self-regulation and continue to create a friendly game environment.

6. Green Finance Action Plan

"Green/Sustainable Deposit"

In response to the government's "Green Finance Action Plan" and "Corporate Governance", and with reference to the core objectives of the United Nations' "Sustainable Development Goals (SDGs) 2030" and Taipei Exchange Operation Directions for Sustainable Bonds, **we participated in the "Green/Sustainable Deposit" promoted by the Bank of Kaohsiung** to facilitate enterprises with substantial environmental improvement and social benefits to obtain funds, aiming to convey core concepts of sustainable development and exert substantial influence through practical actions, and helping to improve the environment and society to achieve a positive cycle and long-term benefits.

The amount is NT\$22 million in 2024, Certificate of Deposit No. 8009058.

7. Supporting domestic cultural development

We actively invest in cultural and creative industries, support domestic cultural development, aim to promote the overall cultural and creative industries development, and fulfill our corporate social responsibility.

We actively cooperate with government policies, aim to jointly promote Taiwan's cultural and creative industries to the world stage.

Cultural investment projects:

NO.	Year	Item
1	2022	Sponsored Taiwan's local culture movie PILI Puppetry: Su Huan-Jen <PILI series> with NT\$800,000 investment when it released.
2	2022	Invested in the "Taiwan Original X Awards" for "Antivine", a narrative puzzle game created by a student independent development team. We invested NT\$2.5 million in Taiwan's original content to bring it to the world.
3	2023	Invested in the research and development of the "Kingdom Heroes" series and "Fantasy Three Kingdoms". Cooperated with Digital Crafter Creative Ltd. to jointly promote the domestic IP industry. Total amount reached NT\$20 million.
4	Ongoing in 2024	We encourage our employees to participate in cultural and art activities, and we invited Nien Li Ren Magic Show to perform at an exhibition. Sponsored e-sports players for EVO Japan 2024 to actively promote domestic cultural and creative activities. Invested in human resources, promotion and sponsorship amounted to NT\$1 million.

Note 1: If "Yes" is ticked in the "Implementation status" column, please concretely describe the major policies, strategies, and measures adopted and the status of their implementation. If "No" is ticked in the "Implementation status" column, please explain the Company's plans for adoption of related policies, strategies, and measures in the future.

Note 2: For companies that have already prepared a CSR report, implementation status can be replaced with a note on references to the CSR report and the index page.

Note 3: The materiality principle refers to focusing on environmental, social and corporate governance issues likely to have a material impact on the Company's investors and other stakeholders.

. Manager's participation in corporate governance related continuing education and training:

Title	Name	During		Course	Hours
Chairman	Liu Hsin	September 23, 2022	September 23, 2022	The future development of the metaverse and cryptocurrency blockchains	3
		September 30, 2022	September 30, 2022	International Order Changes and Corporate Governance Responses	3
		September 26, 2023	September 26, 2023	Digital Transformation and New Risk Management Ideas for the Future	3
		October 4, 2023	October 4, 2023	How to Review Financial Reports by Directors and Supervisors with Non-Financial Accounting Background?	3
Vice President	Sun Shou Yi	June 10, 2015	June 10, 2015	Battle for Corporate Management Rights and Merger and Acquisition Act Review	3
Finance Assistant Manager	Fang Lih Huey	November 25, 2021	November 26, 2021	Accounting Supervisor Continuing Education Program	12
		September 22, 2022	September 23, 2022	Accounting Supervisor Continuing Education Program	12
		September 25, 2023	September 25, 2023	Important information on tax payment for service fee of offshore e-commerce and AI platforms.	3
		September 26, 2023	September 27, 2023	12hr Workshop for New Directors and Supervisors (including Independent Director) and Corporate Governance Officers	12
		October 16, 2023	October 17, 2023	Accounting Supervisor Continuing Education Program	12
Assistant Manager	Ye Wen Tsan	April 12, 2022	April 12, 2022	Corporate Governance and Transparency of Financial Information of Enterprises	3
		April 13, 2022	April 13, 2022	Digital Evidence and Forensics Trends and International Standards	3
		April 15, 2022	April 15, 2022	Development Trends of Technology Risks for the Cloud Generation	3
		March 15, 2023	March 15, 2023	Challenges and Opportunities of AI Big Data	3
		April 25, 2023	April 25, 2023	Offensive and Defensive Strategies for Management Rights Disputes and Legal Liability Risks of the Company's Responsible Persons (Independent Directors)	3
		August 17, 2023	August 17, 2023	Controlled Foreign Corporation (CFC) & Global Anti-Tax Avoidance	3
		November 24, 2023	November 24, 2023	Evaluating Businesses and Managing IR Work with EXCEL	3

9. Corporate Governance Officer's duties and responsibilities and 2023 operational execution focuses

(1) Duties and responsibilities

1. Assisting independent directors and general directors in performing their duties, providing necessary information and arranging for directors' continuing education: :
 - (1) Furnishing information required for directors, and maintain smooth communication and exchange between directors and all operational executives.
 - (2) Arranging communication meetings between independent directors and chief internal audit officer or CPA.
 - (3) Assisting independent directors and general directors and arrange courses according to industry characteristics and directors' academic and experience background.
2. Assisting the procedures of the Board of Directors and the shareholders' meeting and the resolution matters with legal compliance:
 - (1) Reporting on implementation status of the Company's corporate governance to the Board of Directors, Independent Directors, and Audit Committee, and to confirm the convening of shareholders' meeting and board of directors' meeting are in compliance with the relevant laws and corporate governance best practice principles.
 - (2) Assisting and reminding the directors to comply with the laws and regulations in business execution or board of directors' resolutions.
 - (3) Reviewing any material information disclosure on important resolutions by the Board of Directors after the meeting, to ensure the appropriateness and accuracy of material information

contents.

3. Prepare board meeting agendas, notify directors seven days in advance, provide meeting information, and remind directors in advance of any issues that require recusal of interest, and complete minutes of the board meeting within 20 days after thereafter.
4. Handle pre-registration of shareholders' meeting dates in accordance with the law, prepare meeting notices, meeting handbooks, meeting agenda and register changes in the amendment of the Articles of Incorporation or re-election of directors within the statutory period.

(2) 2023 operational execution focuses

1. Handle matters related to the board of directors' and shareholders' meetings in accordance with the law.
2. Prepare meeting agenda for the board of directors' and shareholders' meetings.
3. Provide board members with relevant laws and regulations on corporate governance and update regularly.
4. Arrange board members' continuing education courses.
5. Provide directors the information required to perform their duties.
6. Assist directors with legal compliance.
7. Evaluate the purchase of directors' and supervisors' liability insurance.
8. Arranging communication meetings between independent directors and CPAs or internal audit officers.

(3) Corporate Governance Officer Annual Continuing Education: Chief Corporate governance officer annual continuing education: Please refer to the website/Corporate Governance

Title	Name	Duration	Course	Hour
Assistant Manager/Chief Corporate Governance Officer	Ye Wen Tsan	April 12, 2022	Corporate Governance and Transparency of Financial Information of Enterprises	3
		April 13, 2022	Digital Evidence and Forensics Trends and International Standards	3
		April 15, 2022	Development Trends of Technology Risks for the Cloud Generation	3
		March 15, 2023	Challenges and Opportunities of AI Big Data	3
		April 25, 2023	Offensive and Defensive Strategies for Management Rights Disputes and Legal Liability Risks of the Company's Responsible Persons (Independent Directors)	3
		August 17, 2023	Controlled Foreign Corporation (CFC) & Global Anti-Tax Avoidance	3
		November 24, 2023	Evaluating Businesses and Managing IR Work with EXCEL	3

Note 1: Regardless of whether “Yes” or “No” is ticked regarding the implementation status, an explanation should still be provided in the explanation column for each item.

Note 2: For companies that have already prepared a CSR report, implementation status can be replaced with a note on references to the CSR report and the index page.

(7) Ethical Corporate Management – Implementation Status

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies and the Reasons
	Yes	No	Summary description	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?</p> <p>(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?</p>	<p>√</p> <p>√</p> <p>√</p>		<p>(1) The Company's Board of Directors approved the establishment of the "Ethical Corporate Management Best Practice Principles" on October 28, 2010, the "Code of Ethical Conduct" on June 20, 2007, and the "Work Rules" on December 04, 2006, and disclosed ethical management policy in its internal rules and regulations, on the website, and annual report. The Board of Directors and management have also actively implemented the commitments of the Ethical Corporate Management Best Practice Principles and have signed the ethics statement.</p> <p>(2) The Company's "Ethical Corporate Management Best Practice Principles", "Code of Ethical Conduct" and "Work Rules" clearly stipulate prohibiting any direct or indirect offering, promising, requesting, or accepting of any improper benefits, or other unethical behavior violating honesty, illegal, or breach of fiduciary duties, in order to obtain or maintain benefits, and shall uphold the ethics and fairness principles in selecting suppliers for products or services that are the most competitive in terms of quality, price, and delivery time. Prevention measures are set out in Table 2.</p> <p>(3) The Company's Board of Directors has approved the "Procedures for Reporting and Handling of Violation of Ethical Management Policy", the "Ethical Corporate Management Best Practice Principles", and stipulated and implemented the operational procedures, conduct guidelines, penalties for non-compliance, and a complaint system. We also constantly review and amend relevant rules and regulations on ethical management.</p>	No deviation
<p>2. Ethical Management Practice</p> <p>(1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?</p>	<p>√</p>		<p>(1) In the "Ethical Corporate Management Best Practice Principles", clearly stipulate employees engaging in business practices are prohibited from offering, promising, requesting, or</p>	No deviation

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
<p>(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?</p> <p>(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?</p> <p>(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?</p> <p>(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>accepting, directly or indirectly, any improper benefits, or other unethical behavior violating honesty, illegal, or breach of fiduciary duties, in order to obtain or maintain benefits.</p> <p>(2) The Company's management division is responsible for promoting the ethical management policy and reporting the implementation status at least once a year at the board of directors' meeting. Please refer to the website: Corporate Governance > Ethical Management https://www.userjoy.com.tw/governance/corporate_integrity.aspx https://www.userjoy.com.tw/governance/corporate_integrity.aspx</p> <p>(3) In the "Ethical Corporate Management Best Practice Principles" clearly requires directors to uphold a high level of self-discipline, and to express their opinions and answer questions on the motions listed in the board of directors' meetings, if any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.</p> <p>(4) To ensure the implementation of ethical management, we have established an effective accounting system and an internal control system, and our internal audit staff regularly audits the compliance with the above system and has set up relevant handling procedures. Relevant handling procedures and penalties are clearly defined in the "Ethical Corporate Management Best Practice Principles" and "Work Rules".</p> <p>(5) We have included the "Work Rules - Employee Code of Integrity" in new</p>	

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			employee education and training materials, and regularly promote it to new employees. Directors and executives of the Company also regularly attend external training related to ethical management.	
<p>3. Implementation of Complaint Procedures</p> <p>(1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?</p> <p>(2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?</p> <p>(3) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company has established a whistle-blowing and punishment system in the "Ethical Corporate Management Best Practice Principles", "Code of Ethical Conduct", "Work Rules," and "Procedures for Reporting and Handling of Violation of Ethical Management Policy", and has announced them to all employees. It is also disclosed on the website, the contact window and method for stakeholders: https://www.userjoy.com.tw/governance/corporate_stakeholders_01.aspx</p> <p>(2) Yes, we have established the "Procedures for Reporting and Handling of Violation of Ethical Management Policy".</p> <p>(3) Yes, Handle in accordance with the above mentioned regulations. No related cases have been filed at this time.</p>	No deviation
<p>4. Strengthening Information Disclosure</p> <p>(1) Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?</p>	<p>✓</p>		<p>1. We have disclosed the "Ethical Corporate Management Best Practice Principles", "Code of Ethical Conduct" and "Procedures for Reporting and Handling of Violation of Ethical Management Policy" etc. on the website under Corporate Governance>Internal Regulations https://www.userjoy.com.tw/governance/corporate_major_01.aspx</p> <p>2. "Ethical Corporate Management Best Practice Principles", "Code of Ethical Conduct" have been uploaded to MOPS.</p> <p>3. Everyone in the Company, from the directors to all employees, has signed the Ethical Statement. Directors, supervisors, and executives also regularly attend external training related to ethical management, and no violation of ethical management has occurred to date.</p> <p>4. The contents of "Ethical Corporate Management Best Practice Principles" and implementation results are disclosed in the website: Corporate Governance > Ethical Management, as follows https://www.userjoy.com.tw/governance</p>	No deviation

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			e/corporate_integrity.aspx	
<p>5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation:</p> <ol style="list-style-type: none"> 1. The Company's "Ethical Corporate Management Best Practice Principles" has no significant deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies". 2. In addition to clearly stipulating the items to be followed by employees and prevention measures, whistle-blowing and punishment systems are also clearly stipulated in the relevant regulations. 3. As of today, the Company has not violated the "Ethical Corporate Management Best Practice Principles" and has reported to the Board of Directors on March 14, 2024. 				
<p>6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles):</p> <ol style="list-style-type: none"> 1. In the "Rules of Procedure for Board of Directors Meetings" stipulates, if any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter. 2. In the "Work Rules - Employee Code of Integrity" clearly stipulates when selecting suppliers, staff in charge shall uphold the ethics and fairness principles in selecting suppliers for products or services that are the most competitive in terms of quality, price, and delivery time. It is prohibited to receive rebates or other improper benefits from suppliers. Employees and their family members are strictly prohibited from receiving gifts, cash, or other disguised property valued at NT\$1,000 or more from suppliers. 				

Note 1: Regardless of whether "Yes" or "No" is ticked regarding the implementation status, an explanation should still be provided in in the explanation column for each item.

(8) If the company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched:

1. Please refer to the website at Corporate Governance > Internal Rules and Regulations or visit MOPS for more information.
https://www.userjoy.com.tw/governance/corporate_major_01.aspx

(9) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance:

1. Personnel related to financial information transparency, and relevant certificates and licenses obtained by them as specified by the competent authorities:
One audit staff has passed the CPA examination; one audit staff has passed basic competency test for corporate internal control.
2. We have established "Work Rules", "Code of Ethical Conduct", and signed the Ethical Statement to regulate the managers and employees to comply with the ethical rules and confidentiality obligations in their daily behaviors.
3. Board of Directors has approved the "Corporate Governance Best Practice Principles", "Procedures for Handling Material Inside Information", and "Procedures for Reporting and Handling of Violation of Ethical Management Policy".
4. Directors and managers regularly participate in continuing education every year.

(10) The state of implementation of the company's internal control system shall furnish the following:

1. A Statement on Internal Control: Please refer to page 60.
2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

USERJOY Technology Co., Ltd.

Statement on Internal Control

Date: March 14, 2024

The Company states the following with regard to its internal control system during 2023, based on the findings of its self-assessment:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), the reliability, timeliness, and transparency of reporting, and compliance with applicable norms and applicable laws, regulations, and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three objectives mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.
3. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinbelow, the “Regulations”). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. control environment 2. risk assessment 3. control activities 4. information and communications 5. monitoring activities. Each element further contains several items. Please refer to the Regulations for details.
4. The Company has assessed the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the assessment mentioned in the preceding paragraph, the Company believes that as of December 31, 2023, its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for understanding the degree of achievement of operational effectiveness and efficiency objectives, the reliability, timeliness, and transparency of reporting, and compliance with applicable norms and applicable laws, regulations, and bylaws, is—with the exception of the matters, if any, specifically listed in the Appendix—effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.
6. This Statement will become a major part of the content of the Company's Annual Report and Prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement has been passed by the Board of Directors Meeting of the Company held on March 14, 2024, where 0 of the 7 attending directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

USERJOY Technology Co., Ltd.

Chairman: Liu Hsin

Signature

President: Liu Hsin

Signature

(11) If there has been any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, the main shortcomings, and condition of improvement: None.

(12) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

1. Material resolutions of shareholders meeting and implementation status:

Date	Motion	Resolution	Implementation status
June 28, 2023 Shareholders meeting	Report items: 1. 2022 Business Report. 2. 2022 Audit Committee's Review Report 3. Distribution of 2022 remuneration to employees and directors, supervisors. Matters for approval: 1. 2022 Business Report and Financial Statements 2. Proposal for Distribution of 2022 Profits Discussion items: 1. Issue new shares through capitalization of retained earnings.	Approved by all directors present without dissent	1. Appropriated NT\$21,033,983 as employees' compensation and NT\$4,206,797 as directors' and supervisors' compensation for 2022, distributed on July 12, 2023, in the form of cash. 2. From distributable earnings in 2022, cash dividends NT\$264,976,514 were distributed at NT\$5.5 per share, calculated up to the nearest dollar and rounded down to the nearest dollar, with a sum of the fractional shares thereof to be included in the Company's other income 3. 2022 distribution of stock dividends, 50.00001245 shares per thousand shares were distributed as stock dividends.

2. Material resolutions of board of directors meetings:

Date	Motion	Matters listed in Article 14-3 of the Securities and Exchange Act	Independent Directors' opinions and the Company's handling of opinions	Resolution result
March 23, 2023 4 th meeting of the 7 th Board of Directors	1. 2023 Business Plan	V	None	Approved by all directors present without dissent
	2. Financial statements and consolidated financial statements for 2022.	V		
	3. 2022 Business Report.	V		
	4. Distribution of 2022 remuneration to employees and directors.	V		
	5. Distribution of 2022 Profits			
	6. "Assessment of the effectiveness of internal control system" and "Statement on Internal Control System" for 2022.	V		
	7. Salary adjustments for managers of the Company and its subsidiaries for 2023.			
	8. Amendment of the "Rules Governing Financial and Business Matters Between this Corporation and its Related Parties" and "Internal Audit System-Management and Audit of Related Party Transactions".	V		
	9. Approval of the establishment of Lang Jiang Co., Ltd. (郎將股份有限公司)			
	10. Acceptance of shareholders' proposal with shareholding of more than 1% for 2023.			
	11. Matters related to convening 2023 shareholders' meeting			
May 11, 2023 5 th meeting of the 7 th Board of Directors	1. Consolidated financial statements for 2023 Q1.	V	None	Approved by all directors present without dissent
June 28, 2023 6 th meeting of the 7 th Board of Directors	1. To set the ex-dividend date, issue date and related matters	V	None	Approved by all directors present without dissent

Date	Motion	Matters listed in Article 14-3 of the Securities and Exchange Act	Independent Directors' opinions and the Company's handling of opinions	Resolution result
August 10, 2023 7 th meeting	1. Consolidated financial statements for 2023 Q2.	V	None	Approved by all directors present without dissent
	2. Renew directors' and key employees' liability insurance for 2023			

of the 7 th Board of Directors	3. Amendment to "Directors Remuneration Policy"			
October 5, 2023 8 th meeting of the 7 th Board of Directors	1. Acquisition of a new office building, for discussion	V	None	Approved by all directors present without dissent
November 9, 2023 9 th meeting of the 7 th Board of Directors	1. Consolidated financial statements for 2023 Q3.	V	None	Approved by all directors present without dissent
	2.2023 year-end bonuses for managers of the Company and USERJOY JAPAN Co., Ltd.			
	3. Appointment of the CPA and independence evaluation.	V		
	4. Regularly approves non-assurance services provided by the CPAs.	V		
	5. Developing 2024 Audit Plan.	V		
	6. Amendment to the internal control system, internal audit system - "Management System of Financial Statement Preparation Processes".	V		
	7. Amendments to the Level of Authority			
December 13, 2023 10 th meeting of the 7 th Board of Directors	1. Applying for bank loans for acquisition of property.	V	None	Approved by all directors present without dissent
March 14, 2024 11 th meeting of the 7 th Board of Directors	1. 2024 Business Plan	V	None	Approved by all directors present without dissent
	2. Financial statements and consolidated financial statements for 2023.	V		
	3.2023 Business Plan	V		
	4. Distribution of 2023 remuneration to employees and directors	V		
	5. Distribution of 2023 Profits			
	6. "Assessment of the effectiveness of internal control system" and "Statement on Internal Control System" for 2022.	V		
	7. Salary adjustments for managers of the Company and its subsidiaries for 2024.	V		
	8. Acceptance of shareholders' proposal with shareholding of more than 1% for 2023.			
	9. Matters related to convening 2023 shareholders' meeting			
May 9, 2024 12 th meeting of the 7 th Board of Directors	1. Consolidated financial statements for 2024 Q1.	V	None	Approved by all directors present without dissent

- (13) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof; None.
- (14) A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairperson, general manager, chief accounting officer, chief financial officer, chief internal auditor, and chief research and development officer...etc.: None.

(15) Directors and Supervisors' Continuing Education for the Most Recent Year :

Title	Name	Date of election / appointment	Course Period	Course Name	Hours	Compliance with Requirements
Director	Liu Hsin	June 29, 2022	October 4, 2023	How to Review Financial Reports by Directors and Supervisors with Non-Financial Accounting Background?	3	Yes
			September 26, 2023	Digital Transformation and New Risk Management Ideas for the Future	3	Yes
Director	Chu Tse Wen	June 29, 2022	September 15, 2023	Enhancing the Credibility of Corporate Sustainability Reporting	3	Yes
			September 7, 2023	Technical Development and Business Opportunities for E-mobility and Smart Vehicles	3	Yes
Director	Lee Yu Shan	June 29, 2022	October 13, 2023	Carbon Credit Trading Mechanism and its Application to Corporate Management	3	Yes
			October 11, 2023	Competition for Talent in Enterprises: Employee Reward Strategies and Key Issues	3	Yes
Director	Chang Chi Hsin	June 29, 2022	September 26, 2023	Risks and Management of Trade Secrets under Digital Transformation	3	Yes
			September 7, 2023	Technical Development and Business Opportunities for E-mobility and Smart Vehicles	3	Yes
Independent Director	Lai Ju Kai	June 29, 2022	November 8, 2023	Application and Challenges of Generative AI from Chat GPT	3	Yes
			August 22, 2023	Sustainability and Digital Transformation	3	Yes
Independent Director	Chen Wei Dar	June 29, 2022	November 1, 2023	Tips for Directors and Supervisors to Interpret Financial Statements	3	Yes
			November 1, 2023	Latest Securities Law Updates and Corporate Governance Roadmap for Sustainable Development	3	Yes
Independent Director	Li Yi Kuang	June 29, 2022	December 12, 2023	Equity and Financial Planning - From a New Industry Perspective	3	Yes
			August 16, 2023	See a Company's Shortcomings or Operational Crisis from Financial Statements	3	Yes

4. Information on the professional fees of the attesting CPAs

(1) Information on CPA Professional Fees

Unit: NT\$ thousand

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remarks
Deloitte & Touche	Chang Chih Yi, Huang Yi Min	January to December, 2023	3,050	686	3,736	Salary information audit fee for non-supervisory full-time employees for 2022 NT\$50 (thousand) Financial report advance and miscellaneous fees for 2023 NT\$186 (thousand) Tax compliance Audit fee for 2023 years NT\$450 (thousand)

(2) Given any of the following conditions, shall disclose information as follows: The professional fees for auditing services means the professional fees paid by the Company to certified public accountants for auditing, review, and secondary reviews of financial reports and for financial forecast reviews.

1. When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: Not applicable.

2. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 15 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed.

5. Information on replacement of certified public accountant: None.

6. Where the company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed: None.

7. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

(1) Changes in Shareholding of Directors, Supervisors, Managerial Officers, and Major Shareholders

Unit: shares

Job title	Name	2023		Current fiscal year as of May 1, 2024	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
CEO	Liu Hsin	58,878	0	0	0
Director	Lee Yu Shan	69,877	0	0	0
Director	Chu Tse Wen	73,126	0	0	0
Director	Chang Chi Hsin	54,785	0	0	0
Independent Director	Lai Ju Kai	0	0	0	0
Independent Director	Chen Wei Dar	0	0	0	0
Vice President	Sun Shou Yi	0	0	0	0
Assistant Manager	Ye Wen Tsan	34	0	0	0
Finance Assistant Manager	Fang Lih Huey	545	0	0	0

(2) Information on Transfers of Shareholding: None.

(3) Information on Pledges of Shareholding: None of the Company's directors, supervisors, managers, or major shareholders have pledges of shareholdings.

8. Relationship information, if among the 10 largest shareholders any one is a related party, as defined in the Statement of Financial Accounting Standards No. 6, or is the spouse or a relative within the second degree of kinship of another.

May 1, 2024; Unit: shares

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remark
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Cyun Wei Investment Co., Ltd. Representative: Lee Hsieh Mui Tsz	3,007,605	5.95	0	0	0	0	Lee Yu Shan	First degree of kinship	
Lee Hsieh Mui Tsz	22,815	0.05	0	0	0	0	Lee Yu Shan	First degree of kinship	
Jhen Yuan investment Co., Ltd. Representative: Chang Xiao Yun	2,358,205	4.66	0	0	0	0	None	None	
Chang Xiao Yun	84,416	0.17	0	0	0	0	None	None	
Chu Tse Wen	1,535,646	3.04	244,375	0.48	0	0	None	None	
Lee Yu Shan	1,467,436	2.90	53,425	0.1			Cyun Wei Investment Co., Ltd.	Company's representative is his first degree of kinship	
Liu Hsin	1,236,449	2.44	301,971	0.60	0	0	None	None	
Chang Chi Hsin	1,150,493	2.27	141,451	0.28	0	0	Yong Hong Investment Co., Ltd.	Company's representative is his first degree of kinship	
KGI Bank Co., Ltd. in custody for Investment Account of Xingtian Technology Co., Ltd.	1,107,255	2.19	0	0	0	0	None	None	
Yong Hong Investment Co., Ltd. Representative: Chang Wen Chung	617,342	1.22	0	0	0	0	Chang Chi Hsin	First degree of kinship	
Chang Wen Chung	13,945	0.03	0	0	0	0	Chang Chi Hsin	First degree of kinship	
Chen Feng Ling	566,000	1.12	0	0	0	0	None	None	
Soft-World International corporation	562,482	1.11	0	0	0	0	None	None	
Representative: WANG, CHIN-PO	0	0	0	0	0	0	None	None	

Note 1: All of the top 10 shareholders should be listed, and the names of corporate/juristic person shareholders and their representatives should be listed separately.

Note 2: The shareholding ratio (%) is calculated as the total numbers of shares respectively held by the shareholder, their spouse and minor children, or through nominees.

Note 3: Disclose the relationships among the above-listed shareholders, including corporate/juristic person shareholders and natural person shareholders, in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

9. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company

Unit: NT\$

Investee enterprise (Note 1)	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Shares (Note 2)	Shareholding ratio	Shares (Note 2)	Shareholding ratio	Shares (Note 2)	Shareholding ratio
USERJOY TECHNOLOGY CO., LTD.	USD1,569,900	100.00	-	-	USD1,569,900	100.00
RICHLAND INVESTMENTS LIMITED	USD193,800	11.49	USD1,492,200	88.51	USD1,686,000	100.00
USERJOY JAPAN 株式會社	JPY177,773,806	100.00	-	-	JPY177,773,806	100.00
Beijing Airship Software Co., Ltd.	-	-	USD1,640,000	100.00	USD1,640,000	100.00
USERJOY HONG KONG CO., LTD	HKD6,240,000	100.00	-	-	HKD6,240,000	100.00

Note 1: This refers to investee enterprises in which the Company makes long-term investment calculated according to the equity method.

Note 2: Amounts are stated at original investment amounts.

IV. Information on capital raising activities

1. Capital and Shares

(1) Source of capital stock

1. Source of capital

Unit: NT\$ thousand ; thousand shares

Month/year	Issued price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Capital paid in by assets other than cash	Other
May 1995	Company Ltd.				825	Establishment	None	Note 1
February 1995	Company Ltd.				2,925	Capital increased by cash	None	Note 2
May 1995	10	600	6,000	600	6,000	Capital increased by cash	None	Note 3
July 2000	10	1,500	15,000	1,500	15,000	Capital increased by cash	None	Note 4
December 2000	10	7,500	75,000	1,667	16,670	Capital increased by cash	None	Note 5
				3,000	30,000	Capital increased by earnings	None	
December 2001	10	7,500	75,000	5,000	50,000	Capital increased by earnings	None	Note 6
November 2002	10	7,500	75,000	5,500	55,000	Capital increased by earnings	None	Note 7
November 2003	10	7,500	75,000	6,000	60,000	Capital increased by earnings	None	Note 8
August 2004	10	7,500	75,000	6,600	66,000	Capital increased by earnings	None	Note 9
September 2004	10	20,000	200,000	11,811	118,105	Capital increase by acquisition	None	Note 10
December 2005	33	20,000	200,000	12,603	126,033	Capital increased by cash	None	Note 11
September 2006	10	20,000	200,000	15,289	152,893	Capital increased by earnings	None	Note 12
				16,289	162,893	Capital increased by cash	None	
July 2007	80	20,000	200,000	16,289	162,893	Capital increased by cash	None	Note 13
August 2007	10	30,000	300,000	20,247	202,471	Capital increased by earnings	None	Note 14
						Capital increased by cash	None	
April 2008	66	30,000	300,000	22,707	227,071	Capital increased by cash	None	Note 15
97/08 August 2008	10	80,000	800,000	25,725	257,254	Capital increased by earnings	None	Note 16
August 2009	10	80,000	800,000	30,013	300,125	Capital increased by earnings	None	Note 17
April 2010	10	80,000	800,000	30,359	303,589	Conversion of stock warrants	None	Note 18
July 2010	10	80,000	800,000	30,390	303,897	Conversion of stock warrants	None	Note 19
September 2010	10	80,000	800,000	31,897	318,970	Capital increased by earnings	None	Note 20
November 2010	10	80,000	800,000	31,908	319,082	Conversion of stock warrants	None	Note 21
January 2011	10	80,000	800,000	31,913	319,134	Conversion of stock warrants	None	Note 22
April 2011	10	80,000	800,000	32,391	323,914	Conversion of stock warrants	None	Note 23
				32,608	326,083	Conversion of stock warrants	None	
August 2011	10	80,000	800,000	34,295	342,952	Capital increased by earnings	None	Note 24
				34,315	343,156	Conversion of stock warrants	None	
September 2011	10	80,000	800,000	34,315	343,156	Conversion of stock warrants	None	Note 25
December 2011	10	80,000	800,000	33,813	338,136	Conversion of stock warrants	None	Note 26
						Cancellation of treasury stock		
April 2012	10	80,000	800,000	34,256	342,565	Conversion of stock warrants	None	Note 27
July 2012	10	80,000	800,000	34,384	343,848	Conversion of stock warrants	None	Note 28
September 2012	10	80,000	800,000	34,415	344,158	Conversion of stock warrants	None	Note 29
January 2013	10	80,000	800,000	34,520	345,201	Conversion of stock warrants	None	Note 30
March 2016	10	80,000	800,000	34,014	340,141	Cancellation of treasury stock	None	Note 31
September 2016	10	80,000	800,000	34,124	341,237	Conversion of stock warrants	None	Note 32

Month/year	Issued price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Capital paid in by assets other than cash	Other
November 2016	10	80,000	800,000	34,168	341,675	Conversion of stock warrants	None	Note 33
April 2017	10	80,000	800,000	34,272	342,720	Conversion of stock warrants	None	Note 34
May 2017	10	80,000	800,000	34,273	342,732	Conversion of stock warrants	None	Note 35
August 2017	10	80,000	800,000	37,828 33,885	378,277 338,850	Conversion of stock warrants Capital increased by earnings	None	Note 36
November 2017	10	80,000	800,000	37,988	379,880	Conversion of stock warrants	None	Note 37
April 2018	10	80,000	800,000	38,004	380,043	Conversion of stock warrants	None	Note 38
August 2018	10	80,000	800,000	41,747	417,480	Capital increased by earnings	None	Note 39
August 2020	10	80,000	800,000	45,883	458,835	Capital increased by earnings	None	Note 40
September 2021	10	80,000	800,000	48,177	481,777	Capital increased by earnings	None	Note 41
August 2023	10	80,000	800,000	50,586	508,864	Capital increased by earnings	None	Note 42

Note 1: May 19, 1995 Jian-San-Zi No. 339376

Note 2: February 12, 1996 Jian-San-Zi No. 123652

Note 3: May 18, 1996 Jian-San-Ren-Zi No. 165678

Note 4: August 4, 2000 Jing-Zhong-Zi No. 89472807

Note 5: December 28, 2000 Jing-Zhong-Zi No. 89676308

Note 6: January 2, 2002 Jing-Zhong-Zi No. 09033293670

Note 7: December 17, 2002 Jing-Shou-Zhong-Zi No. 09133142370

Note 8: December 12, 2003 Jing-Shou-Zhong-Zi No. 09233110380

Note 9: September 23, 2004 Jing-Shou-Zhong-Zi No. 09332741410

Note 10: December 23, 2004 Jing-Shou-Zhong-Zi No. 09333251680

Note 11: January 11, 2006 Jing-Shou-Zhong-Zi No. 09531543950

Note 12: September 27, 2006 Jing-Shou-Zhong-Zi No. 09532906600

Note 13: July 31, 2007 Jing-Shou-Zhong-Zi No. 09632526900

Note 14: August 21, 2007 Jing-Shou-Zhong-Zi No. 09632640230

Note 15: May 2, 2008 Jing-Shou-Zhong-Zi No. 09732188690

Note 16: September 26, 2008 Jing-Shou-Zhong-Zi No. 09733141640

Note 17: September 10, 2009 Jing-Shou-Zhong-Zi No. 09833026010

Note 18: April 15, 2010 Bei-Fu-Jing-Deng-Zi No. 0993078244

Note 19: July 9, 2010 Bei-Fu-Jing-Deng-Zi No. 0993098917

Note 20: September 17, 2010 Bei-Fu-Jing-Deng-Zi No. 0993155368

Note 21: November 8, 2010 Bei-Fu-Jing-Deng-Zi No. 0993167764

Note 22: January 12, 2011 Bei-Fu-Jing-Deng-Zi No. 1005001938

Note 23: April 19, 2011 Bei-Fu-Jing-Deng-Zi No. 1005001938

Note 24: August 1, 2011 Bei-Fu-Jing-Deng-Zi No. 1005047475/ August 9, 2011 Bei-Fu-Jing-Deng-Zi No. 1005048693

Note 25: September 14, 2011 Bei-Fu-Jing-Deng-Zi No. 1005056417

Note 26: December 8, 2011 Bei-Fu-Jing-Deng-Zi No. 1005076610

Note 27: April 9, 2012 Bei-Fu-Jing-Deng-Zi No. 1015020586

Note 28: July 27, 2012 Bei-Fu-Jing-Deng-Zi No. 1015047327

Note 29: September 13, 2012 Bei-Fu-Jing-Deng-Zi No. 1015056259

Note 30: January 14, 2013 Bei-Fu-Jing-Deng-Zi No. 1025001461

Note 31: March 22, 2016 Bei-Fu-Jing-Si-Zi No. 1055145374

Note 32: September 29, 2016 Bei-Fu-Jing-Si-Zi No. 1055311954

Note 33: November 23, 2016 Bei-Fu-Jing-Si-Zi No. 1055326139

Note 34: April 5, 2017 Bei-Fu-Jing-Si-Zi No. 1068019925

Note 35: May 19, 2017 Bei-Fu-Jing-Si-Zi No. 1068030735

Note 36: August 29, 2017 Bei-Fu-Jing-Si-Zi No. 1068056252

Note 37: December 5, 2017 Bei-Fu-Jing-Si-Zi No. 1068078362

Note 38: April 3, 2018 Bei-Fu-Jing-Si-Zi No. 1078019248

Note 39: August 9, 2018 Bei-Fu-Jing-Si-Zi No. 1078051093

Note 40: August 14, 2020 Bei-Fu-Jing-Si-Zi No. 1098056682

Note 41: September 11, 2021 Bei-Fu-Jing-Si-Zi No. 1108065150

Note 42: August 28, 2023 MOEA, Department of Commerce Zi No. 11230168380

2. Type of Stock

May 1, 2024 Unit: thousand shares

Type of stock	Authorized Capital			Remarks
	Outstanding shares (Note)	Unissued shares	Total	
Registered common shares	50,586	29,414	80,000	None

Note: The stock is stock of a TPEX listed company.

3. Information Relating to the Shelf Registration System: None.

(2) Shareholder Composition

May 1, 2024 Unit: shares

Shareholder composition Quantity	Government agencies	Financial institutions	Other legal entities	Foreign institutions and foreign individuals	Individuals	Total
No. of shareholders	0	0	168	91	25,697	25,956
No. of shares held	0	0	6,872,977	5,326,316	38,387,133	50,586,426
Shareholding ratio	0%	0%	13.59%	10.53%	75.88%	100.00%

Note: Primary TWSE and TPEX listed companies and Emerging Stock companies should disclose the shareholding ratio of Mainland Chinese investors. "Mainland Chinese investors" means citizens, legal entities, groups, or other institutions of the Mainland China area, or a company in which the same have invested in a third jurisdiction as provided in Article 3 of the Regulations Governing Permission for People from the Mainland Area to Invest in the Taiwan Area.

(3) Diffusion of ownership

1. Common shares

May 1, 2024 Unit: shares

Range of no. of shares held	No. of shareholders	Shareholding (shares)	Shareholding (%)
1 to 999	18,823	721,747	1.43%
1,000 to 5,000	5,764	10,784,263	21.32%
5,001 to 10,000	764	5,245,635	10.37%
10,001 to 15,000	239	2,859,266	5.65%
15,001 to 20,000	103	1,807,044	3.57%
20,001 to 30,000	107	2,639,399	5.22%
30,001 to 40,000	43	1,511,535	2.99%
40,001 to 50,000	22	994,537	1.97%
50,001 to 100,000	43	2,904,708	5.74%
100,001 to 200,000	26	3,709,885	7.33%
200,001 to 400,000	9	2,320,551	4.59%
400,001 to 600,000	5	2,607,415	5.15%
600,001 to 800,000	1	0	1.22%
800,001 to 1,000,000	0	0	0%
Above 1,000,001	7	11,863,089	23.45%
Total	25,956	50,586,426	100.00%

2. Preferred shares: None.

- (4) List of major shareholders: List all shareholders with a stake of 5 percent or greater, also list all shareholders who rank in the top 10 in shareholding percentage

May 1, 2024 Unit: Shares

Names of major shareholders	Shares	Shareholding (shares)	Shareholding (%)
Cyun Wei Investment Co., Ltd.		3,007,605	5.95%
Jhen Yuan investment Co., Ltd.		2,358,205	4.66%
Chu Tse Wen		1,535,646	3.04%
Lee Yu Shan		1,467,436	2.90%
Liu Hsin		1,236,449	2.44%
Chang Chi Hsin		1,150,493	2.27%
KGI Bank Co., Ltd. in custody for Investment Account of Xingtian Technology Co., Ltd.		1,107,255	2.19%
Yong Hong Investment Co., Ltd.		617,342	1.22%
Chen Feng Ling		566,000	1.12%
Soft-World International corporation		562,482	1.11%

- (5) Share prices for the past 2 fiscal years, together with the company's net worth per share, earnings per share, dividends per share, and related information

Unit: NT\$

Item		Fiscal year	2022	2023	Current year to May 15, 2024
Market price per share (Note 1)	Highest		104.5	98	84.5
	Lowest		66	72.2	75.4
	Average		87.67	85.15	80.1
Net worth per share (Note 2)	Before distribution		31.41	30.35	-
	After distribution		24.20 (Note 8)	30.35 (Note 8)	-
Earnings per share	Weighted average shares		48,177 (Thousand shares)	50,586 (Thousand shares)	(Thousand shares)
	Earnings per share (before adjustment) (Note 3)		6.72 (Note 8)	4.24 (Note 8)	-
	Earnings per share (after adjustment) (Note 3)		6.40 (Note 8)	4.24 (Note 8)	-
Dividends per share	Cash dividends		5.5 (Note 9)	4 (Note 9)	4
	Stock dividends	Dividends from retained earnings	0.5 (Note 9)	0.5	0.5
		Dividends from capital reserve	-	-	-
	Accumulated undistributed dividends (Note 4)		-	-	-
Return on investment analysis	Price/earnings ratio (Note 5)		13.14	18.90	-
	Price/dividend ratio (Note 6)		14.611	20.04	-
	Cash dividend yield (Note 7)		0.057032	0.046975	-

* If shares are distributed in connection with a capital increase out of earnings or capital reserve, further disclose information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Note 1: List the highest and lowest market price of common shares in each fiscal year and calculate the average market price by weighing transacted prices against transacted volumes in each respective fiscal year.

Note 2: Calculate the amount of distribution based on the amount resolved by the board of directors or resolved in the next year's shareholders meeting.

- Note 3: If retrospective adjustments are required because of issuance of stock dividends, the earnings per share should be disclosed in the amounts before and after the retrospective adjustments.
- Note 4: If equity securities are issued with terms that allow undistributed dividends to be accrued and accumulated until the year the Company makes profit, the amount of cumulative undistributed dividends up until the current year should be disclosed separately.
- Note 5: Price/earnings ratio = average closing price per share for the year / earnings per share.
- Note 6: Price / dividend ratio = average closing price per share for the year / cash dividends per share.
- Note 7: Cash dividend yield = cash dividend per share / average closing price per share for the year.
- Note 8: As of April 30, 2024, the shareholders' meeting has not yet been convened to resolve the distribution of earnings for 2023, the amount after the distribution have not been retroactively adjusted.
- Note 9: The distribution of earnings for 2023 was approved by the board of directors on March 14, 2024, and has not yet been resolved by the shareholders' meeting.

(6) Company's dividend policy and implementation thereof

1. Dividend policy

Dividend policy in Article 19 and Article 19-1 of the Articles of Incorporation is as follows: :

If there is any profit in the Company's annual final accounts, the Company shall first set aside the amount for tax, make up the accumulated losses, and then set aside 10% as legal reserve, and then distribute the rest as dividend, if any profit remains, subject to the resolution of shareholders' meeting as shareholders' remuneration.

Dividend distribution is based on earnings of the year and principle of dividend stability. The Company is currently in a growth stage and, based on the Company's future capital needs and long-term financial planning, the Company allocates more than 50% of distributable earnings under Article 19 for shareholder's dividends, with no less than 10% of the total amount of dividends to be paid in cash, however, this amount may be adjusted by shareholders' meeting based on actual profit position in the current year and capital planning in the future.

2. Dividend distributions proposed at the most recent shareholders' meeting

(1) For the Company's business needs, the Board of Directors has approved (not yet resolved by the shareholders' meeting) to distribute NT\$202,345,704 as cash dividends from distributable earnings, with NT\$4.00 per share, calculated up to the nearest dollar, and rounded up to the nearest dollar, with a sum of the fractional shares thereof to be included in the Company's other income, and to distribute NT\$25,293,220 as stock dividends, with a par value of NT\$10 per share and to distribute 50 shares for every thousand shares. Subject to the resolution at shareholders' meeting, and authorize chairman of the board of directors to set a new record date for the dividend distribution.

(2) Upon earnings distribution proposal to be approved at the shareholders' meeting, chairman of the board of directors will be authorized to set the dividend distribution date and other related matters. If the total number of outstanding shares is affected by other factors subsequently, resulting in change of the dividend distribution rate, it is proposed to authorize chairman of the board of directors to adjust the dividend distribution rate at the shareholders' meeting.

(7) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting

Item		Fiscal year	2023
Paid-in capital (beginning of year)			NT\$505,864,260
Dividend distribution for the year (Note 1)	Cash dividends per share		NT\$4
	Stock dividend from retained earnings (share)		50
	Stock dividend from capital surplus (share)		-
Business Performance	Income from operations		(Note 2)
	% change of income from operation (YOY)		
	Net income after tax		
	change of net income after tax (YOY)		
	Earnings Per Share		
	% change of EPS (YOY)		
Average return on investment (%) (Reciprocal of average P/E Ratio)			
Pro Forma EPS & P/E Ratio	If retained earnings distributed in cash dividend	Pro Forma Earnings Per Share	(Note 2)
		Pro Forma Average Return on Investment (%)	
	If capital surplus not distributed in stock dividend	Pro Forma Earnings Per Share	
		Pro Forma Average Return on Investment (%)	
	If capital surplus not distributed in stock dividend and retained earnings being distributed in cash dividend.	Pro Forma Earnings Per Share	
		Pro Forma Average Return on Investment (%)	

Note 1: It has not been resolved by the shareholders meeting.

Note 2: In accordance with the "Regulations Governing the Publication of Financial Forecasts of Public Companies", the Company is not required to disclose financial forecast information, therefore, the effect upon the Company's business performance and earnings per share of stock dividend distribution proposed at this shareholders' meeting: not applicable.

(8) Profit-sharing compensation of employees, directors, and supervisors

1. The percentages or ranges with respect to employee, director, and supervisor profit-sharing compensation, as set forth in the company's articles of incorporation: If the Company has a profit for the year, an amount of not more than 3% of the compensation of the directors and supervisors and not less than 3% and not more than 15% of the compensation of the employees shall be distributed, however, if the Company has accumulated losses, it shall first set aside an amount to cover the losses.
2. The basis for estimating the amount of employee, director, and supervisor profit-sharing compensation, for calculating the number of shares to be distributed as employee profit-sharing compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: If the amount changes, it will be treated as a change in accounting estimate and will be adjusted in the year of the shareholders' meeting.
3. Information on any approval by the board of directors of distribution of profit-sharing compensation:
 - (1) The amount of any employee profit-sharing compensation and director and supervisor profit-sharing compensation distributed in cash or stocks. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed: Employees' and directors' profit-sharing compensation were fully paid in cash in the amount of NT\$16,725,817 and

NT\$2,787,636, respectively, and the amounts recognized in the accounts were resolved by the board of directors, without any discrepancy.

- (2) The amount of any employee profit-sharing compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee profit-sharing compensation: Not applicable.
4. The actual distribution of employee, director, and supervisor profit-sharing compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor profit-sharing compensation, additionally the discrepancy, cause, and how it is treated.
- (1) The distribution of 2022 earnings were approved at the shareholders' meeting held on June 28, 2023, to distribute employees' and directors' profit-sharing compensation of NT\$21,033,983 and NT\$4,206,797, respectively.
- (2) If there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor profit-sharing compensation, additionally the discrepancy, cause, and how it is treated: No discrepancy.

(9) Share Repurchases by the Company:

May 15, 2023

Repurchase no. (Note)	The 1 st	The 2 nd	The 3 rd
Purpose of repurchase	To be transferred to employees	To be transferred to employees	To be transferred to employees
Period of repurchase	October 8 to December 7, 2008	December 28 to February 27, 2012	September 10 to November 9, 2016
Price within the repurchase range	NT\$35.00~83.00	55.00~95.90	48.00~75.00
Categories and number of shares repurchased	Common stock, 507,000 shares	Common stock, 506,000 shares	Common stock, 740,000 shares
Amount of the repurchased shares	NT\$21,838,908	NT\$31,987,353	NT\$48,772,000
(%) Ratio of the number of shares already repurchased to the number of shares intended to be repurchased (%)	50.70	50.60	61.67
Number of repurchased shares having been cancelled or transferred	507,000 shares	506,000 shares	740,000 shares
Accumulated number of shares held by the Company	-	-	0 shares
% of accumulated number of shares held to total number of shares issued	-	-	0%

2. Issuance of Corporate Bonds (Including Overseas Corporate Bonds): None.
3. Issuance of preferred shares: None.
4. Issuance of global depository receipts: None.

5. Information on employee share subscription warrants:

(1) Employee Share Subscription Warrants

May 15, 2023

Type of employee share subscription warrants (Note 2)	The 1 st in 2012 (Note 5)	The 2 nd in 2012 (Note 5)
Effective registration date	July 17, 2012	July 17, 2012
Issue (handling) date (Note 4)	August 27, 2012	June 28, 2013
Number of units issued	999,000 units (999,000 shares) (Note 6)	51,000 units (51,000 shares) (Note 6)
Ratio of the number of issued subscribable shares to the total number of issued shares	2.91%	0.15%
Duration	August 27, 2014 to August 26, 2017	June 28, 2015 to June 27, 2018
Exercise method (Note 3)	Issuance of new shares	Issuance of new shares
Vesting period and percentage (%)	2 years after the approval of this share subscription warrants, the percentage of freely exercisable share subscription warrants was 50%, 75% after three years, and 100% after four years.	2 years after the approval of this share subscription warrants, the percentage of freely exercisable share subscription warrants was 50%, 75% after three years, and 100% after four years.
Number of shares subscribed through exercise of the warrants	564,680 shares	37,000 shares
Amount of shares subscribed through exercise of the warrants	NT\$34,175,638	NT\$2,004,738
Number of expired/lapsed shares	434,320 shares	14,000 shares
Number of unexercised shares	0 shares	0 shares
Subscription price per share of the unexercised shares	-	-
% of unexercised shares to total number of shares issued	0.00%	0.00%
The effect on shareholders' equity	The Company attracts and retains the talents needed, as well as motivates and enhances the centripetal force of employees, so as to jointly create the interests of the Company and its shareholders, which has a positive effect on the shareholders' equity.	The Company attracts and retains the talents needed, as well as motivates and enhances the centripetal force of employees, so as to jointly create the interests of the Company and its shareholders, which has a positive effect on the shareholders' equity.

Note 1: Employee share subscription warrants include publicly offered and privately placed employee share subscription warrants. Publicly offered employee share subscription warrants are those that have been effectively registered with the FSC; privately placed employee share subscription warrants are those that have been approved by a resolution of the shareholders meeting.

Note 2: Adjust the number of columns according to the actual number of issues.

Note 3: Note whether the method is by delivery of issued shares or issuance of new shares.

Note 4: Fill in all the required information separately for warrants of different issue (handling) dates.

Note 5: If it is a private placement, the fact that it is a private placement should be prominently indicated.

Note 6: Total number of units issued: 1,050,000 shares.

(2) Names and Acquisition and Subscription Status of Managerial Officers Who Have Acquired Employee Share Subscription Warrants and the Top Ten Employees Who Have Acquired Share Subscription Warrants:

May 15, 2023; Unit: NT\$; shares; %

	Job title (Note 1)	Name	Number of shares subscribable from exercise of warrants granted	Ratio of the Number of shares subscribable from the exercise of warrants granted to the total number of issued shares (Note 4))	Exercised				Unexercised			
					Number of shares	Exercise price (Note 5)	Total exercise price	Ratio of the number of exercised shares to the total number of issued shares (Note 4)	Number of shares	Exercise price (Note 6)	Total exercise price	Ratio of the number of exercised shares to the total number of issued shares (Note 4)
Managerial officer	Chairman & President	Liu Hsin	166,000	0.40%	166,000	56.5~62.1	10,291,920	0.40%	0	0	0	0%
	Vice President	Sun Shou Yi										
	Assistant Manager	Ye Wen Tsan										
	Assistant Manager	Fang Lih Huey										
Employee (Note 3)	Art Division Director	Lai Kai Wai	156,000	0.37%	156,000	51.4~56.4	9,079,120	0.37%	0	0	0	0%
	Program Division Director	Yu Jin An										
	IT Division Director	Chong Zhi Jie										
	Program Manager	Wu Chong Xun (Note 2)										
	Art Manager	Huang Qing Yong										
	Art Manager	Hsieh Sheng Da (Note 2)										
	Program Assistant Manager	Chen Bao Chong										
	Program Section Manager	Wang Qun He										
	Program Assistant Section Manager	Yu Hsin Xian										
	Art Manager	Tsai Min Yu										

Note 1: The names and job titles of the managerial officers and employees should be presented individually (and an annotation should be made in the event an officer or employee has departed the company or died), but the quantities acquired and subscribed may be presented in aggregate sums.

Note 2 : Employee has departed the company.

Note 3: The top ten employees who have acquired share subscription warrants means employees other than managerial officers.

Note 4: The total number of issued shares means the number of shares in the amendment registration information on record with the Ministry of Economic Affairs.

Note 5: For exercised employee share subscription warrants, disclose the exercise price at the time of exercise.

Note 6: For unexercised employee share subscription warrants, disclose the adjusted exercise price as calculated based on the issuance rules.

(3) Status of any private placement of employee stock warrants during the 3 most recent fiscal years: None.

(4) Status of new restricted employee shares: None.

6. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

7. Implementation of the company's capital allocation plans

The 1st cash capital increase in 2007

1. Description of the plans

(1) Approval date and letter No.: Approved as Letter No.

Financial-Supervisory-Securities-I-0960025515 on May 17, 2007.

(2) Total amount of capital required under the plan: NT\$80,000,000.

(3) Source of fund: Cash capital increase of 1,000 thousand shares at NT\$80 per share, totaling NT\$80,000,000.

(4) Plan items and fund usage: Completed.

V. Operation of the company

1. Business content

(1) Scope of business

1. Major lines of business

CC01030	Electrical Appliances and Audiovisual Electronic Products Manufacturing
CC01110	Computer and Peripheral Equipment Manufacturing
CC01990	Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
CH01040	Toys Manufacturing
E605010	Computer Equipment Installation
F109070	Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
F113020	Wholesale of Household Appliance
F113050	Wholesale of Computers and Clerical Machinery Equipment
F118010	Wholesale of Computer Software
F209060	Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
F213010	Retail Sale of Electrical Appliances
F213030	Retail Sale of Computers and Clerical Machinery Equipment
F218010	Retail Sale of Computer Software
F401010	International Trade
I301010	Software Design Services
I301020	Data Processing Services
I301030	Electronic Information Supply Services
I401010	General Advertising Services
I501010	Product Designing
J304010	Book Publishing
JB01010	Conference and Exhibition Services
ZZ99999	All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Consolidated weight of sales

Unit: NT\$ thousand ; %

Product	2023	
	Sales amount	Percentage %
Online games	1,367,406	100.00
Total	1,367,406	100.00

3. Current products & services

Our major business items are massively multiplayer online games, including client-side games, web games, mobile games, virtual reality games, software planning for augmented reality games, art and program R&D, marketing (including licensing), operations, and development of innovative licensed publications and peripheral products for non-digital content games, etc.

4. New products & services planned for development

- (1) Mobile platform and social platform games: Develop mobile games for Android and iOS platforms and SNS games for social platforms.
- (2) Casual online games: Develop casual handheld games, jointly promote to become a casual online game platform.
- (3) Develop web games targeting the Japanese market.

- (4) Overseas game distribution: We continue to distribute games in order to provide quality products and services to players.
- (5) Virtual Reality Games, Augmented Reality Games: Develop mobile games for Android and iOS platforms and TV console games.

(2) Industry summary

1. The industry's current condition and development

Newzoo, a Dutch games market research consulting firm, recently released its latest forecast for the global games market in 2023, in which 'mobile devices' accounted for 49% of the revenue, while the PC and home console platforms accounted for 21% and 29% respectively. In its latest report, the global games market is estimated to generate revenues of US\$189.3 billion by 2024. Delving into future trends, the data firm noted the games market has recovered in the last year and will gradually grow in 2024 onward, with a CAGR of 1.3% from 2021 to 2026. Global AI in Games Market analysis in the coming years, the percentage of generative AI will continue to increase in order to improve efficiency, estimating the global AI in games market size will increase by US\$4,501.72 million in 2023-2028, with a CAGR of 24.65% during the forecast period. According to SensorTower, a Silicon Valley-based data analyst, the top five markets in the world are the U.S., China, Japan, Korea, and Taiwan. Therefore, the development of mobile game business, expanding from Taiwan to Asia and extending to Europe and the United States remain our primary objectives, meanwhile, AI applications have been deeply rooted in the relevant applications in recent years.

We mainly research and develop digital game contents, and fall into digital game industry. According to the execution platform, digital game industry is categorized into four major types: Mobile Game, PC Game, Console Game, and Arcade Game, as described below:

(1) Mobile Game

With the continuous development of mobile game and cloud technology, through integrating mobile game and cloud game, we can realize a higher quality gaming experience, allowing users not to be limited by hardware, and users can easily play games through their mobile phones or tablets anytime, anywhere, without the need to download large game files, and we will be moving towards a new era of mobile gaming experience.

(2) PC Game

With continuous technological advancement and evolution of the time, computer games used to be divided into only two categories: standalone and online games. However, cross-platform gaming is becoming an important trend, allowing users to play games on different platforms and devices, bringing more convenience and choices to users. At the same time, games as a service (GaaS) will also become an important development direction for game industry. Developers will provide subscription game services and users will be able to subscribe to game content and features according to their own needs, instead of purchasing individual game products.

(3) Console Game

With the rising of handheld games, and PC games' performance becoming more powerful, console games need new technologies to maintain their market position, or else they will gradually disappear like handheld consoles. Current PlayStation 5, Xbox Series X, Apple Vision Pro and other consoles, in addition to playing cross-platform games, are also gradually integrated into VR and AR technologies, such as PlayStation 5 has applied VR to the game to give players an immersive

experience, in the future, console games may be further explored. In the future, console games may further explore VR and AR technologies to enable players to more deeply integrate into the game world, and may have more innovative gameplay and experience modes.

(4) Arcade Game

Due to the high cost of arcade games, most of them are installed in cinemas, department stores, and amusement parks, resulting in some limitations on their development. Hence, traditional arcade game machines in Taiwan tend to be more leisure-oriented, such as claw machines, basketball machines, and egg twisting machines. However, in recent years, some new physical card battle machines have emerged, such as "Pokémon vending machine", these machines have attracted a greater number of young players and injected new vitality into arcade games. Notably, these new machines are not only being installed in traditional venues, but are also appearing more often in 7-11, Taiwan's most widely-accessed convenience store, creating a whole new gaming experience and business model.

(5) Virtual Reality Game (VR)

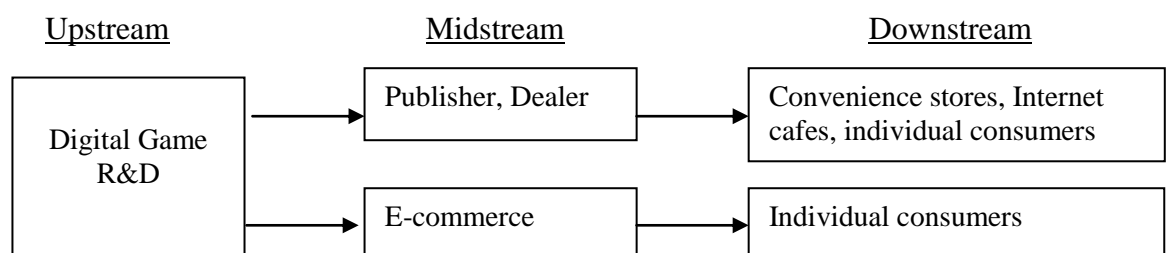
From Oculus, Sony, HTC, Samsung, LG, etc., all of them are moving towards the VR field. By creating a virtual 3D space through computers and "tricking" humans' senses with various technologies to give them a false sense of reality, users will immerse themselves in a completely artificial 3D world and do all sorts of things in it. In order to achieve the effect of VR, it is necessary to provide visual, auditory, interactive, and other sensory simulation elements. The better the above items are done, the more "real" the virtual environment will be, and users are more likely to "believe it to be real".

(6) Augmented Reality Game (AR)

AR is a real time technology to calculate the position and angle of the camera image and add the corresponding image, the goal of this technology is overlay the virtual world onto the real world on the screen and interact with it. By adding some virtual objects to the physical space, while the user still exists in the real world, Pokémon Go is one of the most iconic gaming products.

In recent years, due to upgrading the specifications of smartphones and lowering the cost of purchasing them, it has significantly affected the consumer players' behavior, and APP games have become one of the major entertainment modes. The age group of consumer players is getting wider and wider, and the types of players that the game industry aims at are also expanding from heavy gamers to light gamers; moreover, the distribution channels and financial channels of APP games are also much better than the old computer-based client games. Also, the global openness and transparency enable the industry's market competition no longer to be limited to a single country, but to a globalized level of market competition, making the domestic digital game industry more prosperous.

2. Links between the upstream, midstream, and downstream segments of the industry supply chain



From upstream to downstream, namely, content material providers (IP), game

developers, game publishers, and finally, the distributors that allow users to download or purchase games. Our company has many years of experience in developing and publishing games, from in-house PC Game to Mobile Game, always keeping up with changing trends, and in the R&D process, we have created self-owned IPs and strong development capabilities, and our self-owned IPs can not only be applied to the game field, but also be expanded to other fields. The extensive development capabilities enable the Company to more accurately project future market demand and player preference, and develop competitive and attractive games. We have extensive experience in operation and distribution, and understand the characteristics and needs of the global game market, the cash flow, media promotion, etc., and are able to publish different types of games for applicable regions and gain sufficient market share in these regions. Currently, we have mastered the upstream, midstream, and the downstream is the last part of its territory in the game industry.

3. Trends of product development

(1) Game towards the development of cross-platform direction

Along with the advance of technology, various companies are striving to expand the cross-platform direction in order to improve users' gaming experience and bring greater convenience to users. For example, PlayStation 5, Xbox Series X, Apple Vision Pro and other consoles continue to enhance cross-platform functionality, and an increasing number of mobile games are able to simultaneously play with computer games. Such trend enables game platforms to expand their user market, prompting game development towards multi-platform to increase its competitive edge.

(2) Games as a Service (GaaS)

Booming development of mobile games has led to market saturation, and this saturation has pushed many developers and publishers to rush to launch new games, resulting in an influx of low-quality, undeveloped games into the market, causing chaos in the market. Due to the fierce market competition, users can hardly find high-quality games among many games, making their demand for games more rigorous.

In response to this market situation, the Games as a Service (GaaS) model has emerged. This model's main feature is ongoing updates and service delivery, including new game content, events, social functions, game balance adjustments, and so on. Through this model, game developers are able to maintain close interaction with players, better understand their needs and respond promptly. Meanwhile, the GaaS model also enables game providers to generate a sustainable revenue flow, rather than relying on one-time game sales. Overall, as the market saturates and users demand higher quality games, the GaaS model has become an effective way for the game industry to cope with the challenge.

(3) Value of IP

According to National Development Council's statistics, Taiwan's mobile phone penetration rate is about 90%, and at the same time, the booming development of mobile games has also raised the cost to acquire users. To reduce the cost of user acquisition, we have several directions: IP products, special themes, innovative gameplay, etc. to increase the competitiveness and attractiveness of mobile games. However, creating a successful IP is very challenging because IP is realized by creating and protecting value. It takes years of content accumulation, brand management and deep roots in the market to create an influential IP, but just because IPs are not easily replaceable, they can be a key to lowering the cost of acquiring

users.

(4) AI Gaming

2023 is generative AI's breakout year, its influence is profound, and all industries around the world are deeply affected by it. Especially in the game industry, AI brings a lot of conveniences and innovations, such as AI can be used to generate various forms of game content, increase game diversity, or be used for automated game testing and optimization, so as to save the development team's time and effort, and improve the efficiency of the game development and operation. In the future, with the continuous development of AI technology, it may also be able to solve some of the globalization technical constraints and challenges faced by the game industry, such as cross-language and cross-cultural game content translation, multi-platform game compatibility and other issues. Through AI technology, it is possible to achieve more accurate and faster game translation and optimize games' cross-platform performance, thus increasing the level of globalization of games.

4. Competition status

Our company has established a solid position in upstream and midstream of the game industry, with our own IP, strong R&D team and operation team. Our distribution channels have been expanded beyond the local market to Japan, Korea, China, Southeast Asia, Europe and the U.S. We will continue to innovate and improve our existing IP products, and through IP licensing, enable our IPs to cross multiple domains in order to maximize their commercial value. We have strong core R&D capabilities and will continue to develop high-quality products to meet market demands. At the same time, we are actively developing more cross-platform games to provide users with the best gaming experience. Our operations team will further implement AI technology to improve operational efficiency and solve globalization technical constraints and challenges. Upholding the spirit of GaaS, regular updating of game content and provision of high-quality customer service, we expect to bring even better results to the game industry in the future.

(3) Technology and research & development summary

1. Technological arrangement in business operations and R&D

(1) Technological arrangement and results

Our main business is to develop in-house online games, and aim at cross-platform 10,000-player online game products. We have developed a wide range of technologies, including server programming, audio-visual software programming, game content planning, UI, UX, and big data analysis, and in recent years, we have introduced AI technology to continue to improve and refine the technology.

With more than 300 people in the R&D team, we release new games every year and utilize our in-house developed 10,000-player connectivity technology and 3D imaging technology. We have accumulated more than 100 games, including standalone games, web games, massively online games, home console games, VR games, and mobile games.

Our in-house developed products had outstanding performance in the market and won many domestic and international awards for five consecutive years. Recent awards include: "Fantasia Sango Mysteria" in 2023 won the Best Work Award of "Taiwan Original X Awards", "Seven Mortal Sins" in 2022 also won the same award, "Kingdom Heroes VIII" in 2021 was shortlisted for "Taiwan Original X Awards" Best Work in Commercial Category, and "Kingdom Heroes VII" standalone game won the Best Military Culture Game Award of China's "Game Culture Competition" in 2021, and in 2020, the "Kingdom Heroes M" handheld game was recognized by

Google Taiwan as the best mobile game for battle royale.

We have been focusing on research and development, and have owned a number of classic IPs. In recent years, we have benefited from mobile games with 4G/5G internet connectivity, and have successfully licensed and sold them to the world through global platforms such as Google, IOS, Steam, and so on.

(2) Core Technology

- ⓪. Programming technology: The main development projects are developing advanced 3D real-time imaging technology and 10,000-people connection technology, applying them to product production, and developing various editing and integration tools and server group management tools, serving as the technical basis for effective management of the production process and monitoring system.
- Ⓛ. Planning and Creativity: We have experience in the development of various types of games, such as online and offline, role-playing, sports, strategy, simulation, puzzles, and gaming, etc. We are able to analyze the market demand and translate abstract ideas into precise feasibility assessments, and the recognition of sales and awards over the years has proven the indispensable importance of this core competency.
- Ⓜ. Art Design: Through experience education and quality control, we have devoted ourselves to self-improvement in character setting, 3D modeling, animation production, and promoting art. In recent years, we have rapidly developed our international competitiveness, and three games in a row have entered the R&D leading group, Japanese region, this also proves that we have grasped the key elements of game style, and continue to improve by adopting AI technology.
- Ⓨ. R&D management: We established the BTS (Bug-tracking system) as the communication medium for the game integration bug fixing and reporting system to monitor and accelerate the bug fixing performance. In terms of internal resource management, we encourage resources recycling and enhance the effectiveness of education and training through the idea proposal system and experience sharing among R&D personnel, which also serves as a foundation for project management's core competitiveness.

2. Personnel involved in R&D and their educational backgrounds

April 30, 2024 Unit: persons; %

	2022		2023		As of April 2024	
	Number of persons	Ratio	Number of persons	Ratio	Number of persons	Ratio
Master's degree and higher	55	15	50	14	52	14
College	287	77	283	78	278	78
Below college	30	8	29	8	29	8
Total	372	100	363	100	359	100

The Company has R&D personnel with rich practical experience and professional skills. In addition, we also actively recruit excellent R&D personnel, in order to enhance the strength of our R&D team.

3. Invested research costs each year for the last 5 years

Unit: NT\$ thousand, %

Item	2019	2020	2021	2022	2023
R&D expenses	300,522	329,656	372,162	431,553	419,936
Net income	1,147,961	1,550,384	1,698,307	1,583,718	1,367,406
% of net income	26.18%	21.26%	21.91%	27.25%	30.71%

4. Successfully developed technologies or products

We have developed more than 100 digital games, as follows:

- (1) Standalone games: "Kingdom Heroes I~VIII Series", "Fantasia Sango Mysteria Series", "The Legend of The Sacred Stone", "Fantasia Sango", "Fallen Angel", "GoGo Gourmet", "A Rhapsody of Strange Land", "Super Heroes", "Lord of Ancient Kingdoms", "Rich", "The Twin Heroes", "Legend of Chu Liuxiang", "Fantasy Three Kingdoms", etc. series", "Fantasia Sango", etc.
- (2) Online games on various platforms:
 - ① Client-side games: "Age of Hero Online", "Moe Knight", "Kingdom Heroes", "Kingdom Heroes 2 Online", "The Twin Heroes", "The Twin Heroes 2", "Play Mah-jong Online", "Angel Love Online", "Angel Love 2I Online", "Heroes: Scions of Phoenix Online", "萌谷帝國 Online", "N3·Ninety-Nine Nights Online", "神人 Online", "Holy Land Online".
 - ② Mobile games: "Kingdom Heroes M", "Seven Mortal Sins", "強襲機甲" (VR), "寶島娛樂城", "少女騎士物語", "創世群英", "決戰亞爾薩", "Real Derby 3D", "新魔導英雄傳", "Kingdom Knights - 遠征時代", "Let's Vegas Slots", "卡米洛傳說", "魔導英雄傳", "轉轉美樂", "Bumping Penguin", "Play Mahjong".
 - ③ Web games: Web games: "万物乙女☆ダンジョンズ", "Akatsuki no Kiseki", "Play Mahjong Web Edition", "諸神之戰", "Heroes: Scions of Phoenix Online", "時光之翼 Web", "Moe Knight Web", "Let's Vegas", "Kingdom Knights", "霸蒼天", "Kingdom Heroes WEB".

5. Research and development work to be carried out in the future, and further expenditures expected for research and development work

We plan to develop PJA117, PJA121, PJA125, PJA127, PJO126, PJK130, PJA132, PJA133, PJK134, PJA137, PJA138 and other (names listed to the left are code names) digital products, (names listed to the left are code names) digital products. In 2024, we expect to invest approximately NT\$440 million in software and hardware research and development.

6. R&D investment plan and progress

Our R&D investment plan and progress are as follows:

PJA117, PJA121, PJK134, PJA137.... etc. are expected to complete their R&D plan in 2024.

(4) Long- and short-term business development plans

1. Short-term business development plans

- (1) Actively invest in mobile game content, and expand services to domestic and overseas players.
- (2) Enhance our core R&D capabilities, adopt AI applications to bring in foreign technologies.
- (3) Actively recruit excellent talents and outstanding R&D team to strengthen our competitiveness.
- (4) Continuously seek overseas products with market value, and import them as distributors.
- (5) Combine with overseas partners to expand our in-house IP products' penetration into the Chinese market.
- (6) Enhance operation quality and expand marketing channels.

2. Long-term business development plans

- (1) Introduce knowledge management, and establish a knowledge base for game development.
- (2) Actively develop overseas markets, and increase domestic and international market share.

(3) Establish strategic partners in major overseas markets.

(4) Establish a leading brand to meet players' needs.

2. Summary of market and production/sales

(1) Market analysis

1. Major products: Online game software development and game operation services

2. Analyzing the areas/regions of sales of major products

Unit: NT\$ thousand, %

Area	Year	2023		2022	
		Amount	%	Amount	%
Domestic sales		1,210,639	88.54	1,344,398	84.89
Export sales		156,767	11.46	239,320	15.11
Total		1,367,406	100.00	1,583,718	100.00

Note: Domestic and export sales are categorized by customers, and some overseas operations are licensed to domestic customers to operate.

3. Market share

Digital games have become one of the most important entertainment activities in daily life. With technology advancement and the increase of leisure population, global digital games have a promising future.

Newzoo, a Dutch games market research consulting firm, recently released its latest forecast for the global games market in 2023, in which 'mobile devices' accounted for 49% of the revenue, while the PC and home console platforms accounted for 21% and 29% respectively. In its latest report, the global games market is estimated to generate revenues of US\$189.3 billion by 2024. Delving into future trends, the data firm noted the games market has recovered in the last year and will gradually grow in 2024 onward, with a CAGR of 1.3% from 2021 to 2026. Global AI in Games Market analysis in the coming years, the percentage of generative AI will continue to increase in order to improve efficiency, estimating the global AI in games market size will increase by US\$4,501.72 million in 2023-2028, with a CAGR of 24.65% during the forecast period. According to SensorTower, a Silicon Valley-based data analyst, the top five markets in the world are the U.S., China, Japan, Korea, and Taiwan. Therefore, the development of mobile game business, expanding from Taiwan to Asia and extending to Europe and the United States remain our primary objectives, meanwhile, AI applications have been deeply rooted in the relevant applications in recent years.

4. Demand and supply conditions for the market in the future and growth potential

With popularity of smartphones and tablets, users already get used to spending most of their leisure time on mobile devices, injecting momentum into the high growth of global mobile game market, which is also the market where we have put our efforts for development in recent years. Therefore, we actively deployed the research and development of mobile games, and in addition to the local market in Taiwan, we have also expanded our distribution and operation business overseas. For example, our mobile game "Let's Vegas Slots" is not only launched in Taiwan, but also opens its services to players in Southeast Asia, New Zealand, Australia, and North America, etc. In the future, we will follow this success example to promote our in-house developed games to players around the world by utilizing the openness of mobile game channels and the convenience of payment channels, with China, Japan, Europe, the United States, and Southeast Asia as the main markets that we are targeting. Meanwhile, we will also expand to emerging countries through licensing in order to gain more room for growth.

5. Competitive niche

(1) In-house R&D team and self-operating team

Most of our in-house products are self-developed, therefore, we can save the expensive distributor's royalties. Our company is young, energetic and creative, so we are able to cope with the rapid changes of digital game industry. In addition, we can grasp market changes in terms of theme creativity and planning, and constantly

innovate in order to obtain consumers' favor; furthermore, in response to players' needs and changes, the advantages of R&D and self-operating are quickly coping with the market response, and constantly providing more and updated content services to players, it saves the game distributors from having to communicate with original production companies for a long time to modify the version, and provides Taiwanese gamers with a more timely and faster service quality.

(2) Accumulated extensive in-house game IPs

Our company has been established for more than 25 years, and has developed a number of popular games and created a variety of extensive and well-known game brands. In today's rigorous and volatile market, with the continuous development of our leading game brands into mobile game content, it not only extends the charm of the brand, but also generates immediate word-of-mouth effects among players.

(3) Complete customer service support

We always emphasize on customer service, especially in online games, the interaction between the Company and the players must meet basic requirements of round-the-clock and real-time interaction. We have set up a complete proactive customer service system, making it easier for us to control overall actual operating conditions in the management of online games. In addition to interacting with players in a timely manner and assisting them in resolving problems promptly, we are also able to provide feedback to the Company internally to serve as a basis for future improvements, in order to provide players with more complete game content and services.

(4) Overseas sales capacity with advantages

Our products have been licensed to operate in Japan, Europe, the United States, China, Southeast Asia and other regions, with overseas revenue accounting for more than 40% of our total revenue. Our extensive experience in overseas licensing not only contributes directly to our operating revenue, but also gives us a more international perspective on product development.

6. Positive and negative factors for future development, and response

(1) Positive factors

- ①. 3C technology development, price-performance ratio continues to rise, and the popularity of hardware enables digital leisure and entertainment to flourish.
- ②. Booming development in the field of broadband and wireless communication applications, as well as the price drop and popularity of broadband, players' groups continue to expand. Furthermore, the popularity of smart phone ownership has expanded players' groups into females, middle aged, and elderly people, pushing the mobile/online game market to a rapid growth trend.
- ③. Having a creative and strong R&D team, and mastering the core competitiveness of in-house game development.
- ④. Expanding market share from R&D into operation as a distributor.
- ⑤. Overall global online game market size is growing every year.

(2) Negative factors and response

①. Limited domestic market size

Response: Actively develop and distribute mobile games and expand the distribution and operation business overseas; meanwhile, maintain an active overseas software licensing business, in order to keep abreast of global market trends and increase competitive niches of the market.

②. Demand and supply imbalance of professional talents

Response: We offer employees a comprehensive welfare system, a favorable working environment, an employee education and training system,

and an employee bonus and stock ownership plan to increase employee motivation and reduce turnover.

⑨. Supply of game products is massive and competition is fierce

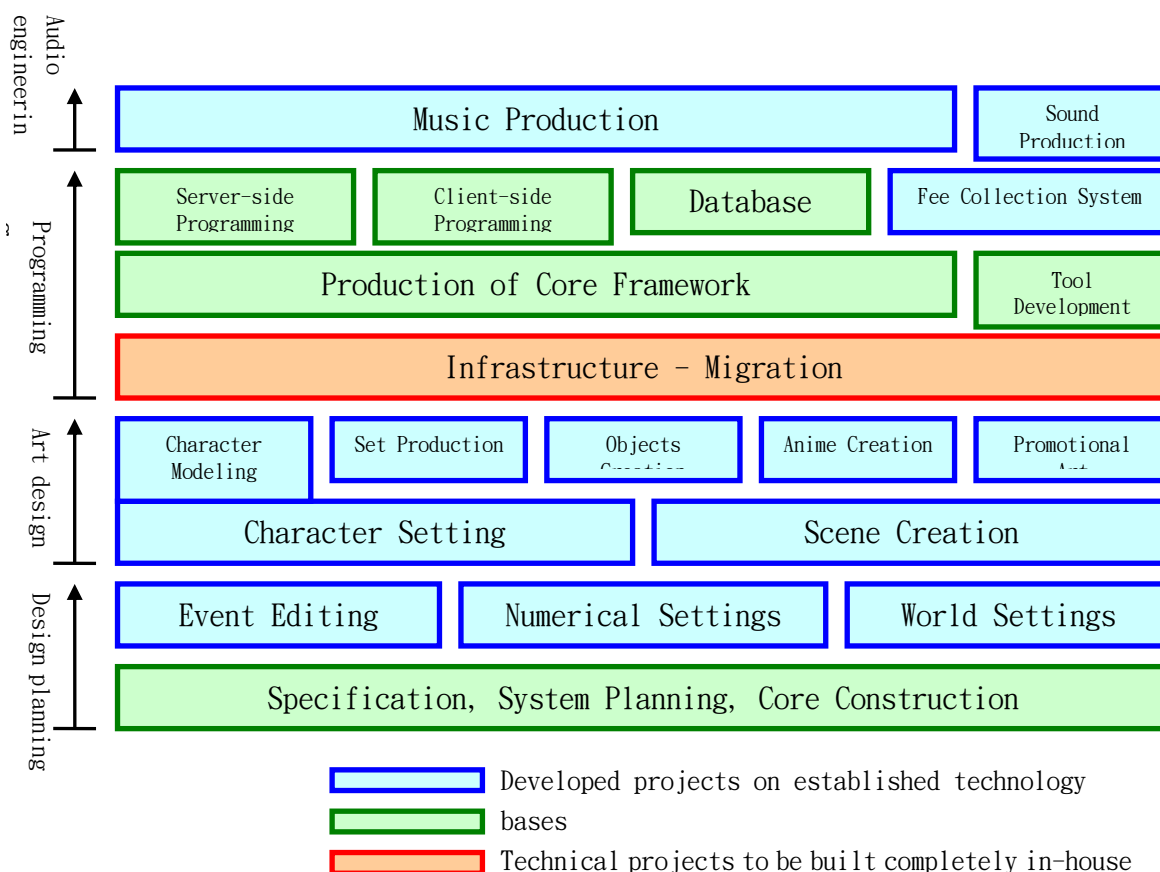
Response: With years of experience in R&D, we have high innovation capability in game play and feature system. In the future, we will move towards high-quality research and development of both mobile phone games and PC online games, aiming to stand out from the crowd.

(2) Important use and production process for the major products

1. Important use for the major products

Major product	Use
Online games	Provides online 10,000-player real-time games and casual and educational games to fulfill players' entertainment needs.

2. Production process



(3) Supply status of the major raw materials

Supply status of Company's game products:

Raw material, part or outsourcing item	Supplier	Status
Bandwidth (ISP)	New Century InfoComm Tech Co., Ltd. (IDC), So-net Entertainment Taiwan Ltd. (IDC)	Good & Stable

(4) List of suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

1. Information on Major Suppliers for the Most Recent 2 Years

Unit: NT\$ thousand, %

Year	2022				2023				Up to the preceding quarter of 2024 (Note 3)			
Item	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of net purchases up to the preceding quarter of 2024 (%)	Relationship with the issuer
1	-	-	-	-	-	-	-	-	-	-	-	-
	Net purchases	-	-	-	Net purchases	-	-	-	Net purchases	-	-	-

Note 1: The Company's suppliers use comparative pricing to purchase goods, there was no significant change in suppliers for the most recent two years. Due to the change in the Company's business model from stand-alone games to online games, the number of items recognized as inventories will decrease gradually.

Note 2: List all suppliers accounting for 10 percent or more of the Company's total procurement amount in the 2 most recent fiscal years and the amounts bought from each and the percentage of total procurement accounted for by each. If the company is prohibited by contract from revealing the name of a supplier, or a trading counterparty is an individual person who is not a related party, it may use a code in place of the actual name

Note 3: If, up to the date of publication of the annual report for a TWSE or TPEX listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

2. Information on Major Customers for the Most Recent 2 Fiscal Years

Unit: NT\$ thousand, %

Year	2022				2023				Up to the preceding quarter of 2024 (Note 3)			
Item	Name	Amount	Percentage of annual net sales (%)	Relationship with the issue	Name	Amount	Percentage of annual net sales (%)	Relationship with the issue	Name	Amount	Percentage of net sales up to the preceding quarter of 2024 (%)	Relationship with the issue
1	Company A	374,969	23.68	None	Company A	298,136	21.80	None	Company A	86,973	22.80	None
2	Company B	235,295	14.86	None	Company B	272,264	19.91	None	Company B	72,691	19.05	None
3	Company C	134,174	8.47	None	Others	797,006	58.29	None	Others	221,845	58.15	None
4	Others	839,280	52.99	None	-	-	-	-	-	-	-	-
	Net sales	1,583,718	100.00	None	Net sales	1,367,406	100.00	-	Net sales	381,509	100.00	-

Note 1: As the Company not only focuses on games' R&D, but also actively seeks for overseas licensed customers, therefore, some changes in customers and percentages during the 2 years shall be reasonable.

Note 2: List all customers accounting for 10 percent or more of the Company's total sales amount in the 2 most recent fiscal years and the amounts sold to each and the percentage of total sales accounted for by each. If the company is prohibited by contract from revealing the name of a customer, or a trading counterparty is an individual person who is not a related party, it may use a code in place of the actual name.

Note 3: If, up to the date of publication of the annual report for a TWSE or TPEX listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

(5) An indication of the production volume for the 2 most recent fiscal years: Not applicable.

(6) An indication of the volume of units sold for the 2 most recent fiscal years

Unit: NT\$ thousand /piece

Sales Year Item	2022				2023			
	Local		Export		Local		Export	
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Standalone games	6	1	-	-	-	-	-	-
Online games	-	1,344,397	-	239,320	-	1,210,639	-	156,767
Total	6	1,344,398	-	239,320	-	1,210,639	-	156,767

3. The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels

Unit: persons; %

Fiscal year		2022	2023	As of April 30, 2024
Number of employees	Executives at the Departmental level and above	51	51	51
	R&D staff	328	333	328
	Admin and sales staff, etc.	112	114	114
	Total	491	498	493
Average age		35.67	36.47	36.88
Average years of service		7.3	8.0	8.3
Education distribution percentage (%)	Ph.D.	0	0.2	0.2
	Master's degree	14.05	13.05	13.47
	College	76.37	78	78.77
	Senior high school	6	7.03	6.9
	Below senior high school	2.6	1	0.6

4. Disbursements for environmental protection

(1) According to laws and regulations if it is required to apply for a permit for installing anti-pollution facilities, or permit of pollution drainage, or to pay anti-pollution fees, or to organize and set up an exclusively responsible unit/office for environmental issues, the description of the status of such applications, payment or establishment shall be made: The Company is in the game research and development and operation related business, thus, there is no pollution.

(2) The company's investment on the major anti-pollution facilities, the use purpose of such

facilities and the possible effects to be produced: None.

- (3) Process undertaken by the company on environmental pollution improvement for the most recent 2 fiscal years and up to the prospectus publication date. If there had been any pollution dispute, its handling process shall also be described: None.
- (4) Total amount of loss (including compensation) and penalty for environmental pollution in the most recent 2 fiscal years and up to the prospectus publication date, future countermeasures (including improvement measures) and possible expenses (including estimated amount of possible loss for failure to adopt countermeasures, penalty, and compensation; if the amount cannot be reasonably estimated, an explanation shall be given): None.
- (5) Current condition of pollution and the impact of its improvement to the profits, competitive position and capital expenditures of the company, as well as the projected major environment-related capital expenses to be made for the coming 2 fiscal years: None.
- (6) Products directly or indirectly exported to Europe or involved in the European Union RoHS Directive related rules and regulations: None.
- (7) Has the company formulated policies on energy conservation, carbon reduction, greenhouse gas reduction, water use reduction or other waste management: Please refer to pages P44-51 and the following description.

Category	Policies, objectives and measures	Achievement status																	
Energy saving and carbon reduction	Company server room virtualization (VM)	Introduced VM in 2020 and have reduced from 103 VMs to 51 VMs as of 2023, with a 94.44% achievement rate																	
Greenhouse gas reduction	Complete replacement of LED energy-saving fixtures	Head office has a total of 644 T5 shaped fixtures, replaced with LED fixtures in 2023, with 119 fixtures replaced so far, with a 18.48% achievement rate. After new office is completed, continue to plan for LED lighting.																	
	Green action - paperless	<table border="1"> <thead> <tr> <th>Item</th> <th>2022 e-forms</th> <th>2023 e-invoice</th> </tr> </thead> <tbody> <tr> <td>Number of paperless bills</td> <td>13,996</td> <td>150,689</td> </tr> <tr> <td>Amount of paper saved (sheets)</td> <td>13,996</td> <td>150689</td> </tr> <tr> <td>Number of trees saved (trees)</td> <td>1.24</td> <td>13.70</td> </tr> <tr> <td>Reduction in carbon emissions (metric tons)</td> <td>0.25</td> <td>2.71</td> </tr> </tbody> </table> <p>E-forms and e-invoices in 2022 Carbon reduction benefits from paperless actions were 3.67 tons, and 2.96 tons in 2023.</p>				Item	2022 e-forms	2023 e-invoice	Number of paperless bills	13,996	150,689	Amount of paper saved (sheets)	13,996	150689	Number of trees saved (trees)	1.24	13.70	Reduction in carbon emissions (metric tons)	0.25
Item	2022 e-forms	2023 e-invoice																	
Number of paperless bills	13,996	150,689																	
Amount of paper saved (sheets)	13,996	150689																	
Number of trees saved (trees)	1.24	13.70																	
Reduction in carbon emissions (metric tons)	0.25	2.71																	
	E-forms go live.	Up to 46 types of e-forms, significant reduced paper waste. 90% achieved																	
	Indoor A/C Time Control Policy On: 07:30am on workdays Off: 21:00 pm on workdays, 1 st period off. 24:00 pm on workdays, 2 nd period off.	General Administration irregularly inspected. 100% achieved																	
	Installed heat blocking film on building glass to minimize heat radiation effect and reduce A/C energy consumption.	Building glass installed heat blocking film completed in early 2018. 100% achieved,																	
	Encourage employees to take public transportation or ride bicycles, we also provide bicycle parking.	Set up an area at the staff activity center for bicycles. 100% achieved																	
	Electricity consumption per person reduced 2%	2022 Electricity statistics	2023 Electricity statistics	Ad jus															

	compared to - Electricity saving year			tm ent
		567,474	579.868	+1.17%
		PS: 480 employees used 1205 kWh per capita in 2022, and 495 employees used 1187 kWh per capita in 2023, a 1.49% decrease. It is effective in terms of savings in use.		
Reduce water consumption	As office building water consumption is shared among all residents of the building by ping, there are many uncontrollable factors. However, we still pay attention to water resources and environmental protection issues, and in terms of water saving program, we start from fully implementing water saving in daily life, and maximize the effectiveness of water saving promotion.	1. Install water-saving valves at water outlets to save one-third of water consumption. 2. Post water-saving slogans on water equipment 3. Regularly inspect water fixtures to minimize water leakage. 4. Use water-saving equipment for building facilities as a priority. 5. Set up automatic shut-off for chilled water system at scheduled times.		
		2022 Water consumption (cubic meters)	2023 Water consumption (cubic meters)	Adjustment
		3528	3106	-11.96%
		PS: 480 employees used 7.35 cubic meters of water per capita in 2022, and 495 employees used 6.27 (cubic meters) of electricity per capita in 2023, a 14.69% decrease. It is effective in terms of savings in use.		
Other waste policy	As a cultural and creative industry, there is no toxic waste in our company. However, we have outsourced the disposal of computers and packaging, and have set up a procedure for disposal of packaging and equipments, and the outsourcing company is required a license for waste disposal.	Assets and packaging are handled in accordance with the company's rules and regulations, for unusable items, they are handled in accordance with methods for disposal of business waste, and outsourced to a legitimate company under a confidentiality agreement for destruction of the items. Also, information equipment reached the end of its service life but is still usable is still available for employees in need.		
		Year	2022	2023
		Hazardous waste KG	0	0
		Non-hazardous waste KG	21,795	22,825

5. Labor relations:

(1) Employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.

1. Employee benefit plans

- (1) Employee bonuses for three festivals.
- (2) Organize and provide subsidies for employees' domestic and overseas travel activities.
- (3) Provide employees subsidies for vehicle and motorcycle transportation as well as subsidies for public transportation.
- (4) Year-end party and spring feast activities.
- (5) Provide subsidies to employees for weddings, funerals, illnesses, injuries, and emergencies.
- (6) Set up a staff recreation center, provide employees with a place to exercise and relax.
- (7) Hire professional blind massage therapists to provide daily massage services for employees.
- (8) Hire professional counselors to provide counseling services to employees.
- (9) Establish a employee welfare committee, organize various activities, provide subsidies for establishing clubs, and monthly birthday celebrations, yoga classes, and other activities.
- (10) Employees are covered by labor insurance and health insurance in accordance with the law, and are also covered by group insurance.
- (11) Provide comprehensive pre-employment and on-the-job training.
- (12) Provide employees stock options during cash capital increase and stock dividend as a bonus.
- (13) Employees are entitled to take one birthday leave in the month of their birthdays.
- (14) Employees can work from home during the pandemic period, provide subsidies for purchasing video conferencing equipment.
- (15) Provide lunch ordering system to save employees' time to go out for meals.
- (16) In order to protect employees' rights and improve their health, this year's health checkups

are open for free two-year checkups.

- (17) To sympathize employees, if there is a special need, employees can apply to work from home.

2. Retirement systems and implementation status

Retirement systems

- (1) Established a labor pension reserve supervision committee in accordance with the Labor Standards Act, and made regular contributions to the labor pension reserve account to be deposited in Bank of Taiwan.
- (2) In accordance with the Labor Pension Act, contribute 6% of individual's monthly wages to the Bureau of Labor Insurance's individual pension account.

Implementation status:

- (1) Appoint an actuary for actuarial calculations at the end of each year. Currently, the Bank of Taiwan's pension reserve account has been adequately prepared.
- (2) Contribute 6% of individual wages to the individual pension account of the Bureau of Labor Insurance, and make monthly contributions without interruption.

3. Employee' continuing education, training

Our education and training system include professional (competency) education and training, hierarchical education and training, common education and training, newcomer education and training, management development training, and self-development (SD) education. These programs include group and individual on-job training, as well as off-job training, enabling employees to improve their knowledge and professional skills and supervisors' managerial and management abilities. A table below summarizes the number of training sessions and expenses incurred from 2021 to April, 2024:

	2022	2023	As of April 30, 2024
Number of persons	36 persons	103 persons	11persons
Expenses	NT\$191,839	NT\$698,336	NT\$21,600

New employee education and training is aimed at assisting new employees to enter the workplace smoothly, and to understand and adapt to our corporate culture, business philosophy, rules and regulations, and the company environment, etc. A total of 33 training sessions were conducted during 2012 to April 2024, with 708 participation.

In addition, we designate specific employees to attend physical, mental, spiritual, and self-enlightenment related courses, so we not only emphasize the growth of our employees at work, but also their personal growth.

4. Status of labor-management agreements

We hold quarterly labor-management meetings to discuss relevant issues and have harmonious labor-management relations without any labor disputes. In addition, we have always emphasized on two-way communication between labor and management to maintain good labor-management relations, therefore, there has not been any major labor disputes so far.

5. Measures for preserving employees' rights and interests

We have established a comprehensive policy for employees, specifying the rights, obligations and welfare measures, and regularly reviewing the content through online transmission to protect employees' rights and interests.

- (2) Any losses suffered by the company in the most recent 2 fiscal years and up to the prospectus publication date due to labor disputes, and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken.

Our Company values employee welfare, employee training and employee opinions, and maintains a smooth channel for complaints. Therefore, there were no significant labor disputes affecting the Company's normal operations in the most recent 2 fiscal years and

up to the prospectus publication date, and the risk of loss due to labor disputes in the future is expected to be extremely low.

(3) Employee Code of Ethics and Conduct

In order to establish a good corporate culture and corporate ethics, and to maintain harmonious employee relations, we have established the employee code of ethics and conduct as follows.

1. Respect each other, get along with each other honestly, and work together to achieve the goal of corporate management.
2. Actively protect the Company's goodwill and avoid any conduct that may harm the Company's goodwill.
3. Value customers' rights and interests as well as the Company's interests, and distinguish public interests from private interests, do not jeopardize any public interests.
4. Avoid any possible conflict of interest between the individual and the Company.
5. Do not argue with customers, and actively deal with customer complaints.
6. Do the best to protect the Company's assets and do not waste resources.
7. Fully understand the scope of authorization, and do not authorize without permission.
8. Execute official duties should follow the hierarchical level, do not overstep the level or anonymous report, except for emergency or special circumstances.
9. Do not bring personal feelings or disputes into the office, in order to avoid affecting official duties or others.
10. Do not gossip about others, slander others, or spread rumors.
11. Pay attention to business etiquette, such as being punctual, trustworthy, telephone etiquette and appropriate dress.
12. Respect the opposite gender, and avoid sexually harassing words or behavior to avoid violating the law.

(4) Work Environment and Work Safety

Our company is located in Far Eastern Century Plaza Industrial Park in Zhonghe District, with a total of 12 modern industrial buildings. The park has set up a management committee and a supervising management center to carry out the management of electrical and mechanical, air-conditioning, fire-fighting, and safety of the park, to make the work environment safe and comfortable. In addition, the Company's business is mainly online game development, a purely office environment without a manufacturing plant, so the work environment is relatively simple and safe, and we have equipped each office with fire extinguishers and sent employees to participate in fire-related training and occasionally hold firefighting courses in order to maintain safety. In addition, we have cleaning staffs responsible for cleaning the office environment and regularly implement disinfection work to maintain hygiene. Other measures including:

1. Provide subsidies for full time employee comprehensive health checkups every year, to safeguard the employees' health.
2. Set up an employee gym and hold health seminars irregularly, from diet to exercise, to provide a complete plan for employees' health programs.
3. Hire professional nurses to provide care and counseling services within the Company
4. Provide professional doctors to the company every year for employees to consult relevant issues, enabling employees to consult their health concerns.
5. Provide labor insurance, health insurance, group insurance, public liability insurance, and travel insurance for business trips to provide employees with more personal and health protection.
6. Set up a safety management department, 24-hour monitoring of the work environment,

in order to provide a safe and secure work environment. Regular floor patrols, and inspect the dead zone of video surveillance.

7. Set up employee access control system, as well as access control authorizations according to the company, floor, and department.

6. Key Performance Indicators (KPI)

1. Product Life Cycle

Due to intensified competition in the game industry, a variety of mobile games have blossomed and a large number of players have changed their habits, resulting in an obvious compression of game products' lifecycle. Meanwhile, the number of people and ranking online can no longer guarantee the revenue contribution, and it may only take a few months for products to be launched, mature, grow, decline, and finally withdraw from the market. Therefore, how to innovate product content and provide value-added services to enhance player stickiness, and then extend the product life cycle has always been our goal.

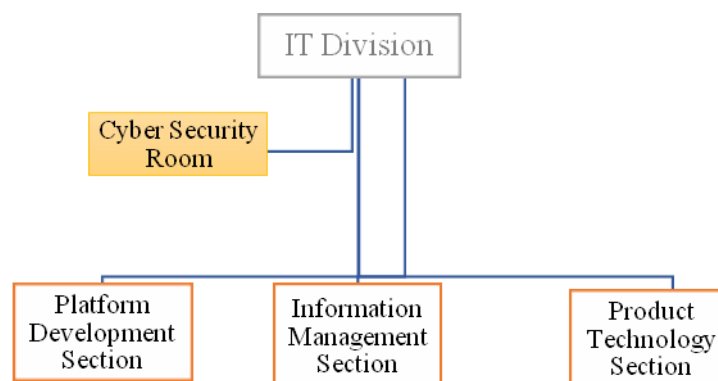
2. Average Revenue Per User (ARPU)

Currently, the game market is filled with various free games, and game products are designed to attract players to experience free games first, so despite the large number of players, the percentage of those who actually pay to become in-depth players is relatively low, so ARPU (Average Revenue Per User) is one of the key factors affecting profitability, and how to design game products popular among players with a reasonable payment mechanism is the goal we strive to achieve.

7. Cyber security management:

1. Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

(1) Cyber security risk management framework organization :



(2) Cyber security policy and objectives:

To maintain the confidentiality, integrity and availability of the Company's information assets and to protect users' data privacy.

We aim to achieve the following goals with the joint efforts of all employees:

1. Implement the Company's maintenance operation system and standard operating procedures for related departments and maintenance management personnel to ensure the confidentiality, integrity, and availability of our Company's server room to meet stakeholders' requirements and expectations.

2. Protect the Company's business activity information from unauthorized access or modification to ensure its accuracy and integrity.
3. Establish a cross-departmental cyber security organization to formulate, promote, implement, and evaluate the improvement of cyber security management issues to ensure the Company equipped with a cyber environment for continuous operations.
4. Organize cyber security education and training, to promote employees' awareness of cyber security and strengthen their knowledge of related responsibilities.
5. Implement cyber security risk assessment mechanism to enhance the effectiveness and timeliness of cyber security management.
6. Evaluate and establish a backup structure for important cyber security facilities as needed to ensure system availability.
7. Implement an internal audit system for cyber security, to ensure the implementation of cyber security management.
8. Execution of the Company's business activities shall comply with the requirements of relevant laws and regulations.
9. Conduct control, audit, and acceptance management on the items and contents of the services provided by suppliers.
10. The Company shall establish internal and external communication and coordination mechanisms.
11. The Company shall regularly review and continuously improve the information security management system.

(3) Concrete management programs

1. Clearly define the roles of relevant personnel in cyber security operations, to serve as the basis for each unit's division of responsibilities, authority, and duties.
2. Strengthen the promotion of cyber security policies and operational requirements at least once a year, and implement education and training programs for newcomers in order to effectively raise colleagues' cyber security awareness.
3. Exercise disaster recovery plans regularly to verify data backup accuracy, and ensure the availability of off-site backup mechanisms.
4. Promulgate relevant cyber security policies:
 - 4.1. Personal Data Protection and Management Policies.
 - 4.2. Software Management and Usage Policy
 - 4.3. Cyber Security Management Policy.
 - 4.4. Reporting Mechanism Policy.

(4) Technology applications:

1. Set up a Security Control Center (SOC) for real-time security alert notification.

Through experienced cyber security maintenance personnel, to carry out cyber security monitoring and analyzing. With these dedicated security personnel's round-the-clock (7*24) monitoring services, when cyber security being threatened, they can send out timely alerts and assist cyber personnel to carry out appropriate risk management.

2. Install an enterprise threat protection system.

This system provides immediate security protection for internal employees when they access internet and use network services. It can proactively identify and block targeted threats such as malware, ransomware, DNS data theft, and phishing, and enables colleagues to enforce a consistent security and appropriate use principle.

3. Establish intelligent AI analysis tools, strengthen intrusion prevention and protect data security.

Provide accurate AI analysis, independent behavioral analysis for each endpoint, and continuous learning of usage behaviors to identify abnormalities with mathematical

algorithms to quickly respond to malicious attacks.

(5) Invest in resources for cyber security management:

Year	Total manpower invested	as (include purchase of security related)	Budget	Note
	Dedicated manpower: 3 Assistance manpower: 5	Security Operations Center (SOC)	NT\$1,000,000	Hold 4 meetings per year
	Dedicated manpower: 3	Managed Detection and Response (MDR)	NT\$1,500,000	
	Dedicated manpower: 2	NDR tools	NT\$3,000,000	
	Dedicated manpower: 2	Zero Trust Architecture	NT\$1,000,000	

(6) Cyber security incident notification:

Year	Number of notifications	Handled	Losses and effects	Possible effects and response measures
2021	0	0	0	Regulatory compliance Cyber security and privacy protection
2022	0	0	0	Regulatory compliance Cyber security and privacy protection
2023	0	0	0	Regulatory compliance Cyber security and privacy protection

2. List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: Please refer to the preceding table for details.

8. Important contracts:

Nature of contract	Parties	Beginning and end dates of contract	Major content	Restrictive clauses
Distribution Agreement	Hangzhou fhvx.com	April 15, 2021 ~ 3 years after official launch	Computer, Online Games Software Distribution	None
	Hongkong Fengxia Network Technology Co., Ltd.	August 1, 2021~August 2, 2024	Computer, Online Games Software Distribution	None
	USERJOY JAPAN CO., LTD.	December 3, 2021 ~ 3 years after the launch date	Computer, Online Games Software Distribution	None
	Soft-World International Corp.	July 1, 2023~June 30, 2024	Computer, Online Games Software Distribution	None
License Agreement	Nada Holdings Japan Corp. BILIBILI HK LIMITED	June 1, 2019~June 1, 2028	Computer, Online Games Software License	None
	Game Flier International Corp.	August 30, 2019 ~ 3 years after launch	Computer, Online Games Co-operative Software License	None
	Shanghai Phonecool Game	March 1, 2021~42 months after game official launch.	Computer, Online Games IP License	None
	Guangdong Rastar Group	September 1, 2022~60 months after launch	Computer, Online Games IP License	None
	Huaian ARCHOSAUR GAMES INC.	August 28, 2023~ 3 years after official launch	Computer, Online Games IP License	None
Royalty Agreement	Japan ファルコム株式会社	October 5, 2020~December 31, 2029	Role Game License	None
	Nada Holdings Japan Corp.	July 13, 2022~Copyright to this project will survive for the duration of their existence.	PC Online Game Copyrights	None
	FAMOUS HEART LIMITED	October 31, 2023~3 years after official launch	Game IP License Operation License	None
Cooperation Agreement	Pili International Multimedia Co., Ltd.	March 1, 2023~50 years after this work being published in the ROC (Taiwan).	Co-production of films	None

VI. Overview of financial status

1. Condensed Balance Sheet and Statement of Comprehensive Income

(1) Condensed Balance Sheet

Unit: NT\$ thousand

Fiscal year		Financial Information for Most Recent 5 Fiscal Years					Financial information as of March 31, 2024 (Note 1)
		2019	2020	2021	2022	2023	
Current assets		1,172,355	1,544,598	1,735,761	1,750,743	1,618,335	1,646,454
Long-term investment (Note 1)		141,385	9,047	27,046	6,838	41,727	41,046
Property, Plant and Equipment		91,442	93,175	96,026	100,980	98,633	638,221
Right-of-use asset		14,943	5,052	11,027	9,417	8,383	8,759
Intangible assets		25,677	33,534	35,371	43,025	21,817	18,531
Other assets (Note 2)		15,145	18,977	15,819	6,366	169,566	5,541
Total assets		1,460,947	1,704,383	1,921,050	1,917,369	1,958,461	2,358,552
Current liabilities	Before distribution	272,787	366,302	460,031	390,132	410,811	362,949
	After distribution	453,921	604,005	700,918	679,198	Note 3	Note 3
Non-current liabilities		8,147	4,638	4,699	14,203	12,421	14,715
Total liabilities	Before distribution	280,934	370,940	464,730	404,335	423,232	303,094
	After distribution	462,068	608,643	705,617	693,401	Note 3	Note 3
Equity attributable to owners of the parent company		1,180,013	1,333,443	1,456,320	1,513,034	1,535,229	1,615,537
Share capital		417,480	458,835	481,777	481,777	505,866	505,866
Capital surplus		294,240	297,296	297,296	297,296	297,308	297,308
Retained earnings	Before distribution	501,123	585,099	638,467	722,984	656,638	751,833
	After distribution	319,989	347,396	397,580	433,918	Note 3	Note 3
Other equity		-6,890	-7,787	38,780	10,977	75,417	60,530
Treasury shares		-25,940	0	-	-	-	-
Non-controlling interests		-	-	-	-	-	-
Total equity	Before distribution	1,180,013	1,333,443	1,456,320	1,513,034	1,535,229	1,615,537
	After distribution	998,879	1,095,740	1,215,433	1,223,968	Note 3	Note 3

Note 1: Long-term investments in 2019 include non-current financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income or loss, financial assets at amortized cost, and investments accounted for using the equity method. Starting from 2020, long-term investments include non-current financial assets measured at amortized cost and investments accounted for using the equity method.

Note 2: Other assets include deferred income tax assets and other noncurrent assets.

Note 3: Financial information has adopted IFRSs, 2024 Q1 financial information has been reviewed by the CPAs. The shareholders' meeting has not yet been convened to resolve the distribution of the earnings.

(2) Condensed Statement of Comprehensive Income

Units: NT\$ thousands; Earnings per share NT\$

Fiscal year Item	Financial Information for Most Recent 5 Fiscal Years					Financial information as of March 31, 2024 (Note 1)
	2019	2020	2021	2022	2023	
Operating Revenue	1,147,961	1,550,384	1,698,307	1,583,718	1,367,406	381,509
Gross Profit	1,040,886	1,464,856	1,618,688	1,465,251	1,297,094	374,178
Operating Income	218,180	332,969	346,104	318,713	215,803	74,054
Non-operating income and expenses	21,682	11,353	-170	77,538	44,267	37,731
Profit Before Income Tax	239,862	344,322	345,934	396,251	260,070	111,785
Net income for the period from continuing operations	239,862	344,322	345,934	396,251	260,070	111,785
Loss from discontinued operations	-	-	-	-	-	-
Net income (loss) for the period	198,912	283,003	289,761	323,648	214,455	88,748
Other comprehensive income (loss) for the period (net of Income Tax)	619	-18,790	47,877	-26,047	72,705	-8,440
Total comprehensive income for the period	199,531	264,213	337,638	297,601	287,160	80,308
Net income attributable to owners of parent	198,912	283,003	289,761	323,648	214,455	88,748
Net income (loss) attributable to non-controlling interests	-	-	-	-	-	-
Total comprehensive income attributable to owners of parent	199,531	264,213	337,638	297,601	287,160	80,308
Total comprehensive income, attributable to non-controlling interests	-	-	-	-	-	-
Earnings per share	4.81	6.20	6.01	6.72	4.24	1.75

Note 1: Financial information has adopted IFRSs, 2024 Q1 financial information has been reviewed by the CPAs. The shareholders' meeting has not yet been convened to resolve the distribution of the earnings.

Note 2: If the information for any fiscal year has not been audited and attested by a CPA, this fact shall be noted.

Note 3: If, up to the date of publication of the annual report for a TWSE or TPEX listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

Note 4: For loss from discontinued operations, the net amount after deduction of income tax shall be stated.

Note 5: If the competent authority has notified the Company to make a correction or restatement to its financial information, this table shall be prepared based on the corrected or restated figures, and a note shall be given specifying the specific circumstances and reasons.

(3) Parent Company Only Condensed Balance Sheets

Units: NT\$ thousands

Fiscal year Item		Financial Information for Most Recent 5 Fiscal Years					Financial information as of March 31, 2024 (Note 1)
		2019	2020	2021	2022	2023	
Current assets		1,088,659	1,515,950	1,683,619	1,715,893	1,595,947	NA
Long-term investment (Note 1)		195,349	39,426	61,645	40,804	80,545	
Property, Plant and Equipment		91,038	92,833	95,780	99,756	97,829	
Right-of-use asset		10,224	3,871	6,903	7,393	8,153	
Intangible assets		26,250	27,081	35,957	44,529	21,925	
Other assets (Note 2)		13,489	16,306	13,423	5,793	169,030	
Total assets		1,425,009	1,695,467	1,897,327	1,914,168	1,973,429	
Current liabilities	Before distribution	238,048	357,386	437,353	377,208	402,057	
	After distribution	419,182	595,089	678,240	666,274	Note 3	
Non-current liabilities		6,948	4,638	3,654	23,926	36,143	
Total liabilities	Before distribution	244,996	362,024	441,007	401,134	438,200	
	After distribution	426,130	599,727	681,894	690,200	Note 3	
Equity attributable to owners of the parent company		1,180,013	1,333,443	1,456,320	1,513,034	1,535,229	
Share capital		417,480	458,835	481,777	481,777	505,866	
Capital surplus		294,240	297,296	297,296	297,296	297,308	
Retained earnings	Before distribution	501,123	585,099	638,467	722,984	656,638	
	After distribution	319,989	347,396	397,580	433,918	Note 3	
Other equity		-6,890	-7,787	38,780	10,977	75,417	
Treasury shares		-25,940	-	-	-	-	
Non-controlling interests		-	-	-	-	-	
Total equity	Before distribution	1,180,013	1,333,443	1,456,320	1,513,034	1,535,229	
	After distribution	998,879	1,095,740	1,215,433	1,223,968	Note 3	

Note 1: Long-term investments in 2019 include non-current financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income or loss, financial assets at amortized cost, and investments accounted for using the equity method. Starting from 2020, long-term investments include non-current financial assets measured at amortized cost and investments accounted for using the equity method.

Note 2: Other assets include deferred income tax assets and other noncurrent assets.

Note 3: Financial information has adopted IFRSs, 2024 Q1 financial information has been reviewed by the CPAs. The shareholders' meeting has not yet been convened to resolve the distribution of the earnings.

(4) Parent Company Only Condensed Statement of Comprehensive Income

Units: NT\$ thousands; Earnings per share NT\$

Fiscal year Item	Financial Information for Most Recent 5 Fiscal Years					Financial information as of March 31, 2024 (Note 1)
	2019	2020	2021	2022	2023	
Operating Revenue	991,608	1,463,178	1,562,035	1,540,683	1,349,564	NA
Gross Profit	911,101	1,399,496	1,520,970	1,444,147	1,281,567	
Operating Income	260,645	364,309	340,769	331,600	231,674	
Non-operating income and expenses	-22,374	-19,702	2,056	63,839	27,576	
Profit Before Income Tax	238,271	344,607	342,825	395,439	259,250	
Net income for the period from continuing operations	238,271	344,607	342,825	395,439	259,250	
Loss from discontinued operations	-	-	-	-	-	
Net income (loss) for the period	198,912	283,003	289,761	323,648	214,455	
Other comprehensive income (loss) for the period (net of Income Tax)	619	-18,790	47,877	-26,047	72,705	
Total comprehensive income for the period	199,531	264,213	337,638	297,601	287,160	
Net income attributable to owners of parent	198,912	283,003	289,761	323,648	214,455	
Net income (loss) attributable to noncontrolling interests	-	-	-	-	-	
Total comprehensive income attributable to owners of parent	199,531	264,213	337,638	297,601	287,160	
Total comprehensive income, attributable to non-controlling interests	-	-	-	-	-	
Earnings per share	4.81	6.20	6.01	6.72	4.24	

Note: Financial information has adopted IFRSs, 2024 Q1 financial information has been reviewed by the CPAs. The shareholders' meeting has not yet been convened to resolve the distribution of the earnings.

2. Financial analyses for the past 5 fiscal years

(1) Financial Analysis

Item (Note 2)		Financial Information for Most Recent 5 Fiscal Years					Financial information as of March 31, 2024 (Note 1)
		2019	2020	2021	2022	2023	
Financial structure (%)	Debt to assets ratio	19.23	21.76	24.19	21.09	21.61	31.50
	Ratio of long-term capital to property, plant and equipment	1,299.36	1,436.09	1,521.48	1,512.42	1,569.10	312.68
Solvency (%)	Current ratio	429.77	421.67	377.31	448.76	393.94	453.63
	Quick ratio	411.39	409.50	365.04	436.44	381.86	439.05
	Times interest earned	757.66	2,126.44	1,505.06	1,362.69	824.01	114.49
Operating performance	Accounts receivable turnover (times)	5.96	7.45	6.89	7.26	7.54	8.68
	Average collection days	61.00	49.00	53.00	50.00	48.00	42.00
	Inventory turnover (times)	0.00	0.00	0.00	0.00	0.00	0.00
	Accounts payable turnover (times)	3.05	2.34	2.07	2.43	1.45	0.65
	Average days in sales	0.00	0.00	0.00	0.00	0.00	0.00
	Property, plant and equipment turnover (times)	12.46	16.80	17.95	16.08	13.70	1.03
	Total asset turnover (times)	0.79	0.98	0.94	0.83	0.71	0.18
Profitability	Return on total assets (%)	13.70	17.89	16.00	16.88	11.08	16.88
	Return on equity (%)	17.01	23.00	21.00	22.00	14.00	22.00
	Ratio of income before tax to paid-in capital (%)	57.45	75.04	71.80	82.25	51.41	88.39
	Net profit margin (%)	17.33	18.25	17.06	20.44	15.68	23.26
	Earnings per share (NT\$)	4.81	6.20	6.01	6.72	4.24	1.75
Cash flow	Cash flow ratio (%)	50.97	105.12	77.16	99.70	51.76	18.06
	Cash flow adequacy ratio (%)	131.11	168.16	143.51	160.78	139.06	111.42
	Cash reinvestment ratio (%)	-3.68	18.61	9.89	9.82	-3.44	3.32
Leverage	Operating leverage	1.12	1.08	1.09	1.11	1.18	1.13
	Financial leverage	1.00	1.00	1.00	1.00	1.00	1.01

Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years.

(Analysis is not required if the increase or decrease is less than 20%.)

1. Times interest earned (%): Due to a significant decrease in net income before income tax in the current year compared to the same period of previous year, this resulted in a higher ratio change than the previous period.
2. Accounts payable turnover (times): Due to a decrease in the cost of goods sold in the current year compared to the same period of previous year, this resulted in a higher ratio change than the previous period.
3. Return on assets (%), return on equity (%), ratio of income before tax to paid-in capital (%), net profit margin (%), and earnings per share (NT\$): Due to a decrease in revenue compared to the same period of previous year, this resulted in a higher ratio change than the previous period.
4. Cash flow ratio (%), cash flow adequacy ratio (%), and cash reinvestment ratio (%): Due to a decrease in net cash inflow from operating activities, this resulted in a higher ratio change than the previous period.

Note 1: Financial information has adopted IFRSs, 2024 Q1 financial information has been reviewed by the CPAs.

Note 2: If, up to the date of publication of the annual report for a TWSE or TPEX listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

Note 3: Formulas for the calculation in the annual report:

1. Financial structure

(1) Debt to assets 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 - inventory - prepaid expenses) / current liabilities.

(3) Times interest earned = earnings before tax and interest expenses / current interest expenses.

3. Operating performance

(1) Accounts receivable (including accounts receivable and notes receivable arising from business activities) turnover = net sales / average accounts receivable balance (including accounts receivable and notes receivable arising from business activities).

(2) Average collection days = 365 / accounts receivable turnover.

(3) Inventory turnover = cost of goods sold / average inventory.

(4) Accounts payable (including accounts payable and notes payable arising from business activities) turnover = cost of goods sold / average accounts payable balance (including accounts payable and notes payable arising from business activities).

(5) Average days in sales = 365 / inventory turnover.

(6) Property, plant and equipment turnover = net sales / average net property, plant and equipment.

(7) Total asset turnover = net sales / average total assets.

4. Profitability

(1) Return on total assets = (net income + interest expenses * (1 - effective tax rate)) / average total assets.

(2) Return on equity = net income after tax / average total equity.

(3) Net profit margin = net income after tax / net sales.

(4) Earnings per share = (income attributable to owners of parent - preferred stock dividends) / weighted average number of shares outstanding. (Note 4)

5. Cash flow

(1) Cash flow ratio = net cash flows from operating activities / current liabilities.

(2) Net cash flow adequacy ratio = 5- year sum of net cash flow from operating activities / 5- year sum of (capital expenditures + increases in inventory + cash dividends).

(3) Cash reinvestment ratio = (cash from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + 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)

(2) Parent Company Only Financial Analysis

Item (Note 2)		Financial Information for the Most Recent 5 Years					Financial information as of March 31, 2024 (Note 1)
		2019	2020	2021	2022	2023	
Financial structure (%)	Debt to assets ratio	17.19	21.35	23.24	20.96	22.21	NA
	Ratio of long-term capital to property, plant and equipment	1,303.81	1,441.39	1,524.30	1,540.72	1,606.24	
Solvency (%)	Current ratio	457.33	424.18	384.96	454.89	396.95	
	Quick ratio	437.93	415.34	372.14	442.92	382.66	
	Times interest earned	1,152.07	3,077.85	2,066.21	1,766.35	879.81	
Operating performance	Accounts receivable turnover (times)	5.04	6.84	6.13	7.52	6.44	
	Average collection days	72.00	53.00	60.00	49.00	57.00	
	Inventory turnover (times)	0.00	0.00	0.00	0.00	0.00	
	Accounts payable turnover (times)	2.68	1.97	1.15	2.38	1.86	
	Average days in sales	0.00	0.00	0.00	0.00	0.00	
	Property, plant and equipment turnover (times)	10.83	15.92	16.56	16.00	14.00	
	Total asset turnover (times)	0.69	0.94	0.87	0.85	0.74	
Profitability	Return on total assets (%)	13.92	18.14	16.14	17.94	11.70	
	Return on equity (%)	17.01	22.52	20.77	22.74	14.95	
	Ratio of income before tax to paid-in capital (%)	57.07	75.10	71.16	82.08	51.25	
	Net profit margin (%)	20.06	19.34	18.55	21.01	15.89	
	Earnings per share (NT\$)	4.81	6.20	6.01	6.72	4.24	
Cash flow	Cash flow ratio (%)	58.25	126.64	66.44	109.99	51.24	
	Cash flow adequacy ratio (%)	120.27	169.87	147.86	156.82	136.46	
	Cash reinvestment ratio (%)	-3.81	23.76	5.37	13.24	-3.84	
Leverage	Operating leverage	1.08	1.06	1.08	1.10	1.16	
	Financial leverage	1.00	1.00	1.00	1.00	1.00	
<p>Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%.)</p> <ol style="list-style-type: none"> 1. Times interest earned (%): Due to a significant decrease in net income before income tax in the current year compared to the same period of previous year, this resulted in a higher ratio change than the previous period. 2. Accounts payable turnover (times): Due to a decrease in the cost of goods sold in the current year compared to the same period of previous year, this resulted in a higher ratio change than the previous period. 3. Return on assets (%), return on equity (%), ratio of income before tax to paid-in capital (%), net profit margin (%), and earnings per share (NT\$): Due to a decrease in revenue compared to the same period of previous year, this resulted in a higher ratio change than the previous period. 4. Cash flow ratio (%), cash flow adequacy ratio (%), and cash reinvestment ratio (%): Due to a decrease in net cash inflow from operating activities, this resulted in a higher ratio change than the previous period. 							

Note 1: Financial information has adopted IFRSs, 2022 Q1 financial information has been reviewed by the CPAs.

Note 2: Formulas for the calculation in the annual report:

1. Financial structure

(1) Debt to assets 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 - inventory - prepaid expenses) / current liabilities.
 - (3) Times interest earned = earnings before tax and interest expenses / current interest expenses.
3. Operating performance
 - (1) Accounts receivable (including accounts receivable and notes receivable arising from business activities) turnover = net sales / average accounts receivable balance (including accounts receivable and notes receivable arising from business activities).
 - (2) Average collection days = 365 / accounts receivable turnover.
 - (3) Inventory turnover = cost of goods sold / average inventory.
 - (4) Accounts payable (including accounts payable and notes payable arising from business activities) turnover = cost of goods sold / average accounts payable balance (including accounts payable and notes payable arising from business activities).
 - (5) Average days in sales = 365 / inventory turnover.
 - (6) Property, plant and equipment turnover = net sales / average net property, plant and equipment.
 - (7) Total asset turnover = net sales / average total assets.
4. Profitability
 - (1) Return on total assets = (net income + interest expenses * (1 - effective tax rate)) / average total assets.
 - (2) Return on equity = net income after tax / average total equity.
 - (3) Net profit margin = net income after tax / net sales.
 - (4) Earnings per share = (income attributable to owners of parent - preferred stock dividends) / weighted average number of shares outstanding. (Note 4)
5. Cash flow
 - (1) Cash flow ratio = net cash flows from operating activities / current liabilities.
 - (2) Net cash flow adequacy ratio = 5- year sum of net cash flow from operating activities / 5- year sum of (capital expenditures + increases in inventory + cash dividends).
 - (3) Cash reinvestment ratio = (cash from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + 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)

(3) The names and auditor's opinions of the attesting CPA for the most recent 5 fiscal years

Year	Accounting firm	Name of the CPA	Audited opinions
2019	Deloitte & Touche	Lin Yi Hui, Huang Yi Min	Unqualified opinion
2020	Deloitte & Touche	Huang Yi Min, Lin Yi Hui	Unqualified opinion
2021	Deloitte & Touche	Chang Chih Yi, Huang Yi Min	Unqualified opinion
2022	Deloitte & Touche	Chang Chih Yi, Huang Yi Min	Unqualified opinion
2023	Deloitte & Touche	Chang Chih Yi, Huang Yi Min	Unqualified opinion

3. Audit committee's report for the most recent year's financial statement

USERJOY Technology Co., Ltd.
Audit Committee's review report

The Board of Directors has prepared the Company's 2023 Business Report, Parent Company Only Financial Statements and Consolidated Financial Statements, and earning distribution proposal, etc. The CPA of Deloitte & Touche, Chang Chih Yi, Huang Yi Min, were retained by the Board to audit Parent Company Only Financial Statements and Consolidated Financial Statements and have issued an audit report relating to the Financial Statements.

The Business Report, Parent Company Only Financial Statements and Consolidated Financial Statements, and earnings distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of USERJOY. According to Article 209 of the Company Act, we hereby submit this report.

USERJOY Technology Co., Ltd.

Chairman of the Audit Committee: Lai Ju Kai

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4. Financial statement for the most recent fiscal year: Please refer to pages 107-163.

5. A parent company only financial statement for the most recent fiscal year, certified by a CPA:
Please refer to pages 164-218.

6. If the company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the company's financial situation:
None.

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2023 are all the same as those included in the consolidated financial statements of UserJoy Technology Co., Ltd. and its subsidiaries prepared in conformity with the International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates is included in the consolidated financial statements of UserJoy Technology Co., Ltd. and its subsidiaries. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

USERJOY TECHNOLOGY CO., LTD.

By

XIN LIU
Chairman

March 14, 2024

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
UserJoy Technology Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of UserJoy Technology Co., Ltd. and its subsidiaries (collectively, the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.(collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of UserJoy Technology Co., Ltd. for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2023 is described as follows:

Existence and Occurrence of Online Games Revenue

The operating revenue of the Group mainly consists of online game revenue, royalty revenue and other revenue.

Online game revenue is recognized based on game players purchasing game coins or virtual treasures through mobile platforms or game top-up platforms. As stated above, the revenue stream consists of numerous transactions from various players, often with small amounts, which collectively represent a higher portion of total operating revenue. Due to the wide variety of online games in the market, we considered the existence and occurrence of revenue from leading games as a key audit matter.

Our audit procedures performed in respect of the above key audit matter included understanding the design of the major internal controls and assessing whether they were implemented effectively. We also sampled and performed relevant audit procedures to confirm the occurrence of revenue transactions.

Other Matter

We have also audited the parent company only financial statements of UserJoy Technology Co., Ltd. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including the audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chih-Yi, Chang and Yi-Min, Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 2024

Notice to Readers

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

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

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 352,304	18	\$ 406,129	21
Financial assets at fair value through other comprehensive income - current (Notes 4 and 7)	402,529	21	259,566	13
Financial assets at amortized cost - current (Notes 4, 6 and 8)	586,673	30	851,051	44
Notes receivable (Notes 4 and 9)	-	-	10	-
Trade receivables (Notes 4 and 9)	196,812	10	166,039	9
Current tax assets (Notes 4 and 22)	18,878	1	10,607	1
Other current assets (Note 16)	61,139	3	57,341	3
Total current assets	<u>1,618,335</u>	<u>83</u>	<u>1,750,743</u>	<u>91</u>
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4, 6 and 8)	36,000	2	-	-
Investments accounted for using the equity method (Notes 4 and 11)	5,727	-	6,838	1
Property, plant and equipment (Notes 4 and 13)	98,633	5	100,980	5
Right-of-use assets (Notes 4 and 14)	8,383	-	9,417	1
Other intangible assets (Notes 4 and 15)	21,817	1	43,025	2
Deferred tax assets (Notes 4 and 22)	2,460	-	2,840	-
Other non-current assets (Note 16)	167,106	9	3,526	-
Total non-current assets	<u>340,126</u>	<u>17</u>	<u>166,626</u>	<u>9</u>
TOTAL	<u>\$ 1,958,461</u>	<u>100</u>	<u>\$ 1,917,369</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade payables	\$ 44,436	2	\$ 52,362	3
Trade payables to related parties (Note 27)	-	-	234	-
Other payables (Note 17)	288,958	15	262,387	14
Current tax liabilities (Notes 4 and 22)	5,118	-	12,250	-
Lease liabilities - current (Notes 4 and 14)	7,316	1	7,222	-
Other current liabilities	64,983	3	55,677	3
Total current liabilities	<u>410,811</u>	<u>21</u>	<u>390,132</u>	<u>20</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 22)	10,720	1	11,410	1
Lease liabilities - non-current (Notes 4 and 14)	1,100	-	2,197	-
Net defined benefit liabilities non-current (Notes 4 and 18)	601	-	596	-
Total non-current liabilities	<u>12,421</u>	<u>1</u>	<u>14,203</u>	<u>1</u>
Total liabilities	<u>423,232</u>	<u>22</u>	<u>404,335</u>	<u>21</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)				
Share capital				
Ordinary shares	505,866	26	481,777	25
Capital surplus				
Capital surplus - additional paid-in capital in excess of par- ordinary shares	290,991	15	290,991	15
Capital surplus - treasury stock transactions	6,119	-	6,119	-
Capital surplus - other	198	-	186	-
Retained earnings				
Legal reserve	296,545	15	264,005	14
Special reserve	5,452	-	5,452	-
Unappropriated earnings	354,641	18	453,527	24
Other equity				
Exchange differences on translation of the financial statement of foreign operations	(23,005)	(1)	(23,919)	(1)
Unrealized gain on financial assets at fair value through other comprehensive income	98,422	5	34,896	2
Total equity	<u>1,535,229</u>	<u>78</u>	<u>1,513,034</u>	<u>79</u>
TOTAL	<u>\$ 1,958,461</u>	<u>100</u>	<u>\$ 1,917,369</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 14, 2024)

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 12, 20 and 27)	\$ 1,367,406	100	\$ 1,583,718	100
OPERATING COSTS (Notes 12 and 27)	<u>70,312</u>	<u>5</u>	<u>118,467</u>	<u>8</u>
GROSS PROFIT	<u>1,297,094</u>	<u>95</u>	<u>1,465,251</u>	<u>92</u>
OPERATING EXPENSES				
Selling and marketing expenses	556,211	40	654,006	41
General and administrative expenses	105,348	8	98,295	6
Research and development expenses	419,936	31	431,553	27
Expected credit gain (Note 9)	<u>(204)</u>	<u>-</u>	<u>(37,316)</u>	<u>(2)</u>
Total operating expenses	<u>1,081,291</u>	<u>79</u>	<u>1,146,538</u>	<u>72</u>
PROFIT FROM OPERATIONS	<u>215,803</u>	<u>16</u>	<u>318,713</u>	<u>20</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit of associates accounted for using the equity method (Note 11)	(1,111)	-	(1,338)	-
Interest income	39,250	3	12,540	1
Dividend income	6,467	-	4,118	-
Other income	6,538	-	5,299	-
Profit from lease modification	-	-	42	-
Loss on disposal of property, plant and equipment	-	-	(186)	-
Foreign exchange (loss) gains, net	(6,553)	-	59,353	4
Other expenses	(8)	-	(1,999)	-
Interest expense	<u>(316)</u>	<u>-</u>	<u>(291)</u>	<u>-</u>
Total non-operating income and expenses	<u>44,267</u>	<u>3</u>	<u>77,538</u>	<u>5</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	260,070	19	396,251	25
INCOME TAX EXPENSE (Notes 4 and 22)	<u>45,615</u>	<u>3</u>	<u>72,603</u>	<u>4</u>
NET PROFIT FOR THE YEAR	<u>214,455</u>	<u>16</u>	<u>323,648</u>	<u>21</u>

(Continued)

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ (177)	-	\$ 1,756	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income (Note 19)	67,808	5	(21,401)	(1)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations (Note 19)	914	-	2,860	-
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income (Note 19)	4,160	-	(9,927)	(1)
Share of the other comprehensive income of associates accounted for using the equity method (Note 11)	<u>-</u>	<u>-</u>	<u>665</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>72,705</u>	<u>5</u>	<u>(26,047)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 287,160</u>	<u>21</u>	<u>\$ 297,601</u>	<u>19</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 4.24</u>		<u>\$ 6.40</u>	
Diluted	<u>\$ 4.21</u>		<u>\$ 6.36</u>	

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

(With Deloitte & Touche auditors' report dated March 14, 2024)

(Concluded)

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company							Other Equity		Total Equity
	Share Capital	Capital Surplus			Retained Earnings			Exchange Differences on Translation the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	
		Additional Paid-in Capital in Excess of Par- Ordinary Shares	Treasury Share Transactions	Other	Legal Reserve	Special Reserve	Unappropriated Earnings			
BALANCE AT JANUARY 1, 2022	\$ 481,777	\$ 290,991	\$ 6,119	\$ 186	\$ 234,898	\$ 7,787	\$ 395,782	\$ (27,444)	\$ 66,224	\$ 1,456,320
Appropriation of 2021 earnings (Note 19)										
Legal reserve	-	-	-	-	29,107	-	(29,107)	-	-	-
Special reserve	-	-	-	-	-	(2,335)	2,335	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(240,887)	-	-	(240,887)
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	323,648	-	-	323,648
Other comprehensive (loss) income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	1,756	3,525	(31,328)	(26,047)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	325,404	3,525	(31,328)	297,601
BALANCE AT DECEMBER 31, 2022	481,777	290,991	6,119	186	264,005	5,452	453,527	(23,919)	34,896	1,513,034
Appropriation of 2022 earnings (Note 19)										
Legal reserve	-	-	-	-	32,540	-	(32,540)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(264,977)	-	-	(264,977)
Share dividends distributed by the Company	24,089	-	-	-	-	-	(24,089)	-	-	-
Changes in capital surplus	-	-	-	12	-	-	-	-	-	12
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	8,442	-	(8,442)	-
Net profit for the year ended December 31, 2023	-	-	-	-	-	-	214,455	-	-	214,455
Other comprehensive (loss) income for the year ended December 31, 2023, net of income tax	-	-	-	-	-	-	(177)	914	71,968	72,705
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	214,278	914	71,968	287,160
BALANCE AT DECEMBER 31, 2023	\$ 505,866	\$ 290,991	\$ 6,119	\$ 198	\$ 296,545	\$ 5,452	\$ 354,641	\$ (23,005)	\$ 98,422	\$ 1,535,229

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

(With Deloitte & Touche auditors' report dated March 14, 2024)

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 260,070	\$ 396,251
Adjustments for:		
Depreciation expense	17,327	15,727
Amortization expense	46,921	20,273
Expected credit loss reversed on trade receivables	(204)	(37,316)
Interest expenses	316	291
Interest income	(39,250)	(12,540)
Dividend income	(6,467)	(4,118)
Share of profit of associates and joint ventures accounted for using the equity method	1,111	1,338
Loss on disposal of property, plant and equipment	-	186
Net gain on foreign currency exchange	(56)	(7,729)
Loss on lease modification	-	(42)
Changes in operating assets and liabilities		
Notes receivable	10	56
Trade receivables	(30,569)	141,564
Other current assets	(2,854)	13,698
Other non-current assets	60	(113)
Trade payable	(7,926)	7,442
Trade payable to related parties	(234)	234
Other payables	26,583	(62,743)
Other current liabilities	9,306	(6,521)
Net defined benefit liabilities	(172)	(184)
Cash generated from operations	<u>273,972</u>	<u>465,754</u>
Income tax paid	<u>(61,328)</u>	<u>(76,794)</u>
Net cash generated from operating activities	<u>212,644</u>	<u>388,960</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(91,036)	-
Disposal of financial assets at fair value through other comprehensive income	19,858	-
Purchase of financial assets at amortized cost	(164,244)	(517,378)
Proceeds from sale of financial assets at amortized cost	392,622	179,727
Purchase of investments accounted for using the equity method	-	(8,000)
Prepayments for building and land	(163,670)	-
Payments for property, plant and equipment	(3,547)	(9,782)
Proceeds from disposal of intangible assets	89	-
Refundable deposits	30	1,282
Payments for intangible assets	(25,884)	(28,111)
Interest received	38,306	12,477
Dividend received	<u>6,706</u>	<u>4,321</u>
Net cash generated from (used in) investing activities	<u>9,230</u>	<u>(365,464)</u>

(Continued)

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	\$ (11,822)	\$ (11,381)
Payments for dividend	<u>(264,977)</u>	<u>(240,877)</u>
Net cash used in financing activities	<u>(276,799)</u>	<u>(252,258)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>1,100</u>	<u>3,553</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(53,825)	(225,209)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>406,129</u>	<u>631,338</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 352,304</u>	<u>\$ 406,129</u>

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

(With Deloitte & Touche auditors' report dated March 14, 2024)

(Concluded)

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

1. GENERAL INFORMATION

UserJoy Technology Co., Ltd., formerly known as Userjoy Technology Corporation, was incorporated on May 19, 1995 and officially changed its name to UserJoy Technology Co., Ltd. (the “Company”) under the resolution approved by the shareholders in their meeting on October 15, 2004. The Company is mainly engaged in the design, research and development and sale of game software.

The Company’s shares have been traded on the Taipei Exchange (TPEX) since April 18, 2008.

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

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on March 14, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

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

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

- a. Statement of compliance

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

- b. Basic of preparation

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

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

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

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

c. Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 10, Tables 4 and 5 the detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

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

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

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

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

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

f. Investment in associates

An associate is an entity over which the Group has significant influence and which is not a subsidiary.

The Group uses the equity method to account for its investments in associates.

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

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

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

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

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

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

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

g. Joint operations

A joint operation is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

Any acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business should be treated as a business combination, except when the parties sharing joint control are under the common control of the same ultimate controlling party or parties both before and after the acquisition and that control is not transitory.

The Group recognizes the following items in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly.
- Its liabilities, including its share of any liabilities incurred jointly.
- Its revenue from the sale of its share of the output arising from the joint operation.
- Its share of the revenue from the sale of the output of the joint operation.
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenue and expenses.

h. Property, plant and equipment

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

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

i. Intangible assets

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

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

j. Impairment of property, plant and equipment, right-of-use asset and intangible assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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

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

k. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

Financial assets

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

1) Measurement categories

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

a) Financial assets at amortized cost

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

- i. The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii. Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

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

- i Significant financial difficulty of the issuer or the borrower;
- ii Breach of contract, such as a default;
- iii It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities 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.

b) Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- i. The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and
- ii. The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

c) Investments in equity instruments at FVTOCI

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

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

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

2) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), investments in debt instruments that are measured at FVTOCI.

The Group always recognizes lifetime Expected Credit Losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on 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 ECLs.

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

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

- a) Internal or external information shows that the debtor is unlikely to pay its creditors.
- b) Financial asset is more than 360 days (Group A) and more than 540 days (Group B) past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

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

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 a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

l. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

m. Revenue recognition

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

1) Revenue from the rendering of services

Revenue from the rendering of services is recognized when services are already rendered.

2) Royalty revenue

The royalty revenue is recognized as the terms of agreement which decided by the sales or other measurement.

n. Leases

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

1) The Group as lessor

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

Lease payments less any lease incentives payable from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Group as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Group by the end of the lease terms or if the costs of right-of-use assets reflect that the Group will exercise a purchase option, the Group depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss.

For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

o. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

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

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

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

4) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

p. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

3) Current and deferred taxes

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.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on 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.

When developing material accounting estimates, the Group considers the possible impact on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	2023	2022
Cash on hand	\$ 154	\$ 193
Checking accounts and cash in banks	205,739	243,706
Cash equivalents		
Investment with original maturities of 3 months or less	<u>146,411</u>	<u>162,230</u>
	<u>\$ 352,304</u>	<u>\$ 406,129</u>

The market rate intervals of cash in the bank and investment with original maturities of 3 months or less at the end of the year were as follows:

	<u>December 31</u>	
	2023	2022
Cash in the bank	0.001%-1.45%	0.001%-1.05%
Investment with original maturities of 3 months or less	1.12%-5.55%	0.85%-4.02%

As of December 31, 2023 and 2022, time deposits with original maturities of more than 3 months which are classified as financial assets measured at amortized cost were \$622,673 thousand and \$851,051 thousand respectively. Refer to Note 8.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	\$ 229,323	\$ 181,613
Investments in debt instruments at FVTOCI	<u>173,206</u>	<u>77,953</u>
	<u>\$ 402,529</u>	<u>\$ 259,566</u>

a. Investments in equity instruments at FVTOCI

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Domestic investments		
Listed shares and emerging market shares		
Ordinary shares -Taiwan Mobile Co., Ltd.	\$ 29,580	\$ 28,410
Ordinary shares -Fullerton Technology Co., Ltd.	2,896	4,937
Ordinary shares -WPG Holdings Limited.	13,382	17,701
Ordinary shares -Fun Yours Technology Co., Ltd.	145,929	93,821
Ordinary shares -Chunghwa Telecom Co., Ltd.	24,000	22,600
Preference shares -Bank of Kaohsiung Co., Ltd.	<u>13,536</u>	<u>14,144</u>
	<u>\$ 229,323</u>	<u>\$ 181,613</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

b. Investments in debt instruments at FVTOCI

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Foreign investments		
Corporate bonds - AT&T Corporate Bonds denominated in U.S. dollars	\$ 38,042	\$ 37,403
Corporate bonds - Ford Motor Corporate Bonds denominated in U.S. dollars	41,466	40,550

(Continued)

	December 31	
	2023	2022
Corporate bonds - Amazon Corporate Bonds denominated in U.S. dollars	\$ 30,782	\$ -
Corporate bonds - 3M Corporate Bonds denominated in U.S. dollars	30,741	-
Preference bonds - Intel Corporate Bonds denominated in U.S. dollars	<u>32,175</u>	<u>-</u>
	<u>\$ 173,206</u>	<u>\$ 77,953</u>
		(Concluded)

- 1) In December 2020, the Group bought 10-year corporate bonds issued by Company AT&T with a coupon rate of 4.25% and an effective interest rate range of 0.92%-1.31%.
- 2) In December 2020, the Group bought 10-year corporate bonds issued by Company Ford with a coupon rate of 4.346% and an effective interest rate range of 2.75%-2.85%.
- 3) In May 2023, the Group bought 30-year corporate bonds issued by Amazon with a coupon rate of 4.95% and an effective interest rate range of 4.73%-4.76%.
- 4) In May 2023, the Group bought 30-year corporate bonds issued by 3M with a coupon rate of 3.625% and an effective interest rate range of 8.10%-8.13%.
- 5) In May 2023, the Group bought 30-year corporate bonds issued by Intel with a coupon rate of 4.8% and an effective interest rate range of 6.12%-6.17%.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	2022
<u>Current</u>		
Domestic investments		
Time deposits with original maturities of more than 3 months	<u>\$ 586,673</u>	<u>\$ 851,051</u>
<u>Non-current</u>		
Domestic investments		
Time deposits with original maturities of more than 3 months	<u>\$ 36,000</u>	<u>\$ -</u>

As of December 31, 2023 and 2022, the interest rate ranges of time deposits with original maturities of more than 3 months were 1.24%-5.68% and 0.765%-4.90%.

9. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLES

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ -	\$ 10
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 10</u>
<u>Accounts receivables</u>		
At amortized cost		
Gross carrying amount	\$ 206,286	\$ 175,718
Less: Allowance for impairment loss	<u>(9,474)</u>	<u>(9,679)</u>
	<u>\$ 196,812</u>	<u>\$ 166,039</u>

The Group's average credit period of royalties and sales of games is 30 to 120 days. When determining the recoverability of accounts receivable, the Group considers the changes in credit quality of the accounts receivable from the original credit date to the balance sheet date. Allowance for bad debts is made with reference to the aging analysis, historical experience and the current financial situation of customers to estimate the amount that cannot be recovered.

The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from independent rating agencies where available, or if such information is not available, the Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using the aging loss rate method and the individual customer assessment method prepared by reference to the past default records of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables and notes receivables based on the Group's aging loss rate method and the individual customer assessment method:

December 31, 2023

Group A

	0 to 180 Days	181 to 360 Days	Over 361 Days	Total
Expected credit loss rate	-	25%	100%	
Gross carrying amount	\$ 168,704	\$ 1,417	\$ 45	\$ 170,166
Loss allowance (lifetime ECLs)	-	(74)	(45)	(119)
Loss allowance (individual customer ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 168,704</u>	<u>\$ 1,343</u>	<u>\$ -</u>	<u>\$ 170,047</u>

Group B

	0 to 180 Days	181 to 270 Days	271 to 360 Days	Over 361 Days	Total
Expected credit loss rate	-	5%	20%	50%-100%	
Gross carrying amount	\$ 26,765	\$ -	\$ -	\$ 9,355	\$ 36,120
Loss allowance (lifetime ECLs)	-	-	-	-	-
Loss allowance individual customer ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,355)</u>	<u>(9,355)</u>
Amortized cost	<u>\$ 26,765</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,765</u>

December 31, 2022

Group A

	0 to 180 Days	181 to 360 Days	Over 361 Days	Total
Expected credit loss rate	-	25%	100%	
Gross carrying amount	\$ 114,277	\$ 1,496	\$ 39	\$ 115,812
Loss allowance (lifetime ECLs)	-	(163)	(38)	(201)
Loss allowance (individual customer ECLs)	<u>(2)</u>	<u>-</u>	<u>(1)</u>	<u>(3)</u>
Amortized cost	<u>\$ 114,275</u>	<u>\$ 1,333</u>	<u>\$ -</u>	<u>\$ 115,608</u>

Group B

	0 to 180 Days	181 to 270 Days	271 to 360 Days	Over 361 Days	Total
Expected credit loss rate	-	5%	20%	50%-100%	
Gross carrying amount	\$ 48,164	\$ 2,397	\$ -	\$ 9,355	\$ 59,916
Loss allowance (lifetime ECLs)	-	(120)	-	-	(120)
Loss allowance individual customer ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,355)</u>	<u>(9,355)</u>
Amortized cost	<u>\$ 48,164</u>	<u>\$ 2,277</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,441</u>

The above is an aging analysis based on the original credit.

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 9,679	\$ 48,588
Add: Net remeasurement of loss allowance	(204)	(37,316)
Less: Amounts written off	<u>(1)</u>	<u>(1,593)</u>
Balance at December 31	<u>\$ 9,474</u>	<u>\$ 9,679</u>

Compared to January 1, 2023 and 2022, the increase in trade receivables amounted to \$30,568 thousand and decrease in trade receivables amounted to \$143,157 thousand on December 31, 2023 and 2022, respectively. Changes in the amounts of the overdue accounts receivable resulted in a decrease in loss allowance of \$204 thousand and \$37,316 thousand on December 31, 2023 and 2022, respectively.

10. SUBSIDIARIES

Investor	Investee	Main Business	Percentage of Ownership (%)	
			2023	2022
UserJoy Technology Co., Ltd.	UserJoy Technology Co., Ltd. (Samoa)	Investment holding	100.00	100.00
UserJoy Technology Co., Ltd.	Richland Investments Limited	Investment holding	11.49	11.49
UserJoy Technology Co., Ltd.	Userjoy Japan Co., Ltd.	Sale of game software	100.00	100.00
UserJoy Technology Co., Ltd.	Userjoy Hong Kong Co., Ltd.	Sale of game software	100.00	100.00
UserJoy Technology Co., Ltd.	Richland Investments Limited	Investment holding	88.51	88.51
Richland Investments Limited	Beijing Airship Software Co., Ltd.	Game software research and development and production	100.00	100.00

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name of Associate	December 31			
	2023		2022	
	Carrying Amount	Ownership Percentage (%)	Carrying Amount	Ownership Percentage (%)
<u>Associates that are not individually material</u>				
PT. Userjoy Technology	\$ -	-	\$ -	-
Mojoy Corporation	<u>5,727</u>	40	<u>6,838</u>	40
	<u>\$ 5,727</u>		<u>\$ 6,838</u>	

In May 2022, the Group acquired 40% of the shares of Mojoy Corporation with cash of \$8,000 thousand.

PT. Userjoy Technology completed the liquidation process on May 12, 2023.

Summary of the information about associates that are not individually material

	For the Year Ended December 31	
	2023	2022
Share of the subsidiaries		
Net losses from continuing operations	\$ (1,111)	\$ (1,338)
Other comprehensive income	<u>-</u>	<u>665</u>
Total comprehensive (loss) income	<u>\$ (1,111)</u>	<u>\$ (673)</u>

12. JOINT OPERATIONS

The Group enters into a cooperation agreement with others to jointly produce television animations together. After the animations is no longer broadcasting, both parties settle the profit and loss according to the agreement. The Group recognized the share of profit in 2023 and incurred losses in 2022, respectively. For the interest of the joint operations, the Group recognized revenue and cost as follows:

	December 31	
	2023	2022
Animations revenue	<u>\$ 1,651</u>	<u>\$ 3,023</u>
Animations cost	<u>\$ 27,412</u>	<u>\$ 35,887</u>

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and Improvements	Office Equipment	Total
<u>Cost</u>				
Balance at January 1, 2023	\$ 58,914	\$ 40,098	\$ 35,680	\$ 134,692
Additions	-	-	3,547	3,547
Effects of foreign currency exchange differences	-	-	(541)	(541)
Balance at December 31, 2023	<u>\$ 58,914</u>	<u>\$ 40,098</u>	<u>\$ 38,686</u>	<u>\$ 137,698</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2023	\$ -	\$ 14,363	\$ 19,349	\$ 33,712
Depreciation expense	-	761	5,061	5,822
Effects of foreign currency exchange differences	-	-	(469)	(469)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 15,124</u>	<u>\$ 23,941</u>	<u>\$ 39,065</u>
Carrying amount at December 31, 2023	<u>\$ 58,914</u>	<u>\$ 24,974</u>	<u>\$ 14,745</u>	<u>\$ 98,633</u>
<u>Cost</u>				
Balance at January 1, 2022	\$ 58,914	\$ 40,098	\$ 26,849	\$ 125,861
Additions	-	-	9,782	9,782
Disposals	-	-	(711)	(711)
Effects of foreign currency exchange differences	-	-	(240)	(240)
Balance at December 31, 2022	<u>\$ 58,914</u>	<u>\$ 40,098</u>	<u>\$ 35,680</u>	<u>\$ 134,692</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2022	\$ -	\$ 13,603	\$ 16,232	\$ 29,835
Depreciation expense	-	760	3,874	4,634
Disposals	-	-	(525)	(525)
Effects of foreign currency exchange differences	-	-	(232)	(232)
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 14,363</u>	<u>\$ 19,349</u>	<u>\$ 33,712</u>
Carrying amount at December 31, 2022	<u>\$ 58,914</u>	<u>\$ 25,735</u>	<u>\$ 16,331</u>	<u>\$ 100,980</u>

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

Buildings and improvements	50 years
Engineering system	3-15 years
Office equipment	3-6 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>For the Year Ended December 31</u>	
	2023	2022
<u>Carrying amount</u>		
Buildings	<u>\$ 8,383</u>	<u>\$ 9,417</u>
Additions to right-of-use assets	<u>\$ 10,565</u>	<u>\$ 12,753</u>
Disposals to right-of-use assets	<u>\$ -</u>	<u>\$ (3,112)</u>
<u>Depreciation charge for right-of-use assets</u>		
Buildings	<u>\$ 11,505</u>	<u>\$ 11,093</u>

b. Lease liabilities

	<u>December 31</u>	
	2023	2022
<u>Carrying amount</u>		
Current	<u>\$ 7,316</u>	<u>\$ 7,222</u>
Non-current	<u>\$ 1,100</u>	<u>\$ 2,197</u>

Range of discount rates for lease liabilities was as follows:

	<u>December 31</u>	
	2023	2022
Buildings	1.47%-2.96%	1.47%-2.59%

c. Other lease information

	<u>For the Year Ended December 31</u>	
	2023	2022
Expenses relating to short-term leases	<u>\$ 1,226</u>	<u>\$ 1,564</u>
Expenses relating to low-value asset leases	<u>\$ 62</u>	<u>\$ 61</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 18</u>	<u>\$ 10</u>
Total cash outflow for leases	<u>\$ (13,128)</u>	<u>\$ (13,014)</u>

The Group's leases of certain parking space qualify as short-term leases and leases of certain office equipment qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. OTHER INTANGIBLE ASSETS

	Trademark Right	Computer Software Costs	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ 296	\$ 192,730	\$ 193,026
Additions	-	25,884	25,884
Disposals	(280)	(33,181)	(33,461)
Effects of foreign currency exchange differences	<u>(16)</u>	<u>(1,890)</u>	<u>(1,906)</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 183,543</u>	<u>\$ 183,543</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2023	\$ 296	\$ 149,705	\$ 150,001
Depreciation expense	-	46,921	46,921
Disposals	(280)	(33,092)	(33,372)
Effects of foreign currency exchange differences	<u>(16)</u>	<u>(1,808)</u>	<u>(1,824)</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 161,726</u>	<u>\$ 161,726</u>
Carrying amount at December 31, 2023	<u>\$ -</u>	<u>\$ 21,817</u>	<u>\$ 21,817</u>
<u>Cost</u>			
Balance at January 1, 2022	\$ 342	\$ 165,644	\$ 165,986
Additions	-	28,111	28,111
Disposals	(33)	-	(33)
Effects of foreign currency exchange differences	<u>(13)</u>	<u>(1,025)</u>	<u>(1,038)</u>
Balance at December 31, 2022	<u>\$ 296</u>	<u>\$ 192,730</u>	<u>\$ 193,026</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2022	\$ 306	\$ 130,309	\$ 130,615
Depreciation expense	33	20,240	20,273
Disposals	(33)	-	(33)
Effects of foreign currency exchange differences	<u>(10)</u>	<u>(844)</u>	<u>(854)</u>
Balance at December 31, 2022	<u>\$ 296</u>	<u>\$ 149,705</u>	<u>\$ 150,001</u>
Carrying amount at December 31, 2022	<u>\$ -</u>	<u>\$ 43,025</u>	<u>\$ 43,025</u>

Other intangible assets stated above are amortized on a straight-line basis over their estimated useful lives as follows:

Trademark right	10 years
Computer software	1-10 years

16. OTHER ASSETS

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Prepayments	\$ 49,613	\$ 37,624
Temporary payments	1,945	8,073
Other receivables	9,581	10,926
Others	<u>-</u>	<u>718</u>
	<u>\$ 61,139</u>	<u>\$ 57,341</u>
<u>Non-current</u>		
Prepayments for building and land	\$ 163,670	\$ -
Refundable deposits	3,384	3,414
Others	<u>52</u>	<u>112</u>
	<u>\$ 167,106</u>	<u>\$ 3,526</u>

Prepayments for building and land are primarily for the purchase of building for the use of an office with completion of handover in the first quarter of 2024.

17. OTHER PAYABLES

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Payable for salaries	\$ 83,121	\$ 87,813
Payable for compensation of employees	16,726	21,034
Payable for value added tax	6,523	5,494
Payable for remuneration of directors and supervisors	2,788	4,207
Payable for advertisements	52,547	34,877
Payable for commissions	9	25,750
Others	<u>127,244</u>	<u>83,212</u>
	<u>\$ 288,958</u>	<u>\$ 262,387</u>

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

b. Defined benefit plans

The defined benefit plans adopted by the Group in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Group contribute amounts equal to 5% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring

committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The Group adopted a pension plan specifically for appointed manager, which is also a defined benefit plan. Pension benefits are calculated on the basis of the length of service and monthly salary at the time of approved retirement.

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

	December 31	
	2023	2022
Present value of defined benefit obligation	\$ 12,678	\$ 12,110
Fair value of plan assets	<u>(12,077)</u>	<u>(11,514)</u>
Net defined benefit assets	<u>\$ 601</u>	<u>\$ 596</u>
Presented in other non-current assets	<u>\$ -</u>	<u>\$ -</u>
Presented in accrued pension liabilities	<u>\$ 601</u>	<u>\$ 596</u>

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2022	<u>\$ 12,875</u>	<u>\$ (10,339)</u>	<u>\$ 2,536</u>
Service cost			
Current service cost	108	-	108
Net interest expense (income)	<u>97</u>	<u>(79)</u>	<u>18</u>
Recognized in profit or loss	<u>205</u>	<u>(79)</u>	<u>126</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(786)	(786)
Actuarial (gain) loss- changes in financial assumptions	(1,279)	-	(1,279)
Actuarial (gain) loss- experience adjustments	<u>309</u>	<u>-</u>	<u>309</u>
Recognized in other comprehensive income	<u>(970)</u>	<u>(786)</u>	<u>(1,756)</u>
Contributions from the employer	<u>-</u>	<u>(310)</u>	<u>(310)</u>
Benefits paid	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2022	<u>\$ 12,110</u>	<u>\$ (11,514)</u>	<u>\$ 596</u>

(Continued)

	Present Value of Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2023	<u>\$ 12,110</u>	<u>\$ (11,514)</u>	<u>\$ 596</u>
Service cost			
Current service cost	102	-	102
Liabilities extinguish on settlement	41	-	41
Net interest expense (income)	<u>178</u>	<u>(176)</u>	<u>2</u>
Recognized in profit or loss	<u>321</u>	<u>(176)</u>	<u>145</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(70)	(70)
Actuarial (gain) loss - changes in financial assumptions	201	-	201
Actuarial (gain) loss - experience adjustments	<u>46</u>	<u>-</u>	<u>46</u>
Recognized in other comprehensive income	<u>247</u>	<u>(70)</u>	<u>177</u>
Contributions from the employer	<u>-</u>	<u>(317)</u>	<u>(317)</u>
Benefits paid	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2023	<u>\$ 12,678</u>	<u>\$ (12,077)</u>	<u>\$ 601</u> (Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2023	2022
Selling and marketing expenses	\$ 27	\$ 24
General and administrative expenses	12	9
Research and development expenses	<u>106</u>	<u>93</u>
	<u>\$ 145</u>	<u>\$ 126</u>

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

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government and corporate bond will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2023	2022
Discount rates	1.25%-1.375%	1.38%-1.50%
Long term average rate of salary increase	3.25%	3.25%

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

	December 31	
	2023	2022
Discount rates		
0.25% increase	<u>\$ (319)</u>	<u>\$ (406)</u>
0.25% decrease	<u>\$ 332</u>	<u>\$ 424</u>
Long term average rate of salary increase		
0.25% increase	<u>\$ 321</u>	<u>\$ 410</u>
0.25% decrease	<u>\$ (310)</u>	<u>\$ (395)</u>

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

	December 31	
	2023	2022
Expected contributions to the plans for the next year	<u>\$ 291</u>	<u>\$ 324</u>
Average duration of the defined benefit obligation	10.9-13.7 years	11.7-14.5 years

19. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2023	2022
Number of authorized shares (in thousands of shares)	<u>80,000</u>	<u>80,000</u>
Amount of authorized shares	<u>\$ 800,000</u>	<u>\$ 800,000</u>
Number of issued and fully paid shares (in thousands of shares)	<u>50,586</u>	<u>48,177</u>
Amount of issued shares	<u>\$ 505,866</u>	<u>\$ 481,777</u>

As of December 31, 2022, the Company's paid-in capital was \$481,777 thousand consisting of 48,177 thousand shares of ordinary shares with a par value of \$10. The holder of each share has the right to dividends and to vote.

After the share dividends of \$24,089 thousand has been distributed on August 2023, as of December 31, 2023, the Company's paid-in capital was \$505,866 thousand, consisting of 50,586 thousand shares with a par value of \$10. The holder of each share has the right to dividends and to vote.

b. Capital surplus

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>May be used to offset a deficit, distributed as cash dividends or transferred to share capital (Note)</u>		
Issuance of ordinary shares	\$ 290,991	\$ 290,991
Treasury share transactions	6,119	6,119
Expired employee share options	178	178
<u>May only be used to offset a deficit</u>		
Dividends expired	<u>20</u>	<u>8</u>
	<u>\$ 297,308</u>	<u>\$ 297,296</u>

Note: 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 transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 21-c.

The Company is currently in the growth phase. Thus, considering the future funding needs and long-term financial planning, the Company would distribute more than 50% of the distributable earnings as dividends, including more than 10% as cash dividends. However, the actual distribution could be amended based on the current financial performance and the future financial plan.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2022 and 2021 that were resolved by the shareholders in their meetings on June 28, 2023 and June 29, 2022, respectively were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	2022	2021	2022	2021
Legal reserve	\$ 32,540	\$ 29,107	\$ -	\$ -
Special reserve	-	(2,335)	-	-
Cash dividends	264,977	240,887	5.50	5.00
Share dividends	24,089	-	0.50	-

The appropriation of earnings for 2023, which was proposed by the Company's board of directors on March 14, 2024, was as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 22,272	\$ -
Cash dividends	202,346	4.00
Share dividends	25,293	0.50

The appropriation of earnings for 2023 will be resolved by the shareholders in their meeting to be held on June 26, 2024.

d. Special reserve

	December 31	
	2023	2022
Balance at January 1	\$ 5,452	\$ 7,787
Appropriations in respect of Debits to other equity items	<u>-</u>	<u>(2,335)</u>
Balance at December 31	<u>\$ 5,452</u>	<u>\$ 5,452</u>

On the first time adoption of IFRSs, the Company transferred \$5,452 thousand of cumulative translation exchange differences on translating the financial statements of foreign operations to retained earnings. Meanwhile, the Company appropriated the same amounts to the special reserve.

e. Other equity items

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (23,919)	\$ (27,444)
Recognized for the year		
Exchange differences on the translation of foreign operations	914	2,860
Share from associates accounted for using the equity method	<u>-</u>	<u>665</u>
Balance at December 31	<u>\$ (23,005)</u>	<u>\$ (23,919)</u>

2) Unrealized valuation gain (loss) on financial assets at FVOCI

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 34,896	\$ 66,224
Recognized for the year		
Unrealized gain (loss) - equity instruments	67,808	(21,401)
Unrealized gain (loss) - debt instruments	4,160	(9,927)
Cumulative unrealized gain/(loss) of equity instruments transferred to retained earnings due to disposal	<u>(8,442)</u>	<u>-</u>
Balance at December 31	<u>\$ 98,422</u>	<u>\$ 34,896</u>

20. OPERATING REVENUE

	For the Year Ended December 31	
	2023	2022
Online games revenue	\$ 1,238,330	\$ 1,437,757
Royalty revenue	110,981	117,664
Other revenue	<u>18,095</u>	<u>28,297</u>
	<u>\$ 1,367,406</u>	<u>\$ 1,583,718</u>

21. NET PROFIT FROM CONTINUING OPERATIONS

a. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	\$ 5,822	\$ 4,634
Right-of-use assets	11,505	11,093
Investment properties	<u>46,921</u>	<u>20,273</u>
	<u>\$ 64,248</u>	<u>\$ 36,000</u>
An analysis of depreciation by function		
Operating costs	\$ -	\$ -
Operating expenses	<u>17,327</u>	<u>15,727</u>
	<u>\$ 17,327</u>	<u>\$ 15,727</u>
An analysis of amortization by function		
Operating costs	\$ 28,465	\$ 3,307
Operating expenses	<u>18,456</u>	<u>16,966</u>
	<u>\$ 46,921</u>	<u>\$ 20,273</u>

b. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Short-term employment benefits	\$ 512,646	\$ 496,438
Post-employment benefits		
Defined contribution plan	20,191	19,086
Defined benefit plans	145	126
Other employee benefits	<u>3,225</u>	<u>3,768</u>
Total employee benefits expense	<u>\$ 536,207</u>	<u>\$ 519,418</u>
An analysis of employee benefits expense by function		
Operating costs	\$ -	\$ -
Operating expenses	<u>536,207</u>	<u>519,418</u>
	<u>\$ 536,207</u>	<u>\$ 519,418</u>

c. Compensation of employees and remuneration of directors and supervisors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors and supervisors at rates of no less than 3% and no higher than 15%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors. The compensation of employees and the remuneration of directors and supervisors for the year ended December 31, 2023 and 2022 which were approved by the Group's board of directors on March 14, 2024 and March 23, 2023, respectively are as follows:

Accrual rate

	For the Year Ended December 31	
	2023	2022
Compensation of employees	6%	5%
Remuneration of directors and supervisors	1%	1%

Amount

	For the Year Ended December 31	
	2023	2022
Compensation of employees	<u>\$ 16,726</u>	<u>\$ 21,034</u>
Remuneration of directors and supervisors	<u>\$ 2,788</u>	<u>\$ 4,207</u>

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

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

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

d. Gains or losses on foreign currency exchange

	<u>For the Year Ended December 31</u>	
	2023	2022
Foreign exchange gains	\$ -	\$ 59,357
Foreign exchange losses	<u>(6,553)</u>	<u>(4)</u>
Net gains or losses	<u>\$ (6,553)</u>	<u>\$ 59,353</u>

22. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<u>For the Year Ended December 31</u>	
	2023	2022
Current tax		
In respect of the current year	\$ 53,960	\$ 62,772
Income tax on unappropriated earnings	190	1,170
Adjustments for prior year	(8,224)	(10,929)
Deferred tax		
In respect of the current year	<u>(311)</u>	<u>19,590</u>
Income tax expense recognized in profit or loss	<u>\$ 45,615</u>	<u>\$ 72,603</u>

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

	<u>For the Year Ended December 31</u>	
	2023	2022
Profit before tax from continuing operations	<u>\$ 260,070</u>	<u>\$ 396,251</u>
Income tax expense calculated at the statutory rate	\$ 52,670	\$ 79,902
Tax effect of adjusting items		
The items in determining taxable income	979	2,460
Income tax on unappropriated earnings	190	1,170
Adjustments for prior years' tax	<u>(8,224)</u>	<u>(10,929)</u>
Income tax expense recognized in profit or loss	<u>\$ 45,615</u>	<u>\$ 72,603</u>

b. Current tax assets and liabilities

	<u>For the Year Ended December 31</u>	
	2023	2022
Current tax assets		
Income tax prepaid	<u>\$ 18,878</u>	<u>\$ 10,607</u>
Current tax liabilities		
Income tax payable	<u>\$ 5,118</u>	<u>\$ 12,250</u>

c. Deferred tax assets

The movements of deferred tax assets and deferred tax liabilities were as follows:

	For the Year Ended December 31, 2023		
	Balance, Beginning of Year	Recognized in Profit or Loss	Balance, End of Year
<u>Deferred tax assets</u>			
Temporary differences			
Defined benefit obligations	\$ 190	\$ 90	\$ 280
Payables for unused leave	790	(30)	760
Allowance for expected credit loss	<u>1,860</u>	<u>(440)</u>	<u>1,420</u>
	<u>\$ 2,840</u>	<u>\$ (380)</u>	<u>\$ 2,460</u>
<u>Deferred tax liabilities</u>			
Temporary differences			
Foreign exchange gains	<u>\$ 11,410</u>	<u>\$ (690)</u>	<u>\$ 10,720</u>

	For the Year Ended December 31, 2022		
	Balance, Beginning of Year	Recognized in Profit or Loss	Balance, End of Year
<u>Deferred tax assets</u>			
Temporary differences			
Foreign exchange losses	\$ 710	\$ (710)	\$ -
Defined benefit obligations	230	(40)	190
Payables for unused leave	1,040	(250)	790
Allowance for expected credit loss	<u>9,040</u>	<u>(7,180)</u>	<u>1,860</u>
	<u>\$ 11,020</u>	<u>\$ (8,180)</u>	<u>\$ 2,840</u>
<u>Deferred tax liabilities</u>			
Temporary differences			
Foreign exchange gains	<u>\$ -</u>	<u>\$ 11,410</u>	<u>\$ 11,410</u>

d. Income tax assessments

The income tax returns through 2021, have been assessed by the tax authorities.

23. EARNINGS PER SHARE

	For the Year Ended December 31	
	2023	2022
<u>Net profit for the year (in thousands)</u>		
Earnings used in the computation of basic earnings per share	<u>\$ 214,455</u>	<u>\$ 323,648</u>
<u>Shares (in thousands)</u>		
Weighted average number of ordinary shares used in the computation of basic earnings per share	50,586	50,586
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>277</u>	<u>321</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>50,863</u>	<u>50,907</u>
<u>Earnings per share (in dollars)</u>		
Basic earnings per share	<u>\$ 4.24</u>	<u>\$ 6.40</u>
Diluted earnings per share	<u>\$ 4.21</u>	<u>\$ 6.36</u>

When the Company calculates the earnings per share, the impact of issuance of new bonus shares has been adjusted retrospectively. The base date of issuance of new bonus shares is August 2, 2023. Due to retrospective adjustments, the changes in basic and diluted earnings per share for the 2022 are as follows:

Unit: NT\$ Per Share

	Before Retrospective Adjustment For the Year Ended December 31, 2022	After Retrospective Adjustment For the Year Ended December 31, 2022
Basic earnings per share	<u>\$ 6.72</u>	<u>\$ 6.40</u>
Diluted earnings per share	<u>\$ 6.67</u>	<u>\$ 6.36</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

24. NON-CASH TRANSACTIONS

The Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statements of cash flows for the years ended December 31, 2023 and 2022:

	<u>For the Year Ended December 31</u>	
	2023	2022
Unaffected cash flows from investing and financing activities		
Exchange differences on translation of the financial statements of foreign operations	<u>\$ 914</u>	<u>\$ 3,525</u>
Unrealized valuation gain/(loss) on financial assets at fair value through other comprehensive income	<u>\$ (71,968)</u>	<u>\$ (31,328)</u>

25. CAPITAL MANAGEMENT

The Group's capital management objective is to ensure that it has the necessary financial resources and operational plan to meet the requirements for working capital, capital expenditures, research and development expenses, debt repayments and dividends spending in the next 12 months.

26. FINANCIAL INSTRUMENTS

- a. Fair value of financial instruments that are measured at fair value on a recurring basis

Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed securities in the ROC	\$ 229,323	\$ -	\$ -	\$ 229,323
Investments in debt instruments				
Foreign corporate bonds	<u>173,206</u>	<u>-</u>	<u>-</u>	<u>173,206</u>
	<u>\$ 402,529</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 402,529</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed securities in the ROC	\$ 181,613	\$ -	\$ -	\$ 181,613
Investments in debt instruments				
Foreign corporate bonds	<u>77,953</u>	<u>-</u>	<u>-</u>	<u>77,953</u>
	<u>\$ 259,566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 259,566</u>

There were no transfers between Levels 1 and 2 in the current and prior years.

b. Categories of financial instruments

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Financial assets</u>		
Financial assets at FVTOCI - current		
Equity instruments	\$ 229,323	\$ 181,613
Debt instruments	173,206	77,953
Financial assets at amortized cost (1)	1,175,173	1,426,643
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (2)	333,394	314,983

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable and trade receivables, and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise trade payables to related and unrelated parties and other payables.

c. Financial risk management objectives and policies

The Group's major financial instruments included equity and debt investments, notes receivable and trade receivables, and trade and other payables. The Group's corporate treasury function provides services to the business, and monitors and manages the financial risks relating to the operations of the Group. These risks include market risk, credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

a) Foreign currency risk

The Group has foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

Sensitivity analysis

The Group is mainly exposed to the Renminbi, Japanese yen and U.S. dollars.

The sensitivity analysis included only outstanding foreign currency denominated monetary items. As the following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e. functional currency) against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates.

	U.S. Dollar Impact		Renminbi Impact	
	2023	2022	2023	2022
Profit or loss	<u>\$ 6,970</u>	<u>\$ 5,449</u>	<u>\$ 644</u>	<u>\$ 1,852</u>
			Japanese Yen Impact	
			2023	2022
Profit or loss			<u>\$ 292</u>	<u>\$ 378</u>

b) Interest rate risk

The Group is exposed to interest rate risk because of time deposits at both fixed and floating interest rates.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the management believes the Group's credit risk was significantly reduced.

3) Liquidity risk

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

December 31, 2023

	On Demand or Less than 1 Month		1-3 Months	3 Months to 1 Year	1-5 Years
<u>Non-derivative financial liabilities</u>					
Lease liabilities	<u>\$ 852</u>	<u>\$ 1,756</u>	<u>\$ 4,708</u>	<u>\$ 1,100</u>	

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 7,559</u>	<u>\$ 837</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Non-derivative financial liabilities</u>				
Lease liabilities	<u>\$ 646</u>	<u>\$ 1,405</u>	<u>\$ 5,171</u>	<u>\$ 2,197</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 7,643</u>	<u>\$ 2,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

27. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Fun Yours Technology Co., Ltd.	Substantive related party
Mojoy Corporation	Substantive related party

b. Details of transactions between the Company and other related parties are disclosed as follows:

1) Operating revenue

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Mojoy Corporation	<u>\$ 467</u>	<u>\$ -</u>

2) Operating costs

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Fun Yours Technology Co., Ltd.	<u>\$ 1,808</u>	<u>\$ 5,044</u>

3) Accounts payables

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2023	2022
Trade payables	Fun Yours Technology Co., Ltd.	\$ <u>-</u>	\$ <u>234</u>

c. Remuneration of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 11,438	\$ 14,615
Post-employment benefits	<u>145</u>	<u>126</u>
	\$ <u>11,583</u>	\$ <u>14,741</u>

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

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

The Group entered into a contract for the transaction of the property at December 5, 2023, which will be used as office. The transaction amounted to \$538,900 thousand. As of December 31, 2023 the Group has paid \$163,670 thousand, accounted as other non-current assets - prepayments for building and land.

29. OTHER ITEMS

The Group's operations have not been affected by the COVID-19 pandemic.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities dominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
U.S. dollar	\$ 23,506	30.705	\$ 721,752
Renminbi	15,305	4.327	66,225
Japanese yen	135,687	0.2172	29,471
<u>Financial liabilities</u>			
Monetary items			
U.S. dollar	805	30.705	24,718
Renminbi	416	4.327	1,800
Japanese yen	1,098	0.2172	238

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
U.S. dollar	\$ 18,871	30.71	\$ 579,528
Renminbi	43,316	4.4080	190,937
Japanese yen	162,838	0.2324	37,844
<u>Financial liabilities</u>			
Monetary items			
U.S. dollar	1,126	30.71	34,579
Renminbi	1,308	4.408	5,766

31. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others (None)
- 2) Endorsements/guarantees provided (None)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 1)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Table 2)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
- 9) Trading in derivative instrument (None)
- 10) Intercompany relationships and significant intercompany transactions (Table 3)

b. Information on investees. (Table 4)

- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 5)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 5):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds;
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
 - d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 6)

32. SEGMENT INFORMATION

a. Operating segment information

The Group only has a single operating segment, which is mainly engaged in the design, research and development and sales of game software. Therefore, no other segments were required to be disclosed.

The Group evaluates segment performance based on its operating profit. Please refer to the consolidated statements of comprehensive income for the relevant figures.

b. Geographical information

The Group operates in Taiwan as principal geographical areas.

The Group's revenue from continuing operations from external customers by location of operations and information on its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2023	2022	2023	2022
Taiwan	\$ 1,308,056	\$ 1,442,093	\$ 144,360	\$ 155,368
Others	<u>59,350</u>	<u>141,625</u>	<u>4,902</u>	<u>4,892</u>
	<u>\$ 1,367,406</u>	<u>\$ 1,583,718</u>	<u>\$ 149,262</u>	<u>\$ 160,260</u>

Non-current assets exclude financial instruments, deferred tax assets.

c. Information about major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	2023	2022
A Company	\$ 298,136	\$ 374,969
B Company	<u>272,264</u>	<u>235,295</u>
	<u>\$ 570,400</u>	<u>\$ 610,264</u>

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

**MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)**

Holding Company Name	Type and Name of Issuer of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
UserJoy Technology Co., Ltd.	<u>Shares</u>							
	Fullerton Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	129,000	\$ 2,896	0.11	\$ 2,896	
	WPG Holdings Limited.	-	"	164,000	13,382	0.01	13,382	
	Taiwan Mobile Co., Ltd.	-	"	300,000	29,580	0.01	29,580	
	Fun Yours Technology Co., Ltd.	Substantive related party	"	2,587,387	145,929	11.93	145,929	
	Chunghwa Telecom Co., Ltd.	-	"	200,000	24,000	-	24,000	
	9SPlay Entertainment Technology Co., Ltd.	-	"	383,132	-	2.22	-	
	Bank Of Kaohsiung Co., Ltd.	-	"	640,000	13,536	0.05	13,536	
	<u>Bonds</u>							
	AT&T Corporate Bonds denominate in U.S. dollars	-	Financial assets at fair value through other comprehensive income - current	1,252,000	38,042	-	38,042	
	Ford Motor Corporate Bonds denominated in U.S. dollars	-	"	1,386,000	41,466	-	41,466	
	Amazon Corporate Bonds denominated in U.S. dollars	-	"	967,000	30,782	-	30,782	
	3M Corporate Bonds denominated in U.S. dollars	-	"	1,305,000	30,741	-	30,741	
	Intel Corporation Bonds denominated in U.S. dollars	-	"	1,071,000	32,175	-	32,175	

Note: Amounts are stated in original investment amount.

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

**ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)**

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
UserJoy Technology Co., Ltd.	Office equipment	December 5, 2023	\$ 538,900	Based on the terms of contract (Note)	YI-LI-GUANG Industrial Co., Ltd.	-	-	-	-	\$ -	Based on market price	Used in operation	-

Note: UseJoy has paid \$163,670 thousand as of December 31, 2023.

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

(In Thousands of New Taiwan Dollars, U.S. Dollars and Renminbi)

No.	Company Name	Counterparty	Nature of Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%) (Note 3)
0	UserJoy Technology Co., Ltd	Userjoy Japan Co., Ltd.	Transactions between parent company and subsidiaries	Sales	\$ 10,266	Based on the terms of contract	1
				Trade receivables	28,992	"	1
				Prepayment for purchases	8,508	"	-
				Intangible assets	885	"	-
				Other payable	88	"	-
		Userjoy Hong Kong Co., Ltd. Beijing Airship Software Co., Ltd.	Transactions between parent company and subsidiaries	Operating expenses	4,948	"	-
				Cost of goods sold	6,513	"	-
				Trade receivables	7,507	"	-
				Sales	20,998	"	2
				Other operating revenue	306	"	-

Note 1: The No. column is indicated as follows:

- a) Userjoy: 0.
- b) Subsidiaries are numbered sequentially starting from 1.

Note 2: There are three types of relationships with related parties, just mark the type.

- a) UserJoy to subsidiaries.
- b) Subsidiaries to UserJoy.
- c) Subsidiaries to subsidiaries.

Note 3: Calculation of the ratio of the transaction amount to the consolidated total revenue or total assets: If it is an asset and liability account, it is calculated by the balance at the end of the period as a percentage of the consolidated total assets; if it is a profit and loss account, it is calculated by the cumulative amount in the period as a percentage of the consolidated total revenue.

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES
**NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE GROUP EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2023**

Information of investees that UserJoy Technology Co., Ltd. has controlling power or significant influence was as follows (in thousands of New Taiwan dollars, U.S. dollars and Hong Kong dollars):

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note	
				December 31, 2023	December 31, 2022	Number of Shares	Percentage of Ownership (%)	Carrying Amount				
UserJoy Technology Co., Ltd.	UserJoy Technology Co., Ltd. (Samoa)	Samoa Islands	Investment holding	\$ 51,060 (US\$ 1,569,900)	\$ 51,060 (US\$ 1,569,900)	US\$ 1,569,900 (Note 1)	100.00	\$ 5,856	\$ 1,011	\$ 1,011		
	Richland Investments Limited	"	"	6,404 (US\$ 193,800)	6,404 (US\$ 193,800)	US\$ 193,800 (Note 1)	11.49	760	1,142	131		
	Userjoy Japan Co., Ltd.	Japan	Sales of computer games software	51,656 (JPY 177,773,806)	51,656 (JPY 177,773,806)	19,177	100.00	(23,722)	(14,785)	(14,785)		
	Userjoy Hong Kong Co., Ltd.	Hong Kong	"	26,496 (HK\$ 6,240,000)	26,496 (HK\$ 6,240,000)	HK\$ 6,240,000 (Note 1)	100.00	32,202	3,834	3,834		
	PT. Userjoy Technology	Indonesia	"	- (IDR 573,300,000)	1,566 (IDR 573,300,000)	-	-	-	-	-	-	
	Mojoy Corporation	Taiwan	The platform of NFT	8,000	8,000	800,000	40.00	5,727	(2,779)	(1,111)		
UserJoy Technology Co., Ltd. (Samoa)	Richland Investments Limited	Samoa Islands	Investment holding	48,726 (US\$ 1,492,200)	48,726 (US\$ 1,492,200)	US\$ 1,492,200 (Note 1)	88.51	5,854 (US\$ 190,641)	1,142 (US\$ 35,906)	1,011 (US\$ 31,781)		

Note 1: Amounts stated are the original investment amounts.

Note 2: For information on investments in mainland China please see Table 5.

Note 3: PT. Userjoy Technology completed the liquidation process on May 12, 2023.

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of U.S. Dollars and Renminbi)**

1. The names of investee companies in mainland China, main businesses and products, total amount of paid-in capital, investment type, investment flows, percentage of ownership in investment, investment gain or loss, carrying amount, accumulated inward remittance of earnings and upper limit on investment in mainland China were as follows:

(In Thousands of U.S. Dollars and Renminbi)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outward	Inward						
Beijing Airship Software Co., Ltd.	Design, research and development of the game software	US\$ 1,640,000	Investing in companies in mainland China through Richland	\$ 53,115 (US\$ 1,640,000)	\$ -	\$ -	\$ 53,115 (US\$ 1,640,000)	\$ 1,142 (US\$ 35,903)	100	\$ 1,142 (US\$ 35,903)	\$ 6,605 (US\$ 215,107)	\$ -

2. The upper limit on investment in mainland China

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023 (NT\$ and US\$ in Thousands)	Investment Amounts Authorized by the Investment Commission, MOEA (NT\$ and US\$ in Thousands)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Note 2)
\$53,115 (US\$1,640,000)	\$85,977 (US\$2,621,250)	\$921,137

Note 1: Investment gains and losses in the current period are recognized based on the financial statements reviewed by the attestation Certified Public Accountant of UserJoy Technology Co., Ltd. in Taiwan.

Note 2: Upper limit on the amount of investments is based on (90) the Taiwan ministry of finance regulation (1) of the number 006130.

3. For detailed information on the major transactions, including their prices, payment terms, unrealized gains and losses, and other relevant information that occurred directly or indirectly with the mainland investee company through the third region, refer to Table 3.

TABLE 6**USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership
Cyun Wei Investment Co. Ltd.	3,007,605	5.94

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (included treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers their shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Securities and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
UserJoy Technology Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of UserJoy Technology Co., Ltd. (the “Company”), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the “parent company only financial statements”).

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of UserJoy Technology Co., Ltd. in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Company's parent company only financial statements for the year ended December 31, 2023 is described as follows:

Existence and Occurrence of Online Games Revenue

The operating revenue of the Company mainly consists of online game revenue, royalty revenue and other revenue.

Online game revenue is recognized based on game players purchasing game coins or virtual treasures through mobile platforms or game top-up platforms. As stated above, the revenue stream consists of numerous transactions from various players, often with small amounts, which collectively represent a higher portion of total operating revenue. Due to the wide variety of online games in the market, we considered the existence and occurrence of revenue from leading games as a key audit matter.

Our audit procedures performed in respect of the above key audit matter included understanding the design of the major internal controls and assessing whether they were implemented effectively. We also sampled and performed relevant audit procedures to confirm the occurrence of revenue transactions.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chih-Yi, Chang and Yi-Min, Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 2024

Notice to Readers

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

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

USERJOY TECHNOLOGY CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 297,758	15	\$ 358,889	19
Financial assets at fair value through other comprehensive income - current (Notes 4 and 7)	402,529	20	259,566	14
Financial assets at amortized cost - current (Notes 4 and 8)	586,673	30	851,051	44
Notes receivable (Notes 4 and 9)	-	-	10	-
Trade receivables (Notes 4 and 9)	192,163	10	159,173	8
Trade receivables from related parties (Notes 4, 9 and 26)	36,499	2	31,016	2
Current tax assets (Notes 4 and 21)	12,619	1	10,496	1
Other current assets (Notes 15 and 26)	<u>67,706</u>	<u>3</u>	<u>45,692</u>	<u>2</u>
Total current assets	<u>1,595,947</u>	<u>81</u>	<u>1,715,893</u>	<u>90</u>
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4 and 8)	36,000	2	-	-
Investments accounted for using the equity method (Notes 4 and 10)	44,545	2	40,804	2
Property, plant and equipment (Notes 4 and 12)	97,829	5	99,756	5
Right-of-use assets (Notes 4 and 13)	8,153	-	7,393	1
Other intangible assets (Notes 4, 14 and 26)	21,925	1	44,529	2
Deferred tax assets (Notes 4 and 21)	2,460	-	2,840	-
Other non-current assets (Note 15)	<u>166,570</u>	<u>9</u>	<u>2,953</u>	<u>-</u>
Total non-current assets	<u>377,482</u>	<u>19</u>	<u>198,275</u>	<u>10</u>
TOTAL	<u>\$ 1,973,429</u>	<u>100</u>	<u>\$ 1,914,168</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade payables	\$ 44,161	2	\$ 51,850	3
Trade payables to related parties (Note 26)	-	-	234	-
Other payables (Notes 16 and 26)	287,437	15	260,934	14
Other payables to related parties (Note 26)	88	-	1,151	-
Current tax liabilities (Notes 4 and 21)	-	-	7,884	-
Lease liabilities - current (Notes 4 and 13)	7,079	-	5,431	-
Other current liabilities	<u>63,292</u>	<u>3</u>	<u>49,724</u>	<u>3</u>
Total current liabilities	<u>402,057</u>	<u>20</u>	<u>377,208</u>	<u>20</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 21)	10,720	1	11,410	1
Lease liabilities - non-current (Notes 4 and 13)	1,100	-	1,944	-
Net defined benefit liabilities non-current (Notes 4 and 17)	601	-	596	-
Credit balance of investments accounted for using equity method (Notes 4 and 10)	<u>23,722</u>	<u>1</u>	<u>9,976</u>	<u>-</u>
Total non-current liabilities	<u>36,143</u>	<u>2</u>	<u>23,926</u>	<u>1</u>
Total liabilities	<u>438,200</u>	<u>22</u>	<u>401,134</u>	<u>21</u>
EQUITY (Note 18)				
Share capital				
Ordinary shares	505,866	26	481,777	25
Capital surplus				
Capital surplus - additional paid-in capital in excess of par-ordinary stock	290,991	15	290,991	15
Capital surplus - treasury stock transactions	6,119	-	6,119	-
Capital surplus - other	198	-	186	-
Retained earnings				
Legal reserve	296,545	15	264,005	14
Special reserve	5,452	-	5,452	-
Unappropriated earnings	354,641	18	453,527	24
Other equity				
Exchange differences on translation of the financial statement of foreign operations	(23,005)	(1)	(23,919)	(1)
Unrealized gain on financial assets at fair value through other comprehensive income	<u>98,422</u>	<u>5</u>	<u>34,896</u>	<u>2</u>
Total equity	<u>1,535,229</u>	<u>78</u>	<u>1,513,034</u>	<u>79</u>
TOTAL	<u>\$ 1,973,429</u>	<u>100</u>	<u>\$ 1,914,168</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 14, 2024)

USERJOY TECHNOLOGY CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 19 and 26)	\$ 1,349,564	100	\$ 1,540,683	100
OPERATING COSTS (Notes 20 and 26)	<u>67,997</u>	<u>5</u>	<u>96,536</u>	<u>6</u>
GROSS PROFIT	<u>1,281,567</u>	<u>95</u>	<u>1,444,147</u>	<u>94</u>
OPERATING EXPENSES (Notes 20 and 26)				
Selling and marketing expenses	544,749	40	628,695	41
General and administrative expenses	80,469	6	73,934	5
Research and development expenses	424,879	32	447,230	29
Expected credit gain (Note 9)	<u>(204)</u>	<u>-</u>	<u>(37,312)</u>	<u>(3)</u>
Total operating expenses	<u>1,049,893</u>	<u>78</u>	<u>1,112,547</u>	<u>72</u>
PROFIT FROM OPERATIONS	<u>231,674</u>	<u>17</u>	<u>331,600</u>	<u>22</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit of subsidiaries and associates accounted for using the equity method (Note 10)	(10,920)	(1)	(14,809)	(1)
Interest income	37,954	3	12,468	1
Dividend income	6,467	-	4,118	-
Other income (Note 26)	941	-	4,095	-
Other gains and losses	-	-	2	-
Other expense	(2)	-	(1,152)	-
Foreign exchange (loss) gains, net (Notes 4 and 20)	(6,569)	-	59,341	4
Interest expense	<u>(295)</u>	<u>-</u>	<u>(224)</u>	<u>-</u>
Total non-operating income and expenses	<u>27,576</u>	<u>2</u>	<u>63,839</u>	<u>4</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	259,250	19	395,439	26
INCOME TAX EXPENSE (Notes 4 and 21)	<u>44,795</u>	<u>3</u>	<u>71,791</u>	<u>5</u>
NET PROFIT FOR THE YEAR	<u>214,455</u>	<u>16</u>	<u>323,648</u>	<u>21</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(177)	-	1,756	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income (Note 18)	67,808	5	(21,401)	(1)

(Continued)

USERJOY TECHNOLOGY CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations (Note 18)	\$ 914	-	\$ 2,860	-
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income (Note 18)	4,160	-	(9,927)	(1)
Share of the other comprehensive income (loss) of associates accounted for using the equity method (Note 10)	-	-	665	-
Other comprehensive income (loss) for the year, net of income tax	<u>72,705</u>	<u>5</u>	<u>(26,047)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 287,160</u>	<u>21</u>	<u>\$ 297,601</u>	<u>19</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ 4.24</u>		<u>\$ 6.40</u>	
Diluted	<u>\$ 4.21</u>		<u>\$ 6.36</u>	

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

(With Deloitte & Touche auditors' report dated March 14, 2024)

(Concluded)

USERJOY TECHNOLOGY CO., LTD.

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	Capital Surplus				Retained Earnings			Other Equity		Total Equity
	Share Capital	Additional Paid-in Capital in Excess of Par-ordinary Shares	Treasury Share Transactions	Other	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2022	\$ 481,777	\$ 290,991	\$ 6,119	\$ 186	\$ 234,898	\$ 7,787	\$ 395,782	\$ (27,444)	\$ 66,224	\$ 1,456,320
Appropriation of 2021 earnings (Note 18)										
Legal reserve	-	-	-	-	29,107	-	(29,107)	-	-	-
Special reserve	-	-	-	-	-	(2,335)	2,335	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(240,887)	-	-	(240,887)
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	323,648	-	-	323,648
Other comprehensive (loss) income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	1,756	3,525	(31,328)	(26,047)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	325,404	3,525	(31,328)	297,601
BALANCE AT DECEMBER 31, 2022	481,777	290,991	6,119	186	264,005	5,452	453,527	(23,919)	34,896	1,513,034
Appropriation of 2022 earnings (Note 18)										
Legal reserve	-	-	-	-	32,540	-	(32,540)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(264,977)	-	-	(264,977)
Share dividends distributed by the Company	24,089	-	-	-	-	-	(24,089)	-	-	-
Changes in capital surplus	-	-	-	12	-	-	-	-	-	12
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	8,442	-	(8,442)	-
Net profit for the year ended December 31, 2023	-	-	-	-	-	-	214,455	-	-	214,455
Other comprehensive (loss) income for the year ended December 31, 2023, net of income tax	-	-	-	-	-	-	(177)	914	71,968	72,705
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	214,278	914	71,968	287,160
BALANCE AT DECEMBER 31, 2023	\$ 505,866	\$ 290,991	\$ 6,119	\$ 198	\$ 296,545	\$ 5,452	\$ 354,641	\$ (23,005)	\$ 98,422	\$ 1,535,229

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

(With Deloitte & Touche auditors' report dated March 14, 2024)

USERJOY TECHNOLOGY CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 259,250	\$ 395,439
Adjustments for:		
Depreciation expense	15,279	13,081
Amortization expense	48,399	19,524
Expected credit loss reversed on trade receivables	(204)	(37,312)
Interest expenses	295	224
Interest income	(37,954)	(12,468)
Dividend income	(6,467)	(4,118)
Share of profit of subsidiaries and associates accounted for using the equity method	10,920	14,809
Net gain on foreign currency exchange	(57)	(7,729)
Loss on lease modification	-	(2)
Changes in operating assets and liabilities		
Notes receivable	10	56
Trade receivables	(32,786)	132,478
Trade receivables from related parties	(5,483)	4,982
Other current assets	(21,070)	18,134
Other non-current assets	59	(112)
Trade payable	(7,689)	9,587
Trade payable to related parties	(234)	234
Other payables	25,452	(52,816)
Other current liabilities	13,568	(8,326)
Net defined benefit liabilities	(172)	(184)
Cash generated from operations	261,116	485,481
Income tax paid	(55,112)	(70,580)
Net cash generated from operating activities	<u>206,004</u>	<u>414,901</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(91,036)	-
Disposal of financial assets at fair value through other comprehensive income	19,858	-
Purchase of financial assets at amortized cost	(164,244)	(517,378)
Proceeds from sale of financial assets at amortized cost	392,622	179,727
Purchase of investments accounted for using the equity method	-	(8,000)
Prepayments for building and land	(163,670)	-
Payments for property, plant and equipment	(3,547)	(8,472)
Proceeds from disposal of intangible assets	89	-
Increase in refundable deposits	(6)	(438)
Payments for intangible assets	(25,884)	(28,096)
Interest received	37,010	12,405
Dividend received	6,706	4,321
Net cash generated from (used in) investing activities	<u>7,898</u>	<u>(365,931)</u>

(Continued)

USERJOY TECHNOLOGY CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	\$ (10,056)	\$ (8,878)
Payments for cash dividends	<u>(264,977)</u>	<u>(240,887)</u>
Net cash used in financing activities	<u>(275,033)</u>	<u>(249,765)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(61,131)	(200,795)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>358,889</u>	<u>559,684</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 297,758</u>	<u>\$ 358,889</u>

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

(With Deloitte & Touche auditors' report dated March 14, 2024)

(Concluded)

USERJOY TECHNOLOGY CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

1. GENERAL INFORMATION

UserJoy Technology Co., Ltd., formerly known as Userjoy Technology Corporation, was incorporated on May 19, 1995 and officially changed its name to UserJoy Technology Co., Ltd. (the “Company”) under the resolution approved by the shareholders in their meeting on October 15, 2004. The Company is mainly engaged in the design, research and development and sale of game software.

The Company’s shares have been traded on the Taipei Exchange (TPEX) since April 18, 2008.

The financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company’s board of directors on March 14, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of other standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

- a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

- b. Basic of preparation

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

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries, associates and joint ventures. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries, associates and joint ventures.

c. Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

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

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

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

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting parent company only financial statements, the financial statements of foreign operations (including subsidiaries and associates in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

e. Investment in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

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

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the 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. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

f. Investment in associates

An associate is an entity over which the Company has significant influence and which is not a subsidiary.

The Company uses the equity method to account for its investments in associates.

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

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

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

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

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

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's parent company only financial statements only to the extent of interests in the associate that are not related to the Company.

g. Joint operations

A joint operation is a joint arrangement whereby the Company and other parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

Any acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business should be treated as a business combination, except when the parties sharing joint control are under the common control of the same ultimate controlling party or parties both before and after the acquisition and that control is not transitory.

The Company recognizes the following items in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly.
- Its liabilities, including its share of any liabilities incurred jointly.
- Its revenue from the sale of its share of the output arising from the joint operation.
- Its share of the revenue from the sale of the output of the joint operation.
- Its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenue and expenses.

h. Property, plant and equipment

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

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

i. Intangible assets

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

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

j. Impairment of property, plant and equipment, right-of-use asset and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset, and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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

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

k. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

Financial assets

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

1) Measurement categories

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

a) Financial assets at amortized cost

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

- i. The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii. Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

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

- i Significant financial difficulty of the issuer or the borrower;
- ii Breach of contract, such as a default;
- iii It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities 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.

b) Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- i. The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and
- ii. The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

c) Investments in equity instruments at FVTOCI

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

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

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

2) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), investments in debt instruments that are measured at FVTOCI.

The Company always recognizes lifetime Expected Credit Losses (ECLs) for trade receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on 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 ECLs.

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

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

- a) Internal or external information shows that the debtor is unlikely to pay its creditors.
- b) Financial asset is more than 360 days (Group A) and more than 540 days (Group B) past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

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

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 a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

l. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

m. Revenue recognition

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

1) Revenue from the rendering of services

Revenue from the rendering of services is recognized when services are already rendered.

2) Royalty revenue

The royalty revenue is recognized as the terms of agreement which decided by the sales or other measurement.

n. Leases

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

1) The Company as lessor

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

Lease payments less any lease incentives payable from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Company as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Company by the end of the lease terms or if the costs of right-of-use assets reflect that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss.

For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the parent company only balance sheets.

o. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

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

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

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

4) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognizes any related restructuring costs.

p. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

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

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

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

3) Current and deferred taxes

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.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company’s accounting policies, management is required to make judgments, estimations, and assumptions on 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.

When developing material accounting estimates, the Company considers the possible impact on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	2023	2022
Cash on hand	\$ 110	\$ 90
Checking accounts and cash in banks	186,097	200,743
Cash equivalents		
Investment with original maturities of 3 months or less	<u>111,551</u>	<u>158,056</u>
	<u>\$ 297,758</u>	<u>\$ 358,889</u>

The market rate intervals of cash in the bank and investment with original maturities of 3 months or less at the end of the year were as follows:

	<u>December 31</u>	
	2023	2022
Cash in the bank	0.001%-1.45%	0.001%-1.05%
Investment with original maturities of 3 months or less	1.12%-5.55%	0.85%-4.02%

As of December 31, 2023 and 2022, time deposits with original maturities of more than 3 months which are classified as financial assets measured at amortized cost were \$622,673 thousand and \$851,051 thousand respectively. Refer to Note 8.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	\$ 229,323	\$ 181,613
Investments in debt instruments at FVTOCI	<u>173,206</u>	<u>77,953</u>
	<u>\$ 402,529</u>	<u>\$ 259,566</u>

a. Investments in equity instruments at FVTOCI

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Domestic investments		
Listed shares and emerging market shares		
Ordinary shares - Taiwan Mobile Co., Ltd.	\$ 29,580	\$ 28,410
Ordinary shares - Fullerton Technology Co., Ltd.	2,896	4,937
Ordinary shares - WPG Holdings Limited.	13,382	17,701
Ordinary shares - Fun Yours Technology Co., Ltd.	145,929	93,821
Ordinary shares - Chunghwa Telecom Co., Ltd.	24,000	22,600
Preference shares - Bank of Kaohsiung Co., Ltd.	<u>13,536</u>	<u>14,144</u>
	<u>\$ 229,323</u>	<u>\$ 181,613</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

b. Investments in debt instruments at FVTOCI

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Foreign investments		
Corporate bonds - AT&T Corporate Bonds denominated in U.S. dollars	\$ 38,042	\$ 37,403
Corporate bonds - Ford Motor Corporate Bonds denominated in U.S. dollars	41,466	40,550
Corporate bonds - Amazon Corporate Bonds denominated in U.S. dollars	30,782	-

(Continued)

	<u>December 31</u>	
	2023	2022
Corporate bonds - 3M Corporate Bonds denominated in U.S. dollars	\$ 30,741	\$ -
Corporate bonds - Intel Corporate Bonds denominated in U.S. dollars	<u>32,175</u>	<u>-</u>
	<u>\$ 173,206</u>	<u>\$ 77,953</u>
		(Concluded)

- 1) In December 2020, the Company bought 10-year corporate bonds issued by Company AT&T with a coupon rate of 4.25% and an effective interest rate range of 0.92%-1.31%.
- 2) In December 2020, the Company bought 10-year corporate bonds issued by Company Ford with a coupon rate of 4.346% and an effective interest rate range of 2.75%-2.85%.
- 3) In May 2023, the Company bought 30-year corporate bonds issued by Amazon with a coupon rate of 4.95% and an effective interest rate range of 4.73%-4.76%.
- 4) In May 2023, the Company bought 30-year corporate bonds issued by 3M with a coupon rate of 3.625% and an effective interest rate range of 8.10%-8.13%.
- 5) In May 2023, the Company bought 30-year corporate bonds issued by Intel with a coupon rate of 4.8% and an effective interest rate range of 6.12%-6.17%.

8. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	2023	2022
<u>Current</u>		
Domestic investments		
Time deposits with original maturities of more than 3 months	<u>\$ 586,673</u>	<u>\$ 851,051</u>
<u>Non-current</u>		
Domestic investments		
Time deposits with original maturities of more than 3 months	<u>\$ 36,000</u>	<u>\$ -</u>

As of December 31, 2023 and 2022, the interest rate ranges of time deposits with original maturities of more than 3 months were 1.24%-5.68% and 0.765%-4.90%.

9. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLES

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ -	\$ 10
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 10</u>
<u>Accounts receivables</u>		
At amortized cost		
Gross carrying amount	\$ 201,637	\$ 168,852
Less: Allowance for impairment loss	<u>(9,474)</u>	<u>(9,679)</u>
	<u>\$ 192,163</u>	<u>\$ 159,173</u>
<u>Accounts receivables from related parties</u>		
At amortized cost		
Gross carrying amount (Note 26)	\$ 36,499	\$ 31,016
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 36,499</u>	<u>\$ 31,016</u>

The Company's average credit period of royalties and sales of games is 30 to 120 days. When determining the recoverability of accounts receivable, the Company considers the changes in credit quality of the accounts receivable from the original credit date to the balance sheet date. Allowance for bad debts is made with reference to the aging analysis, historical experience and the current financial situation of customers to estimate the amount that cannot be recovered.

The Company adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from independent rating agencies where available, or if such information is not available, the Company uses other publicly available financial information or its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using the aging loss rate method and the individual customer assessment method prepared by reference to the past default records of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook.

The Company writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade and note receivables (included related parties) based on the Company's aging loss rate method and the individual customer assessment method:

December 31, 2023

Group A

	0 to 180 Days	181 to 360 Days	Over 361 Days	Total
Expected credit loss rate	-	25%	100%	
Gross carrying amount	\$ 171,722	\$ 9,963	\$ 20,331	\$ 202,016
Loss allowance (lifetime ECLs)	-	(74)	(45)	(119)
Loss allowance (individual customer ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 171,722</u>	<u>\$ 9,889</u>	<u>\$ 20,286</u>	<u>\$ 201,897</u>

Group B

	0 to 180 Days	181 to 270 Days	271 to 360 Days	Over 361 Days	Total
Expected credit loss rate	-	5%	20%	50%-100%	
Gross carrying amount	\$ 26,765	\$ -	\$ -	\$ 9,355	\$ 36,120
Loss allowance (lifetime ECLs)	-	-	-	-	-
Loss allowance (individual customer ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,355)</u>	<u>(9,355)</u>
Amortized cost	<u>\$ 26,765</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,765</u>

December 31, 2022

Group A

	0 to 180 Days	181 to 360 Days	Over 361 Days	Total
Expected credit loss rate	-	25%	100%	
Gross carrying amount	\$ 129,417	\$ 10,506	\$ 39	\$ 139,962
Loss allowance (lifetime ECLs)	-	(163)	(38)	(201)
Loss allowance (individual customer ECLs)	<u>(2)</u>	<u>-</u>	<u>(1)</u>	<u>(3)</u>
Amortized cost	<u>\$ 129,415</u>	<u>\$ 10,343</u>	<u>\$ -</u>	<u>\$ 139,758</u>

Group B

	0 to 180 Days	181 to 270 Days	271 to 360 Days	Over 361 Days	Total
Expected credit loss rate	-	5%	20%	50%-100%	
Gross carrying amount	\$ 48,164	\$ 2,397	\$ -	\$ 9,355	\$ 59,916
Loss allowance (lifetime ECLs)	-	(120)	-	-	(120)
Loss allowance (individual customer ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,355)</u>	<u>(9,355)</u>
Amortized cost	<u>\$ 48,164</u>	<u>\$ 2,277</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,441</u>

The above is an aging analysis based on the original credit.

The movements of the loss allowance of notes receivable and trade receivables were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 9,679	\$ 48,584
Add: Net remeasurement of loss allowance	(204)	(37,312)
Less: Amounts written off	<u>(1)</u>	<u>(1,593)</u>
Balance at December 31	<u>\$ 9,474</u>	<u>\$ 9,679</u>

Compared to January 1, 2023 and 2022, the increase in trade receivables amounted to \$32,785 thousand and decrease in trade receivables amounted to \$134,071 thousand on December 31, 2023 and 2022, respectively. Changes in the amounts of the overdue accounts receivable resulted in a decrease in loss allowance of \$204 thousand and \$37,312 thousand on December 31, 2023 and 2022, respectively.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
Investments in subsidiaries	\$ 38,818	\$ 33,966
Investments in associates	<u>5,727</u>	<u>6,838</u>
	<u>\$ 44,545</u>	<u>\$ 40,804</u>

a. Investments in subsidiaries

	December 31	
	2023	2022
Userjoy Technology Co., Ltd.	\$ 5,856	\$ 4,950
Richland Investments Limited	760	642
Userjoy Japan Co., Ltd.	(23,722)	(9,976)
Userjoy Hong Kong Co., Ltd.	<u>32,202</u>	<u>28,374</u>
	15,096	23,990
Credit balance of investments accounted for using the equity method	<u>23,722</u>	<u>9,976</u>
	<u>\$ 38,818</u>	<u>\$ 33,966</u>

The proportion of ownership and voting rights in subsidiaries at the balance sheet date are as follows:

Name of Subsidiary	Proportion of Ownership and Voting Rights	
	December 31	
	2023	2022
Userjoy Technology Co., Ltd.	100.00%	100.00%
Richland Investments Limited	11.49%	11.49%
Userjoy Japan Co., Ltd.	100.00%	100.00%
Userjoy Hong Kong Co., Ltd.	100.00%	100.00%

Investments of subsidiary were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were recognized in 2023 and 2022.

b. Investments in associates:

	December 31	
	2023	2022
<u>Associates that are not individually material</u>		
PT. Userjoy Technology	\$ -	\$ -
Mojoy Corporation	<u>5,727</u>	<u>6,838</u>
	<u>\$ 5,727</u>	<u>\$ 6,838</u>

The proportion of ownership and voting rights in associates at the balance sheet date are as follows:

Name of Associates	Proportion of Ownership and Voting Rights	
	December 31	
	2023	2022
PT. Userjoy Technology	-	49.00%
Mojoy Corporation	40.00%	40.00%

In May 2022, the Company acquired 40% of the shares of Mojoy Corporation with cash of \$8,000 thousand.

PT. Userjoy Technology completed the liquidation process on May 12, 2023.
For the information of the location and main business item about associates mentioned above, refer to Table 3.

Summary of the information about associates that are not individually material

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Share of the subsidiaries		
Net losses from continuing operations	\$ (1,111)	\$ (1,338)
Other comprehensive income	<u>-</u>	<u>665</u>
Total comprehensive (loss) income	<u>\$ (1,111)</u>	<u>\$ (673)</u>

11. JOINT OPERATIONS

The Company enters into a cooperation agreement with others to jointly produce television animations together. After the animations is no longer broadcasting, both parties settle the profit and loss according to the agreement. The Company recognized the share of profit in 2023 and incurred losses in 2022, respectively. For the interest of the joint operations, the Company recognized revenue and cost as follows:

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Animations revenue	<u>\$ 1,651</u>	<u>\$ 3,023</u>
Animations cost	<u>\$ 27,412</u>	<u>\$ 35,887</u>

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and Improvements	Office Equipment	Total
<u>Cost</u>				
Balance at January 1, 2023	\$ 58,914	\$ 40,098	\$ 27,409	\$ 126,421
Additions	<u>-</u>	<u>-</u>	<u>3,547</u>	<u>3,547</u>
Balance at December 31, 2023	<u>\$ 58,914</u>	<u>\$ 40,098</u>	<u>\$ 30,956</u>	<u>\$ 129,968</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2023	\$ -	\$ 14,363	\$ 12,302	\$ 26,665
Depreciation expense	<u>-</u>	<u>761</u>	<u>4,713</u>	<u>5,474</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 15,124</u>	<u>\$ 17,015</u>	<u>\$ 32,139</u>
Carrying amount at December 31, 2023	<u>\$ 58,914</u>	<u>\$ 24,974</u>	<u>\$ 13,941</u>	<u>\$ 97,829</u>

(Continued)

	Land	Buildings and Improvements	Office Equipment	Total
<u>Cost</u>				
Balance at January 1, 2022	\$ 58,914	\$ 40,098	\$ 18,937	\$ 117,949
Additions	<u>-</u>	<u>-</u>	<u>8,472</u>	<u>8,472</u>
Balance at December 31, 2022	<u>\$ 58,914</u>	<u>\$ 40,098</u>	<u>\$ 27,409</u>	<u>\$ 126,421</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2022	\$ -	\$ 13,603	\$ 8,566	\$ 22,169
Depreciation expense	<u>-</u>	<u>760</u>	<u>3,736</u>	<u>4,496</u>
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 14,363</u>	<u>\$ 12,302</u>	<u>\$ 26,665</u>
Carrying amount at December 31, 2022	<u>\$ 58,914</u>	<u>\$ 25,735</u>	<u>\$ 15,107</u>	<u>\$ 99,756</u> (Concluded)

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

Buildings and improvements	50 years
Engineering system	3-15 years
Office equipment	3-6 years

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Carrying amount</u>		
Buildings	<u>\$ 8,153</u>	<u>\$ 7,393</u>
Additions to right-of-use assets	<u>\$ 10,565</u>	<u>\$ 9,198</u>
Disposals to right-of-use assets	<u>\$ -</u>	<u>\$ (123)</u>
<u>Depreciation charge for right-of-use assets</u>		
Buildings	<u>\$ 9,805</u>	<u>\$ 8,585</u>

b. Lease liabilities

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Carrying amount</u>		
Current	<u>\$ 7,079</u>	<u>\$ 5,431</u>
Non-current	<u>\$ 1,100</u>	<u>\$ 1,944</u>

Range of discount rates for lease liabilities was as follows:

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Buildings	1.47%-2.96%	1.47%-2.59%

c. Material leasing activities and term

The Company leases certain buildings for the use of product design and R&D offices with lease terms of 3 to 4 years. These arrangements do not contain renewal or purchase options at the end of the lease terms. Also the Company is prohibited from subleasing or transferring all of any portion of the underlying assets without the lessors consent.

d. Other lease information

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Expenses relating to short-term leases	<u>\$ 1,039</u>	<u>\$ 1,315</u>
Expenses relating to low-value asset leases	<u>\$ 63</u>	<u>\$ 61</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 18</u>	<u>\$ 10</u>
Total cash outflow for leases	<u>\$ (11,176)</u>	<u>\$ (10,264)</u>

The Company's leases of certain parking space qualify as short-term leases and leases of certain office equipment qualify as low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. OTHER INTANGIBLE ASSETS

	Computer Software Costs
<u>Cost</u>	
Balance at January 1, 2023	\$ 180,890
Additions	25,884
Disposals	<u>(48,897)</u>
Balance at December 31, 2023	<u>\$ 157,877</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2023	\$ 136,361
Depreciation expense	48,399
Disposals	<u>(48,808)</u>
Balance at December 31, 2023	<u>\$ 135,952</u>
Carrying amount at December 31, 2023	<u>\$ 21,925</u>

(Continued)

	Computer Software Costs
<u>Cost</u>	
Balance at January 1, 2022	\$ 152,794
Additions	<u>28,096</u>
Balance at December 31, 2022	<u>\$ 180,890</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2022	\$ 116,837
Depreciation expense	<u>19,524</u>
Balance at December 31, 2022	<u>\$ 136,361</u>
Carrying amount at December 31, 2022	<u>\$ 44,529</u>
	(Concluded)

Other intangible assets stated above are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software 1-10 years

15. OTHER ASSETS

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Prepayments	\$ 57,431	\$ 37,787
Temporary payments	1,945	3,884
Other receivables	5,844	653
Others	<u>2,486</u>	<u>3,368</u>
	<u>\$ 67,706</u>	<u>\$ 45,692</u>
<u>Non-current</u>		
Prepayments for building and land	\$ 163,670	\$ -
Refundable deposits	2,847	2,841
Others	<u>53</u>	<u>112</u>
	<u>\$ 166,570</u>	<u>\$ 2,953</u>

Prepayments for building and land are primarily for the purchase of building for the use of an office with completion of handover in the first quarter of 2024.

16. OTHER PAYABLES

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Payable for salaries	\$ 83,065	\$ 87,783
Payable for compensation of employees	16,726	21,034
Payable for value added tax	6,523	5,494
Payable for remuneration of directors and supervisors	2,788	4,207
Payable for advertisements	52,547	34,877
Payable for commissions	9	25,750
Others	<u>125,779</u>	<u>81,789</u>
	<u>\$ 287,437</u>	<u>\$ 260,934</u>

17. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contribute amounts equal to 5% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The Company adopted a pension plan specifically for appointed manager, which is also a defined benefit plan. Pension benefits are calculated on the basis of the length of service and monthly salary at the time of approved retirement.

The amounts included in the parent company only balance sheets in respect of the Company's defined benefit plans are as follows:

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Present value of defined benefit obligation	\$ 12,678	\$ 12,110
Fair value of plan assets	<u>(12,077)</u>	<u>(11,514)</u>
Net defined benefit assets	<u>\$ 601</u>	<u>\$ 596</u>
Presented in other non-current assets	<u>\$ -</u>	<u>\$ -</u>
Presented in accrued pension liabilities	<u>\$ 601</u>	<u>\$ 596</u>

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2022	\$ <u>12,875</u>	\$ <u>(10,339)</u>	\$ <u>2,536</u>
Service cost			
Current service cost	108	-	108
Net interest expense (income)	<u>97</u>	<u>(79)</u>	<u>18</u>
Recognized in profit or loss	<u>205</u>	<u>(79)</u>	<u>126</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(786)	(786)
Actuarial (gain) loss - changes in financial assumptions	(1,279)	-	(1,279)
Actuarial (gain) loss - experience adjustments	<u>309</u>	<u>-</u>	<u>309</u>
Recognized in other comprehensive income	<u>(970)</u>	<u>(786)</u>	<u>(1,756)</u>
Contributions from the employer	<u>-</u>	<u>(310)</u>	<u>(310)</u>
Benefits paid	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2022	\$ <u>12,110</u>	\$ <u>(11,514)</u>	\$ <u>596</u>
Balance at January 1, 2023	\$ <u>12,110</u>	\$ <u>(11,514)</u>	\$ <u>596</u>
Service cost			
Current service cost	102	-	102
Liabilities extinguish on settlement	41	-	41
Net interest expense (income)	<u>178</u>	<u>(176)</u>	<u>2</u>
Recognized in profit or loss	<u>321</u>	<u>(176)</u>	<u>145</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(70)	(70)
Actuarial (gain) loss - changes in financial assumptions	201	-	201
Actuarial (gain) loss - experience adjustments	<u>46</u>	<u>-</u>	<u>46</u>
Recognized in other comprehensive income	<u>247</u>	<u>(70)</u>	<u>177</u>
Contributions from the employer	<u>-</u>	<u>(317)</u>	<u>(317)</u>
Benefits paid	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2023	\$ <u>12,678</u>	\$ <u>(12,077)</u>	\$ <u>601</u>

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2023	2022
Selling and marketing expenses	\$ 27	\$ 24
General and administrative expenses	12	9
Research and development expenses	<u>106</u>	<u>93</u>
	<u>\$ 145</u>	<u>\$ 126</u>

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government and corporate bond will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2023	2022
Discount rates	1.25%-1.375%	1.38%-1.50%
Long term average rate of salary increase	3.25%	3.25%

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

	December 31	
	2023	2022
Discount rates		
0.25% increase	<u>\$ (319)</u>	<u>\$ (406)</u>
0.25% decrease	<u>\$ 332</u>	<u>\$ 424</u>
Long term average rate of salary increase		
0.25% increase	<u>\$ 321</u>	<u>\$ 410</u>
0.25% decrease	<u>\$ (310)</u>	<u>\$ (395)</u>

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

	December 31	
	2023	2022
Expected contributions to the plans for the next year	<u>\$ 291</u>	<u>\$ 324</u>
Average duration of the defined benefit obligation	10.9-13.7 years	11.7-14.5 years

18. EQUITY

a. Share capital

Ordinary shares

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Number of authorized shares (in thousands of shares)	<u>80,000</u>	<u>80,000</u>
Amount of authorized shares	<u>\$ 800,000</u>	<u>\$ 800,000</u>
Number of issued and fully paid shares (in thousands of shares)	<u>50,586</u>	<u>48,177</u>
Amount of issued shares	<u>\$ 505,866</u>	<u>\$ 481,777</u>

As of December 31, 2022, the Company's paid-in capital was \$481,777 thousand consisting of 48,177 thousand shares of ordinary shares with a par value of \$10. The holder of each share has the right to dividends and to vote.

After the share dividends of \$24,089 thousand has been distributed on August 2023, as of December 31, 2023, the Company's paid-in capital was \$505,866 thousand, consisting of 50,586 thousand shares with a par value of \$10. The holder of each share has the right to dividends and to vote.

b. Capital surplus

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>May be used to offset a deficit, distributed as cash dividends or transferred to share capital (Note)</u>		
Issuance of ordinary shares	\$ 290,991	\$ 290,991
Treasury share transactions	6,119	6,119
Expired employee share options	178	178
<u>May only be used to offset a deficit</u>		
Dividends expired	<u>20</u>	<u>8</u>
	<u>\$ 297,308</u>	<u>\$ 297,296</u>

Note: 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 transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 20-c.

The Company is currently in the growth phase. Thus, considering the future funding needs and long-term financial planning, the Company would distribute more than 50% of the distributable earnings as dividends, including more than 10% as cash dividends. However, the actual distribution could amend based on the current financial performance and the future financial plan.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2022 and 2021 that were resolved by the shareholders in their meetings on June 28, 2023 and June 29, 2022, respectively were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Legal reserve	\$ 32,540	\$ 29,107	\$ -	\$ -
Special reserve	-	(2,335)	-	-
Cash dividends	264,977	240,887	5.50	5.00
Share dividends	24,089	-	0.50	-

The appropriation of earnings for 2023, which was proposed by the Company's board of directors on March 14, 2024, was as follows:

	<u>Appropriation of Earnings</u>	<u>Dividends Per Share (NT\$)</u>
Legal reserve	\$ 22,272	\$ -
Cash dividends	202,346	4.00
Share dividends	25,293	0.50

The appropriation of earnings for 2023 will be resolved by the shareholders in their meeting to be held on June 26, 2024.

d. Special reserve

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 5,452	\$ 7,787
Appropriations in respect of Debits to other equity items	<u>-</u>	<u>(2,335)</u>
Balance at December 31	<u>\$ 5,452</u>	<u>\$ 5,452</u>

On the first time adoption of IFRSs, the Company transferred \$5,452 thousand of cumulative translation exchange differences on translating the financial statements of foreign operations to retained earnings. Meanwhile, the Company appropriated the same amounts to the special reserve.

e. Other equity items

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (23,919)	\$ (27,444)
Recognized for the year		
Exchange differences on the translation of foreign operations	914	2,860
Share from associates accounted for using the equity method	<u>-</u>	<u>665</u>
Balance at December 31	<u>\$ (23,005)</u>	<u>\$ (23,919)</u>

2) Unrealized valuation gain (loss) on financial assets at FVOCI

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 34,896	\$ 66,224
Recognized for the year		
Unrealized gain (loss) - equity instruments	67,808	(21,401)
Unrealized gain (loss) - debt instruments	4,160	(9,927)
Cumulative unrealized gain/(loss) of equity instruments transferred to retained earnings due to disposal	<u>(8,442)</u>	<u>-</u>
Balance at December 31	<u>\$ 98,422</u>	<u>\$ 34,896</u>

19. OPERATING REVENUE

	For the Year Ended December 31	
	2023	2022
Online games revenue	\$ 1,189,272	\$ 1,312,348
Royalty revenue	141,791	199,545
Other revenue	<u>18,501</u>	<u>28,790</u>
	<u>\$ 1,349,564</u>	<u>\$ 1,540,683</u>

20. NET PROFIT FROM CONTINUING OPERATIONS

a. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	\$ 5,474	\$ 4,496
Right-of-use assets	9,805	8,585
Investment properties	<u>48,399</u>	<u>19,524</u>
	<u>\$ 63,678</u>	<u>\$ 32,605</u>

(Continued)

	<u>For the Year Ended December 31</u>	
	2023	2022
An analysis of depreciation by function		
Operating costs	\$ -	\$ -
Operating expenses	<u>15,279</u>	<u>13,081</u>
	<u>\$ 15,279</u>	<u>\$ 13,081</u>
An analysis of amortization by function		
Operating costs	\$ 27,680	\$ 987
Operating expenses	<u>20,719</u>	<u>18,537</u>
	<u>\$ 48,399</u>	<u>\$ 19,524</u>

(Concluded)

b. Employee benefits expense

	<u>For the Year Ended December 31</u>	
	2023	2022
Short-term employment benefits	\$ 498,522	\$ 480,183
Post-employment benefits		
Defined contribution plan	20,191	19,086
Defined benefit plans	145	126
Other employee benefits	<u>3,176</u>	<u>3,713</u>
Total employee benefits expense	<u>\$ 522,034</u>	<u>\$ 503,108</u>
An analysis of employee benefits expense by function		
Operating costs	\$ -	\$ -
Operating expenses	<u>522,034</u>	<u>503,108</u>
	<u>\$ 522,034</u>	<u>\$ 503,108</u>

c. Compensation of employees and remuneration of directors and supervisors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors and supervisors at rates of no less than 3% and no higher than 15%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors. The compensation of employees and the remuneration of directors and supervisors for the year ended December 31, 2023 and 2022 which were approved by the Company's board of directors on March 14, 2024 and March 23, 2023, respectively are as follows:

Accrual rate

	<u>For the Year Ended December 31</u>	
	2023	2022
Compensation of employees	6%	5%
Remuneration of directors and supervisors	1%	1%

Amount

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Compensation of employees	\$ <u>16,726</u>	\$ <u>21,034</u>
Remuneration of directors and supervisors	\$ <u>2,788</u>	\$ <u>4,207</u>

If there is a change in the amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the parent company only financial statements for the years ended December 31, 2023 and 2022.

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

d. Gains or losses on foreign currency exchange

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Foreign exchange gains	\$ -	\$ 59,341
Foreign exchange losses	<u>(6,569)</u>	<u>-</u>
Net gains or losses	\$ <u>(6,569)</u>	\$ <u>59,341</u>

21. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Current tax		
In respect of the current year	\$ 53,140	\$ 61,960
Income tax on unappropriated earnings	190	1,170
Adjustments for prior year	(8,224)	(10,929)
Deferred tax		
In respect of the current year	<u>(311)</u>	<u>19,590</u>
Income tax expense recognized in profit or loss	\$ <u>44,795</u>	\$ <u>71,791</u>

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

	For the Year Ended December 31	
	2023	2022
Profit before tax from continuing operations	\$ <u>259,250</u>	\$ <u>395,439</u>
Income tax expense calculated at the statutory rate	\$ 51,850	\$ 79,088
Tax effect of adjusting items		
The items in determining taxable income	979	2,462
Income tax on unappropriated earnings	190	1,170
Adjustments for prior years' tax	<u>(8,224)</u>	<u>(10,929)</u>
Income tax expense recognized in profit or loss	\$ <u>44,795</u>	\$ <u>71,791</u>

b. Current tax assets and liabilities

	For the Year Ended December 31	
	2023	2022
Current tax assets		
Income tax prepaid	\$ <u>12,619</u>	\$ <u>10,496</u>
Current tax liabilities		
Income tax payable	\$ <u>-</u>	\$ <u>7,884</u>

c. Deferred tax assets

The movements of deferred tax assets and deferred tax liabilities were as follows:

	For the Year Ended December 31, 2023		
	Balance, Beginning of Year	Recognized in Profit or Loss	Balance, End of Year
<u>Deferred tax assets</u>			
Temporary differences			
Defined benefit obligations	\$ 190	\$ 90	\$ 280
Payables for unused leave	790	(30)	760
Allowance for expected credit loss	<u>1,860</u>	<u>(440)</u>	<u>1,420</u>
	\$ <u>2,840</u>	\$ <u>(380)</u>	\$ <u>2,460</u>
<u>Deferred tax liabilities</u>			
Temporary differences			
Foreign exchange gains	\$ <u>11,410</u>	\$ <u>(690)</u>	\$ <u>10,720</u>

	For the Year Ended December 31, 2022		
	Balance, Beginning of Year	Recognized in Profit or Loss	Balance, End of Year
<u>Deferred tax assets</u>			
Temporary differences			
Foreign exchange losses	\$ 710	\$ (710)	\$ -
Defined benefit obligations	230	(40)	190
Payables for unused leave	1,040	(250)	790
Allowance for expected credit loss	<u>9,040</u>	<u>(7,180)</u>	<u>1,860</u>
	<u>\$ 11,020</u>	<u>\$ (8,180)</u>	<u>\$ 2,840</u>
<u>Deferred tax liabilities</u>			
Temporary differences			
Foreign exchange gains	<u>\$ -</u>	<u>\$ 11,410</u>	<u>\$ 11,410</u>

d. Income tax assessments

The income tax returns through 2021, have been assessed by the tax authorities.

22. EARNINGS PER SHARE

	For the Year Ended December 31	
	2023	2022
<u>Net profit for the year (in thousands)</u>		
Earnings used in the computation of basic earnings per share	<u>\$ 214,455</u>	<u>\$ 323,648</u>
<u>Shares (in thousands)</u>		
Weighted average number of ordinary shares used in the computation of basic earnings per share	50,586	50,586
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>277</u>	<u>321</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>50,863</u>	<u>50,907</u>
<u>Earnings per share (in dollars)</u>		
Basic earnings per share	<u>\$ 4.24</u>	<u>\$ 6.40</u>
Diluted earnings per share	<u>\$ 4.21</u>	<u>\$ 6.36</u>

When the Company calculates the earnings per share, the impact of issuance of new bonus shares has been adjusted retrospectively. The base date of issuance of new bonus shares is August 2, 2023. Due to retrospective adjustments, the changes in basic and diluted earnings per share for the 2022 are as follows:

Unit: NT\$ Per Share

	Before Retrospective Adjustment For the Year Ended December 31, 2022	After Retrospective Adjustment For the Year Ended December 31, 2022
Basic earnings per share	<u>\$ 6.72</u>	<u>\$ 6.40</u>
Diluted earnings per share	<u>\$ 6.67</u>	<u>\$ 6.36</u>

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

23. NON-CASH TRANSACTIONS

The Company entered into the following non-cash investing and financing activities which were not reflected in the statements of cash flows for the years ended December 31, 2023 and 2022:

	<u>For the Year Ended December 31</u>	
	2023	2022
Unaffected cash flows from investing and financing activities		
Exchange differences on translation of the financial statements of foreign operations	<u>\$ 914</u>	<u>\$ 3,525</u>
Unrealized valuation gain/(loss) on financial assets at fair value through other comprehensive income	<u>\$ 71,968</u>	<u>\$ (31,328)</u>

24. CAPITAL MANAGEMENT

The Company's capital management objective is to ensure that it has the necessary financial resources and operational plan to meet the requirements for working capital, capital expenditures, research and development expenses, debt repayments and dividends spending in the next 12 months.

25. FINANCIAL INSTRUMENTS

- a. Fair value of financial instruments that are measured at fair value on a recurring basis

Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed securities in the ROC	\$ 229,323	\$ -	\$ -	\$ 229,323
Investments in debt instruments				
Foreign corporate bonds	<u>173,206</u>	<u>-</u>	<u>-</u>	<u>173,206</u>
	<u>\$ 402,529</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 402,529</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed securities in the ROC	\$ 181,613	\$ -	\$ -	\$ 181,613
Investments in debt instruments				
Foreign corporate bonds	<u>77,953</u>	<u>-</u>	<u>-</u>	<u>77,953</u>
	<u>\$ 259,566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 259,566</u>

There were no transfers between Levels 1 and 2 in the current and prior years.

- b. Categories of financial instruments

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Financial assets</u>		
Financial assets at FVTOCI - current		
Equity instruments	\$ 229,323	\$ 181,613
Debt instruments	173,206	77,953
Financial assets at amortized cost (1)	1,151,940	1,402,980
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (2)	331,686	314,169

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables from related parties and unrelated parties, and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise trade payables to related and unrelated parties and other payables to related and unrelated parties.

c. Financial risk management objectives and policies

The Company's major financial instruments included equity and debt investments, notes receivables and trade receivables from related and unrelated parties, trade payables and other payables to related parties and unrelated parties. The Company's corporate treasury function provides services to the business, and monitors and manages the financial risks relating to the operations of the Company. These risks include market risk, credit risk and liquidity risk.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

a) Foreign currency risk

The Company has foreign currency sales and purchases, which exposed the Company to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

Sensitivity analysis

The Company is mainly exposed to the U.S. dollars, Renminbi and Japanese yen.

The sensitivity analysis included only outstanding foreign currency denominated monetary items. As the following table details the Company's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e. functional currency) against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates.

	U.S. Dollar Impact		Renminbi Impact	
	2023	2022	2023	2022
Profit or loss	<u>\$ 6,970</u>	<u>\$ 5,449</u>	<u>\$ 644</u>	<u>\$ 1,909</u>
			Japanese Yen Impact	
			2023	2022
Profit or loss			<u>\$ 291</u>	<u>\$ 378</u>

b) Interest rate risk

The Company is exposed to interest rate risk because of time deposits at both fixed and floating interest rates.

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. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the management believes the Company's credit risk was significantly reduced.

3) Liquidity risk

The following table details the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Non-derivative financial liabilities</u>				
Lease liabilities	\$ <u>711</u>	\$ <u>1,660</u>	\$ <u>4,708</u>	\$ <u>1,100</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	\$ <u>7,322</u>	\$ <u>837</u>	\$ _____	\$ _____	\$ _____	\$ _____

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Non-derivative financial liabilities</u>				
Lease liabilities	\$ <u>497</u>	\$ <u>1,109</u>	\$ <u>3,825</u>	\$ <u>1,944</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	\$ <u>5,830</u>	\$ <u>1,960</u>	\$ _____	\$ _____	\$ _____	\$ _____

26. TRANSACTIONS WITH RELATED PARTIES

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Beijing Airship Software Co., Ltd.	Sub- subsidiaries
Userjoy Japan Co., Ltd.	Subsidiaries
Userjoy Hong Kong Co., Ltd.	Subsidiaries
Fun Yours Technology Co., Ltd.	Substantive related party
Mojoy Corporation	Substantive related party

b. Details of transactions between the Company and other related parties are disclosed as follows:

1) Operating revenue

	For the Year Ended December 31	
	2023	2022
Userjoy Japan Co., Ltd.	\$ 10,266	\$ 35,718
Userjoy Hong Kong Co., Ltd.	20,998	47,258
Mojoy Corporation	<u>467</u>	<u>-</u>
	<u>\$ 31,731</u>	<u>\$ 82,976</u>

The price of the sale of good were base on the terms of commerce clause.

2) Operating costs

	For the Year Ended December 31	
	2023	2022
Fun Yours Technology Co., Ltd.	\$ 1,808	\$ 5,044
Userjoy Japan Co., Ltd.	<u>6,513</u>	<u>-</u>
	<u>\$ 8,321</u>	<u>\$ 5,044</u>

3) Operating expenses

	For the Year Ended December 31	
	2023	2022
Userjoy Japan Co., Ltd.	\$ 4,948	\$ 15,693
Beijing Airship Software Co., Ltd.	<u>-</u>	<u>422</u>
	<u>\$ 4,948</u>	<u>\$ 16,115</u>

4) Receivables from related parties

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2023	2022
Trade Receivables	Userjoy Japan Co., Ltd.	\$ 28,992	\$ 28,060
	Userjoy Hong Kong Co., Ltd.	<u>7,507</u>	<u>2,956</u>
		<u>\$ 36,499</u>	<u>\$ 31,016</u>

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2023 and 2022, no expected credit losses were recognized for trade receivables from related parties.

5) Payables to related parties

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2023	2022
Trade payables	Fun Yours Technology Co., Ltd.	\$ <u>-</u>	\$ <u>234</u>
Other payables	Userjoy Japan Co., Ltd.	\$ <u>88</u>	\$ <u>1,151</u>

6) Others

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2023	2022
Other current assets	Userjoy Japan Co., Ltd.	\$ <u>8,508</u>	\$ <u>3,705</u>
Other intangible assets	Userjoy Japan Co., Ltd.	\$ <u>885</u>	\$ <u>3,148</u>
Other income	Beijing Airship Software Co., Ltd.	\$ <u>306</u>	\$ <u>50</u>

c. Remuneration of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 11,438	\$ 14,615
Post-employment benefits	<u>145</u>	<u>126</u>
	\$ <u>11,583</u>	\$ <u>14,741</u>

The remuneration of directors and other key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

27. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

The Company entered into a contract for the transaction of the property at December 5, 2023, which will be use as office. The transaction amounted to \$538,900 thousand. As of December 31,2023 the Company has paid \$163,670 thousand, accounted as other non-current assets - prepayments for building and land.

28. OTHER ITEMS

The Company operations have not been affected by the COVID-19 pandemic.

29. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities dominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Company and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
U.S. dollar	\$ 23,506	30.705	\$ 721,752
Renminbi	15,305	4.327	66,225
Japanese yen	135,687	0.2172	29,471
<u>Financial liabilities</u>			
Monetary items			
U.S. dollar	805	30.705	24,718
Renminbi	416	4.327	1,800
Japanese yen	1,501	0.2172	326

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
U.S. dollar	\$ 18,869	30.71	\$ 579,470
Renminbi	43,316	4.408	190,937
Japanese yen	162,838	0.2324	37,844
<u>Investments accounted for using equity method</u>			
U.S. dollar	1,106	30.71	33,966
<u>Financial liabilities</u>			
Monetary items			
U.S. dollar	1,126	30.71	34,579
Renminbi	1,308	4.408	5,766

30. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others (None)
- 2) Endorsements/guarantees provided (None)

- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 1)
 - 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (None)
 - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Note 2)
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
 - 9) Trading in derivative instrument (None)
- b. Information on investees. (Table 3)
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 4)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 4):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds;
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 5)

31. SEGMENT INFORMATION

The parent company only financial statements will not disclose the segment information because related information has been disclosed in the consolidated financial statements.

USERJOY TECHNOLOGY CO., LTD.

MARKETABLE SECURITIES HELD

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Issuer of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
UserJoy Technology Co., Ltd.	<u>Shares</u>							
	Fullerton Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	129,000	\$ 2,896	0.11	\$ 2,896	
	WPG Holdings Limited.	-	"	164,000	13,382	0.01	13,382	
	Taiwan Mobile Co., Ltd.	-	"	300,000	29,580	0.01	29,580	
	Fun Yours Technology Co., Ltd.	Substantive related party	"	2,587,387	145,929	11.93	145,929	
	Chunghwa Telecom Co., Ltd.	-	"	200,000	24,000	-	24,000	
	9SPlay Entertainment Technology Co., Ltd.	-	"	383,132	-	2.22	-	
	Bank Of Kaohsiung Co., Ltd.	-	"	640,000	13,536	0.05	13,536	
	<u>Bonds</u>							
	AT&T Corporate Bonds denominated in U.S. dollars	-	Financial assets at fair value through other comprehensive income - current	1,252,000	38,042	-	38,042	
	Ford Motor Corporate Bonds denominated in U.S. dollars	-	"	1,386,000	41,466	-	41,466	
	Amazon Corporate Bonds denominated in U.S. dollars	-	"	967,000	30,782	-	30,782	
	3M Corporate Bonds denominated in U.S. dollars	-	"	1,305,000	30,741	-	30,741	
	Intel Corporation Bonds denominated in U.S. dollars	-	"	1,071,000	32,175	-	32,175	

Note: Amounts are stated in original investment amount.

USERJOY TECHNOLOGY CO., LTD.

**ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)**

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
UserJoy Technology Co., Ltd.	Office equipment	December 5, 2023	\$ 538,900	Based on the terms of contract (Note)	YI-LI-GUANG Industrial Co., Ltd.	-	-	-	-	-	Based on market price	Used in operation	-

Note: UseJoy has paid \$163,670 thousand dollars as of December 31, 2023.

USERJOY TECHNOLOGY CO., LTD.**NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2023**

Information of investees that UserJoy Technology Co., Ltd. has controlling power or significant influence was as follows (in thousands of New Taiwan dollars, U.S. dollars and Hong Kong dollars):

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
UserJoy Technology Co., Ltd.	Userjoy Technology Co., Ltd. (Samoa)	Samoa Islands	Investment holding	\$ 51,060	\$ 51,060	US\$ 1,569,900	100.00	\$ 5,856	\$ 1,011	\$ 1,011	
	Richland Investments Limited	"	"	(US\$ 1,569,900)	(US\$ 1,569,900)	(Note 1)					
				6,404	6,404	US\$ 193,800	11.49	760	1,142	131	
				(US\$ 193,800)	(US\$ 193,800)	(Note 1)					
	Userjoy Japan Co., Ltd.	Japan	Sales of computer games software	51,656	51,656	19,177	100.00	(23,722)	(14,785)	(14,785)	
				(JPY 177,773,806)	(JPY 177,773,806)						
Userjoy Hong Kong Co., Ltd.	Hong Kong	"	"	26,496	26,496	HK\$ 6,240,000	100.00	32,202	3,834	3,834	
				(HK\$ 6,240,000)	(HK\$ 6,240,000)	(Note 1)					
PT. Userjoy Technology	Indonesia	"	"	-	1,566	-	-	-	-	-	
				-	(IDR 573,300,000)						
Mojoy Corporation	Taiwan	The platform of NFT	"	8,000	8,000	800,000	40.00	5,727	(2,779)	(1,111)	

Note 1: Amounts stated are the in original investment amounts.

Note 2: For information on investments in mainland China please see Table 4.

Note 3: PT. Userjoy Technology completed the liquidation process on May 12, 2023.

USERJOY TECHNOLOGY CO., LTD.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of U.S. Dollars and Renminbi)

1. The names of investee companies in mainland China, main businesses and products, total amount of paid-in capital, investment type, investment flows, percentage of ownership in investment, investment gain or loss, carrying amount, accumulated inward remittance of earnings and upper limit on investment in mainland China were as follows:

(In Thousands of U.S. Dollars and Renminbi)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outward	Inward						
Beijing Airship software Co., Ltd.	Design, research and development of the game software	US\$ 1,640,000	Investing in companies in mainland China through Richland	\$ 53,115 (US\$ 1,640,000)	\$ -	\$ -	\$ 53,115 (US\$ 1,640,000)	\$ 1,142 (US\$ 35,903)	100.00	\$ 1,142 (US\$ 35,903)	\$ 6,605 (US\$ 215,107)	\$ -

2. The upper limit on investment in mainland China

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023 (NT\$ and US\$ in Thousands)	Investment Amounts Authorized by the Investment Commission, MOEA (NT\$ and US\$ in Thousands)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Note 2)
\$53,115 (US\$1,640,000)	\$85,977 (US\$2,621,250)	\$921,137

Note 1: Investment gains and losses in the current period are recognized based on the financial statements reviewed by the attestation Certified Public Accountant of UserJoy Technology Co., Ltd. in Taiwan.

Note 2: Upper limit on the amount of investments is based on (90) the Taiwan ministry of finance regulation (1) of the number 006130.

3. For detailed information on the major transactions, including their prices, payment terms, unrealized gains and losses, and other relevant information that occurred directly or indirectly with the mainland investee company through the third region: None in the current period.

USERJOY TECHNOLOGY CO., LTD.**INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership
Cyun Wei Investment Co., Ltd.	3,007,605	5.94

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (included treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers their shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Securities and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

VII. Review and analyze financial position and financial performance, and assess its risks

1. Financial Position: Main reasons for any material change in the company's assets, liabilities, or equity during the past 2 fiscal years, and describe the effect thereof. Where the effect is of material significance, the measures to be taken in response.

Unit: NT\$ thousand

Item	Fiscal year		Discrepancy	
	2023	2022	Amount	%
Current assets	1,618,335	1,750,743	-132,408	-7.56%
Long-term investment (Note 1)	41,727	6,838	34,889	510.22%
Property, Plant and Equipment	98,633	100,980	-2,347	-2.32%
Right-of-use asset	8,383	9,417	-1,034	-10.98%
Intangible assets	21,817	43,025	-21,208	-49.29%
Other assets (Note 2)	169,566	6,366	163,200	2,563.62%
Total assets	1,958,461	1,917,369	41,092	2.14%
Current liabilities	410,811	390,132	20,679	5.30%
Non-current liabilities	12,421	14,203	-1,782	-12.55%
Total liabilities	423,232	404,335	18,897	4.67%
Equity attributable to owners of the parent company	1,535,229	1,513,034	22,195	1.47%
Share capital	505,866	481,777	24,089	5.00%
Capital surplus	297,308	297,296	12	0.00%
Retained earnings	656,638	722,984	-66,346	-9.18%
Other equity	75,417	10,977	64,440	587.05%
Treasury shares	-	-	-	-
Non-controlling interests	-	-	-	-
Total equity	1,535,229	1,513,034	22,195	1.47%

If there is a 20 percent or more variation in the monetary amounts, and if such sum has reached NT\$10,000 thousand, a detailed analysis of the causes for such changes shall be made:

1. Increase in long-term investments: Due to the increase in financial assets measured at amortized cost - non-current.
2. Decrease in intangible assets: Due to the increase in computer software cost written off over the same period of previous year.
3. Increase in other assets: Due to the increase in prepayment for property.
4. Increase in other equity: Due to the increase in unrealized gain or loss from equity instruments measured at fair value through other comprehensive income.

Note 1: Long-term investments include non-current financial assets measured at amortized cost and investments accounted for using the equity method.

Note 2: Other assets include deferred income tax assets and other non-current assets.

2. Financial Performance: Main reasons for any material change in operating revenues, operating income, or income before tax during the past 2 fiscal years, provide a sales volume forecast and the basis therefor, and describe the effect upon the company's financial operations as well as measures to be taken in response

Unit: NT\$ thousand

Item	Fiscal year		Increase (decrease) amount	Increase/decrease %
	2023	2022		
Operating Revenue	1,367,406	1,583,718	-216,312	-13.66%
Operating Cost	70,312	118,467	-48,155	-40.65%
Gross Profit	1,297,094	1,465,251	-168,157	-11.48%
Operating Expense	1,081,291	1,146,538	-65,247	-5.69%
Operating income and loss	215,803	318,713	-102,910	-32.29%
Non-operating income and expenses	44,267	77,538	-33,271	-42.91%
Profit Before Income Tax	260,070	396,251	-136,181	-34.37%
Net income for the period from continuing operations	260,070	396,251	-136,181	-34.37%
Loss from discontinued operations	-	-	-	-
Net income (loss) for the period	214,455	323,648	-109,193	-33.74%
Other comprehensive income (loss) for the period (net of Income Tax)	72,705	-26,047	98,752	379.13%
Total comprehensive income for the period	287,160	297,601	-10,441	-3.51%
Net income attributable to owners of parent	214,455	323,648	-109,193	-33.74%
Net income attributable to noncontrolling interests	-	-	-	-
Total comprehensive income attributable to owners of parent	287,160	297,601	-10,441	-3.51%
Total comprehensive income, attributable to non-controlling interests	-	-	-	-

Please explain the causes of changes of 20% or more in the financial ratios in the most recent 2 fiscal years:

- (1) Decrease in operating costs: Due to decrease in royalty payments.
- (2) Decrease in operating income: Due to decrease in operating income.
- (3) Decrease in non-operating income and expenses: Due to the increase in foreign currency exchange losses.
- (4) Decrease in net income before income tax: Due to decrease in operating income.

3. Cash Flow: Describe and analyze any cash flow changes during the most recent fiscal year, describe corrective measures to be taken in response to illiquidity, and provide a liquidity analysis for the coming year.

(1) Cash flow changes during the most recent fiscal year (2023)

Unit: NT\$ thousand

Cash balance at beginning of period A	Annual net cash flow from operating activities B	Annual cash outflow C	Cash balance (shortfall) A + B - C	Corrective measures to be taken in response to illiquidity	
				Investment plan	Financing plan
406,129	212,644	266,469	352,304	-	-
Description	The decrease in operating revenues was mainly due to the decrease in inflows compared to the same period of previous year.				

(2) Liquidity analysis during the most recent two years

Item \ Year	2023	2022	Increase/decrease %
Cash flow ratio	51.76	99.7	-48.08%
Cash flow adequacy ratio	139.06	148.02	-6.05%
Cash reinvestment ratio	-3.44	11.55	-129.78%
Description	None		

(3) Corrective measures to be taken in response to illiquidity

The Company's capital is sufficiently replenished by operating activities and can be utilized flexibly, hence, there is no illiquidity problem.

(4) Liquidity analysis for the coming year

Unit: NT\$ thousand

Cash balance at beginning of period A	Estimated annual net cash flow from operating activities B	Estimated annual cash outflow C	Estimated cash balance (shortfall) A + B - C	Corrective measures to be taken in response to illiquidity	
				Investment plan	Financing plan
352,304	391,008	376,346	366,966		
Description	1. Analyze cash flow changes during the most recent fiscal year: Operating activities: Operating activities are expected to be a net cash inflow in 2023, mainly due to better operating conditions in 2023 than in 2022.				

4. The effect upon financial operations of any major capital expenditures during the most recent

fiscal year: None.

5. Reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year.

(1) Reinvestment policy: The Company's investment policy is conservative and prudent, and mainly focuses on investments in industries related to the Company's operations. Currently, the Company has invested in USERJOY TECHNOLOGY CO., LTD., RICHLAND INVESTMENTS LIMITED, USERJOY JAPAN 株式會社, USERJOY HONG KONG CO., LTD., etc.

(2) The main reasons for the profits/losses, the plan for improving re-investment profitability:

Investee company	Main reasons for the profits/losses	Improvement plan
USERJOY TECHNOLOGY CO., LTD.	The investee company is still operating at a loss as its R&D products are not yet on the market.	We will proactively market our products and continue to expand the local market.
RICHLAND INVESTMENTS LIMITED	The investee company is still operating at a loss as its R&D products are not yet on the market.	We will proactively market our products and continue to expand the local market.
USERJOY JAPAN 株式會社	The sales promotion is going well.	Continue to expand the local market.
USERJOY HONG KONG CO., LTD.	Initial overseas expansion.	Continue to expand the local market.

(3) Investment plans for the coming year

To meet the needs of our business and global deployment, the Company has been proactively expanding our overseas business in order to grasp the overseas market and provide customer services locally, and to increase the Company's competitiveness and expand market share.

6. Analyze and assess the risk matters during the most recent fiscal year and as they stood on the date of publication of the annual report:

(1) The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future.

1. The effect upon the company's profits (losses):

Item	2023 (NT\$ thousand %)
Net interest income and expense	38,934
Net exchange gain or loss	-6,553
% of net interest income/expense to net revenue	2.85%
% of net interest income/expense to net income before income tax	14.97%
% of net exchange gain/loss to net income	-0.48%
% of net exchange gains/losses to net income before income tax	-2.52%

The Company's domestic accounts receivable and payable are mainly in NT dollars, while its overseas accounts receivable and payable are mainly in US dollars. Therefore, the risk of exchange rate fluctuations is extremely low, and if necessary, the Company will hedge the risk of foreign currency fluctuations by using spot and

forward exchange contracts; in addition, there is no negative effect on the Company's operations due to inflation.

2. Response measures to be taken in the future:

Despite the fluctuation in domestic and foreign interest rates, the Company is currently in good operating condition and does not expect to have a large demand for borrowings in NT dollars or foreign currencies in the coming year. Therefore, there is no need to hedge the risk of increased interest expenses arising from rising interest rates, and the Company has sufficient working capital and greater flexibility in its financial operations to respond to the risk of interest rate fluctuations. For exchange rate fluctuations, in addition to adopting dynamic natural hedging, the Company chooses better exchange rates to buy foreign currencies and to make payment in order to avoid the risk of exchange rate fluctuations.

- (2) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future: The Company does not currently engage in high-risk, highly leveraged investments, loans to others, endorsements and guarantees, or derivatives.
- (3) Research and development work to be carried out in the future, and further expenditures expected for research and development work: The Company will steadily invest in research and development expenditures in the future, depending on the Company's operating conditions, and will adjust the expenditures annually depending on the operating conditions.
- (4) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response: The Company constantly monitors domestic and foreign policy trends and changes in legal regulations in order to keep abreast of changes in the market environment. So far, the Company has not been affected by any important domestic or foreign policy or legal changes in the Company's financial operations.
- (5) Effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response: The Company is mainly engaged in the R&D of digital content games, and we have a strong R&D team as our core competitiveness. Changes in technology will increase the interface and R&D tools for our games, and we are always aware of the industry's technology and technological changes in order to quickly grasp the industry's dynamics and obtain market information, therefore, changes in technology and industrial changes will have a positive effect on the Company.
- (6) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response: Since its establishment, the Company has endeavored to maintain its corporate image and comply with laws and regulations, and to date, there have been no occurrences to affect its corporate image.
- (7) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: None.
- (8) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: Not applicable.
- (9) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken: The Company's sales customers are mainly game distribution companies. As the Company has the capability to operate and sell games on its own, and also cooperates with other types of sales partners, although there is a concentration of sales, the Company has maintained a good relationship with its sales customers for many years, and therefore the risk is not high. Since 2010, the Company has focused on online games and no longer published stand-alone games, therefore, there is no supplier of goods.
- (10) Effect upon and risk to the company in the event a major quantity of shares belonging to

a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.

- (11) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: Not applicable.
- (12) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.
- (13) Other important risks, and mitigation measures being or to be taken: None.

7. Risk management

(1) Risk management policy and scope

The contents of the Policy covers management objectives, organizational structure and responsibilities, risk management procedures and related mechanisms to effectively identify, measure, monitor and control various risks, and manage the risks within an acceptable level.

In order to implement enterprise risk management, the Company has formulated the "Risk Management Policy", approved by the Board of Directors, which serves as the guiding principle for all business groups. It is continuously updated to meet the business needs and to regulate the Company in identifying, measuring and controlling the related risks when engaging in each business, and to control the possible risks within an acceptable level.

(2) Risk organizational structure

The Board of Directors is the highest authority responsible for risk management. Its goal is to comply with regulations, promote and implement the overall risk management of the company, thus, they must have a clear understanding of various risks faced by the company to ensure the effectiveness of risk management. The Board of Directors is convened and led by the CEO, who oversees and directs the implementation and operation of the risk management plan, with the participation of other managers and all employees.

Organization	Responsibility
Board of Directors and Audit Division Highest decision makers and supervision	Board of Directors: Approve risk management policy and framework. Supervise the effective operation of the risk management mechanism. Audit Division: Performs audit.
Risk management team Third management mechanism	Review risk management policy and framework, risk appetite or tolerance level. Review management reports on major risk issues. Periodically report to the Board of Directors on the implementation status.
Executive management meeting Second management mechanism	Develop risk management policy and framework, set risk tolerance and goals. Implement the Board's decisions, allocate resources efficiently, and manage the overall risk. Establish risk management culture.
All business groups First management mechanism	Responsible for the identification, assessment, management and reporting of daily risks in the unit, and taking necessary countermeasures. Monitor risk situations, ensure the effective implementation of control procedures, and make timely reports of risk information to comply with relevant laws, regulations, and company policies. Facilitate and promote relevant policies and regulations.

(3) Risk management scope (mainly including but not limited to the following)

Financial risk	Economic risks (including changes in interest rates, exchange rates, inflation, tax regulations, etc.). Financing risk, high-risk/highly leveraged investment risk, loans to others, endorsements / guarantees, and derivative transactions.
Operational risk	Recruiting talents, future R&D plans and expected investment in manpower and expenses, industry development, product planning and sales, competitors, intellectual property rights, and adjusting internal control laws and regulations.
Cybersecurity risk	Changes in technology (including cyber security), various software and hardware malicious threats, and responses to changes of laws and regulations.
Environmental and energy risk	Changes in regulations and requirements related to environmental protection and climate change, etc.
Other risks	Litigious matters, mergers and acquisitions, pandemic situations, etc.

(4) Risk management operations (Annual regular report to the Board of Directors)

Risks of concern	2023 Operation status report
Financial risk	<ol style="list-style-type: none"> 1. Monitor the market risks arising from fluctuations in international interest rates and exchange rates irregularly and make capital adjustments. 2. Investment reports/capital usage reports to the Board of Directors regularly.
Operational risk	<ol style="list-style-type: none"> 1. Each division and each subsidiary has completed the overall effectiveness of the Company's internal control system (including all control operations of each operation cycle and risk assessment of each management operation) in September 2023, and has issued the "Statement of Internal Control" in accordance with Article 24 of the "Regulations Governing Establishment of Internal Control Systems by Public Companies". 2. Held cross-departmental executive meetings irregularly, to report operation status of each department (Finance, HR, business operations, product marketing planning, sales promotion, information management, legal and other management operations).
Cybersecurity risk	<ol style="list-style-type: none"> 1. Strengthen all employees' awareness of cyber security and privacy risks, and organize relevant education and training courses every year (Personal Data Protection Act, Cyber security protection basics) with about 400+ participants. 2. We have established a chief cybersecurity officer, a cybersecurity supervisor, and two cybersecurity personnel in accordance with the law. 3. Cybersecurity operations are currently disclosed in the annual report and official website. 4. The Company has clearly established cyber security regulations, and continues to strengthen its management system and technology, as well as structuring multi-layer cyber security defense; formulates an annual personal data protection management plan and executes the management accordingly, in order to achieve company's cyber security management goals.
Environmental and energy risk	Greenhouse gas inventory and verification related planning and execution, management reports to the Board of Directors quarterly.
Other risks	Manage case according to the way of occurrence.

Each unit's business risk concepts are incorporated into its internal control operations, publicizing and adjusting various business procedures as well as relevant regulations/measures formulated by the Company irregularly, in order to strengthen the Company's operational risk culture awareness and knowledge.

Risk control in each unit's daily operation, internal control management is continuously identified and reviewed.



8. Other important matters: None.

VIII. Special items to be included

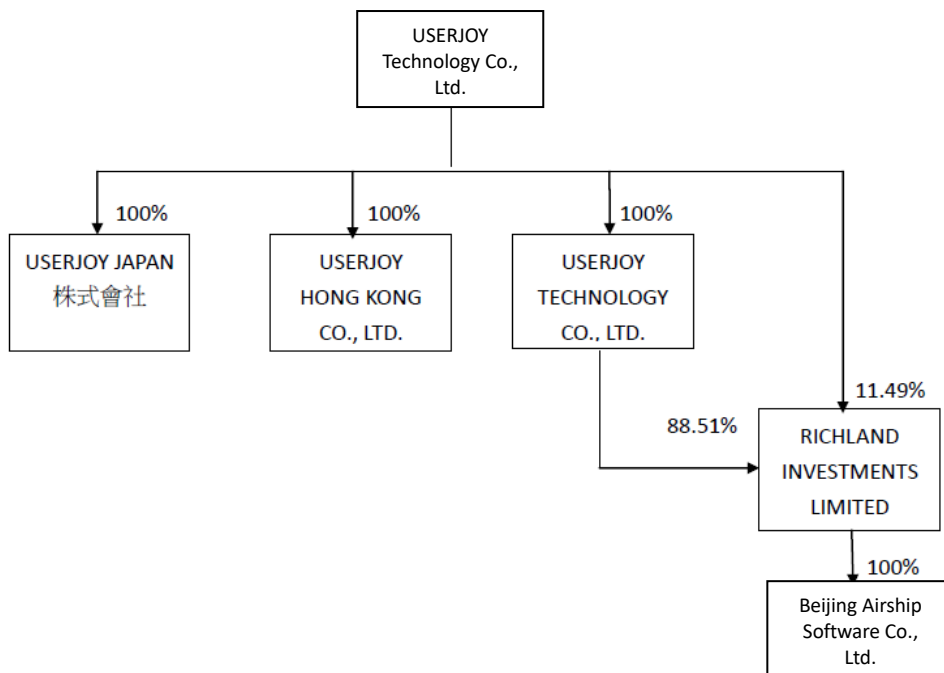
1. Information related to the company's affiliates

(1) Consolidated business report of affiliates

1. Overview of the affiliates

(1) Organizational chart of the affiliates

Organizational chart of the affiliates



(2) Information on the affiliates

Unit: NT\$

Name	Incorporation date	Address	Paid-in capital	Main business or production items
USERJOY TECHNOLOGY CO., LTD.	2001.01	Samoa	USD 1,569,900	Investment & Holding
RICHLAND INVESTMENTS LIMITED	2004.06	Samoa	USD 1,686,000	Investment & Holding
Beijing Airship Software Co., Ltd.	2004.09	China	USD 1,640,000	Gaming Software R&D
USERJOY JAPAN 株式會社	2007.09	Japan	JPY 100,000,000	Gaming Channel
USERJOY HONG KONG CO., LTD.	2009.01	Hong Kong	HKD 6,240,000	Gaming Channel

(3) Presumed to have a relationship of control and subordination, list the relevant names and combined shareholding: Note applicable.

(4) The industries covered by the business operated by the affiliates overall, and a description of the mutual dealings and division of work among affiliates:

The industries covered by the business operated by the affiliates overall are mainly the design, R&D and sales of computer game software. Beijing Airship is engaged in the R&D and production of games, USERJOY JAPAN is engaged in the operation of games in Japan, the Company is in charge of the R&D, production and sales of game software, and the others are investment holding businesses.

(5) The names of the directors, supervisors, and general manager of each affiliate

Unit: NT\$

Name	Title	Name or representative	Shareholding	
			Shares	Shareholding ratio%
USERJOY TECHNOLOGY CO., LTD.	Director	USERJOY Technology Co., Ltd. Representative: Liu Hsin	USD1,569,900 (Note)	100.00
RICHLAND INVESTMENTS LIMITED	Director	USERJOY Technology Co., Ltd. Representative: Liu Hsin	USD193,800 (Note)	11.49
	Director	USERJOY TECHNOLOGY CO., LTD. Representative: Liu Hsin	USD1,492,200 (Note)	88.51
Beijing Airship Software Co., Ltd.	Director	RICHLAND INVESTMENTS LIMITED Representative: Liu Hsin	USD1,640,000 (Note)	100.00
USERJOY JAPAN 株式會社	Director	USERJOY JAPAN 株式會社 Representative: Liu Hsin	JPY177,773,806 (Note)	100.00
USERJOY HONG KONG CO., LTD.	Director	USERJOY HONG KONG CO., LTD Representative: Liu Hsin	HKD6,240,000 (Note)	100.00

Note: Amounts are stated at original investment amounts.

2. Overview of the operations of the affiliates

Unit: NT\$

Name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income (loss)	Net income (loss) for the period (after tax)	Earnings (loss) per share (NT\$) (after tax)
USERJOY TECHNOLOGY CO., LTD.	USD1,569,900	USD190,734	-	USD190,734	-	-	USD31,782	Not applicable
RICHLAND INVESTMENTS LIMITED	USD1,686,000	USD215,390	-	USD215,390	-	-	USD35,906	Not applicable
Beijing Airship Software Co., Ltd.	USD1,640,000	RMB1,647,957	RMB124,421	RMB1,523,536	-	(RMB1,063,532)	RMB257,950	Not applicable
USERJOY JAPAN 株式會社	JPY100,000,000	JPY75,879,344	JPY185,097,922	(JPY109,218,578)	JPY149,842,938	(JPY66,029,429)	(JPY66,293,671)	Not applicable
USERJOY HONG KONG CO., LTD.	HKD6,240,000	USD1,504,115	USD455,372	USD1,048,743	USD836,711	USD107,199	USD124,822	Not applicable

(2) Consolidated financial statements of the affiliates: Please refer to page 107.

(3) Consolidated business report: The Company is not a subordinate company, not applicable.

2. Where the company has carried out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose the date on which the placement was approved by the board of directors or by a shareholders meeting, the amount thus approved, the basis for and reasonableness of the pricing, the manner in which the specified persons were selected, the reasons why the private placement method was necessary, and, for the period from receipt of payment in full to the completion of the related capital allocation plan, the status of use of the capital raised through the private placement of securities, the implementation progress of the plan: None.
3. Holding or disposal of shares in the company by the company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.
4. Information on the company's financial transparency personnel, the relevant certificates specified by the competent authority:
 1. CPAs of ROC: Finance Division 0 persons. Audit Division: 1 person.
 2. Enterprise internal control basic ability exam: Audit Division 1 person.
 3. Stock affairs personnel: Management Division 0.
5. Other matters that require additional description:
Commitment item follow-up for trading on the TPEX:

Commitments items	Commitment implementation status	Index of relevant attachments
1.If there is any change in the accounting treatment of game software R&D expenses in the future, it is committed to be approved by a special resolution of the board of directors and disclosed as material information on the (MOPS, and filed to TPEX for inspection.	The Company's game software R&D expenses are accounted for in accordance with generally accepted accounting principles, there is no change in accounting treatment up to now.	NA
2.After listing on Taipei Exchange, it is committed to disclose its revenue sources as standalone game revenues, online game revenues and royalty revenues when announcing its revenues on the MOPS monthly.	Listed on April 18, 2008. By May 2008, the company had categorized its revenues into stand-alone game revenues, online game revenues, and royalty revenues, and continues to submit the revenue by source monthly to MOPS.	NA
3. Commit to disclose in the notes to the financial statements an explanation of whether the Company's capitalization of game software R&D expenses complies with generally accepted accounting principles and appropriateness of the amounts.	Regarding the capitalization of game software R&D expenditures, under SFAS No. 37, "Accounting for Intangible Assets," the Company capitalizes such expenditures when the capitalization requirements are met, which is in accordance with generally accepted accounting principles. As of December 31, 2010, the Company hasn't included the amount of capitalized game software R&D expenses in its financial statements.	NA

IX. If any of the situations listed in Article 36, paragraph 2, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.