SOFTSTAR ENTERTAINMENT INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS WITH REPORT OF INDEPENDENT AUDITORS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these consolidated financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language consolidated financial statements shall prevail.

SOFTSTAR ENTERTAINMENT INC. AND SUBSIDIARIES

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REPRESENTATION LETTER

The entities included in the consolidated financial statements as of December 31, 2022 and for the year then ended prepared under the International Financial Reporting Standards, No.10 are the same as the entities to be included in the combined financial statements of the Company, if any to be prepared, pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (referred to as "Combined Financial Statements"). Also, the footnotes disclosed in the Consolidated Financial Statements have fully covered the required information in such Combined Financial Statements. Accordingly, the Company did not prepare any other set of combined financial statements than the Consolidated Financial Statements.

Very truly yours,

SOFTSTAR ENTERTAINMENT INC.

Chairman: Tu, Chun-Kuang

March 28, 2023

English Translation of a Report Originally Issued in Chinese

Auditor Report of Independent Auditors

To Softstar Entertainment Inc.

Opinion

We have audited the accompanying consolidated balance sheets of Softstar Entertainment Inc. (the "Company") and its subsidiaries as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter – Making Reference to the Audits of Component Auditors* section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2022 and 2021, and their consolidated financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, 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 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon we do not provide a separate opinion on these matters.

Revenue Recognition －Royalties

The Company and its subsidiaries' royalties are revenue from licensing its solely developed intellectual property (IP) to others that grant use in game development, game operations and film content. As the circumstances and developed products of each license agreement vary, it is necessary to identify performance obligations and determine whether the licensing nature provides a customer with a right to access the Company and its subsidiaries' IP over time or with a right to use the Company and its subsidiaries' IP at a point in time. Also, it is important to consider the expected development period of the games, game operation cycles, industry practices and historical experiences to estimate the duration of revenue allocation and variable consideration estimation, and to regularly review the reasonableness of estimation assumptions. As the Company and its subsidiaries' recognition of royalties as revenue is significant and requires management judgement, we therefore consider this as a key audit matter.

In response to the risk of material misstatement regarding recognition of royalties revenue, our audit procedures included, but were not limited to:

1. Understanding the approach in which royalty revenue is recognized, evaluating and testing the internal controls regarding the recognition of royalties;

2. Obtaining the license agreements, identifying performance obligations, defining the transaction prices, and determining whether revenues are recognized over time or at a point in time;

3. Obtaining the details of recognition of royalties revenue and confirming whether the performance obligations of the license agreement have been fulfilled; obtaining the details of royalty revenue allocation of games development and confirming the correctness of the development period and royalty revenue allocation stated in the license agreements; and

4. Reviewing the reasonableness of the estimated allocation periods and the correctness of the calculation of royalty revenues allocation provided by the Company and its subsidiaries.

We also considered the appropriateness of the consolidated financial statements disclosure regarding royalty revenue and contract liabilities in Note 5 and 6.

Revenue Recognition － Sales of goods from the of electronic parts and components department

The revenue of the Company's subsidiary, Chander Electronics Corp., from distribution of electronic parts and components (the electronic parts and components department of the Group) during the year ended December 31, 2022 is NT$661,220 thousand. The recognition of revenue varies according to the determination of whether the Company and its subsidiaries act as a principal or an agent in a contract and has significant impact on the consolidated financial statements. We and other auditors therefore consider the determination of whether the Company and its subsidiaries act as a principal or an agent for new customers as a key audit matter.

In response to the risk of material misstatement, our audit procedures included, but were not limited to:

1. Obtaining necessary understanding and verifying the accounting policy and the design and implementation of internal controls with respect to the Company and its subsidiaries' revenue recognition; checking the consistency between the accounting policy on revenue recognition and accounting treatment for the relevant contracts of the aforementioned customers; ensuring the Company and its subsidiaries' compliance with IFRS 15; and

2. Selecting samples of the relevant contracts of the aforementioned customers to assess if the control of the goods is transferred; sampling and performing the collection procedure to verify the authenticity of transaction; and sending confirmation letters to the aforementioned customers in order to confirm the validity of recognized revenue not yet received at the end of the reporting period in addition.

We also considered the appropriateness of the consolidated financial statements disclosure regarding sales revenue in Note 4 and 6.

Business combinations

The Board of Directors' meeting of the Company held in 2021 resolved to acquire 34.39% shareholdings of Uniplus Electronics Co., Ltd. and 55.03% shareholdings of Red Sunrise Co., Ltd. and the acquisition consideration amounted to NT$350,012 thousand and NT$136,899 thousand, respectively. The abovementioned companies were consolidated as the Company's subsidiaries since September 2021 and January 2022, respectively, and the purchase price allocation were both completed in 2022. As the transaction procedures of acquisition include the reasonableness of acquisition consideration and purchase price allocation, assessment of the fair value of identifiable assets, etc. These procedures require management to make judgments and estimates and the transaction price is material, we therefore consider this as a key audit matter.

In response to the risk of material misstatement regarding business combinations, our audit procedures included, but were not limited to:

1. Reviewing the meeting minutes of the Board of Directors, the share purchase agreements, and the proof of consideration payment;

2. Obtaining the fairness opinion of the purchase price, the analysis report of equity value, and the purchase price allocation reports regarding the paid acquisition consideration; evaluating the forecasted financial information utilized in the valuation report of fair value prepared by the management, and comparing it to the Company's historical financial information and the forecasts of the industry for the reasonableness.

3. Adopting the internal valuation experts to assess the methods and models applied by the management reassessing the parameters and assumptions utilized in in the purchase price allocation reports, including discount rate, etc. to compare the differences, and recalculating the price allocation for the reasonableness; and

4. Inspecting the Company's accounting process to verify whether the relevant assets and liabilities were recognized in accordance with the purchase price allocation reports and disclosed in the notes of the consolidated financial statements.

We also considered the appropriateness of the consolidated financial statements disclosure regarding the business combinations in Note 5 and 6.

Other Matter – Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain consolidated subsidiaries. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. The total assets of those subsidiaries amounted to NT2,195,811 thousand, constituting 43% of consolidated total assets as of December 31, 2022, and total operating revenues of NT$1,059,283 thousand, constituting 47% of consolidated operating revenues for the year ended December 31 2022. We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method whose statements are based solely on the reports of other auditors. These associates and joint ventures under equity method amounted to NT$555,075 thousand and NT$221,706 thousand, representing 11% and 7% of consolidated total assets as of December 31, 2022 and 2021, respectively. The related shares of profit or loss from the associates and joint ventures under the equity method amounted to NT$7,746 thousand and NT$(1,876) thousand, representing 1% and 0% of the consolidated profit before tax for the years ended December 31 2022 and 2021, respectively, and the related shares of other comprehensive income (loss) from the associates and joint ventures under the equity method amounted to NT$(2,415) thousand and NT$2,871 thousand, representing (28)% and 6% of the consolidated other comprehensive income for the years ended December 31, 2022 and 2021, respectively.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by 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 ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 internal control of the Company and its subsidiaries.

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 ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s 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 auditor’s report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries 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 2022 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent company only financial statements of the Company as of and for the years ended December 31, 2022 and 2021.

/s/Yu, Chien-Ju
/s/Yang, Chih-Huei

Ernst & Young, Taiwan
March 28, 2023

Notice to Readers
The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations 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 practice to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.
Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

SOFTSTAR ENTERTAINMENT INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2022 and 2021 (Adjusted)

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of December 31, 2022	As of December 31, 2021 (Adjusted) (Note)
Current assets			
Cash and cash equivalents	4, 6 and 12	$1,590,141	$1,795,522
Financial assets at fair value through profit or loss, current	4, 6 and 12	19,496	-
Notes receivable, net	4, 6 and 12	11,056	18,632
Notes receivable-related parties, net	4, 6 and 7	804	-
Accounts receivable, net	4, 6 and 12	873,506	134,105
Accounts receivable-related parties, net	4, 6, 7 and 12	11,448	299
Other receivables	4	8,263	2,796
Other receivables-related parties	4 and 7	106	44
Current income tax assets	4	14,776	8,263
Inventories, net	4 and 6	224,358	77,355
Prepayment	4, 6 and 7	90,292	39,245
Other financial assets, current	4, 8 and 12	392,179	118,530
Other current assets		13,330	-
Total current assets		3,249,755	2,194,791
Non-current assets			
Designated financial assets at fair value through profit or loss, non-current	4, 6, 7 and 12	27,971	55,037
Financial assets at fair value through other comprehensive income, non-current	4, 6 and 12	69,519	111,972
Investments accounted for using the equity method	4, 6 and 8	577,052	333,369
Contract assets, non-current	4 and 6	3,638	35,046
Property, plant and equipment, net	4, 6 and 8	144,439	38,100
Right-of-use assets	4, 6 and 7	134,024	80,511
Intangible assets	4 and 6	740,652	151,027
Deferred tax assets	4, 5 and 6	15,516	7,217
Other noncurrent assets		47,387	59
Refundable deposits	7 and 12	24,517	12,803
Other financial assets, non-current	4, 6, 8 and 12	23,345	32,006
Total non-current assets		1,808,060	857,147
Total assets		$5,057,815	$3,051,938

Liabilities and Equity	Notes	As of December 31, 2022	As of December 31, 2021 (Adjusted) (Note)
Current liabilities	**Current liabilities**		
Short-term borrowings	6 and 8	$441,181	$-
Contract liabilities, current	4 and 6	175,489	130,120
Notes payable	12	4,975	4,867
Accounts payable	12	186,745	30,368
Other payables	6 and 12	297,009	178,524
Other payables-related parties	7 and 12	812	100
Current income tax liabilities	4 and 6	9,992	242,657
Provisions, current	4	6,104	1,666
Lease liabilities, current	4,6,7 and12	51,220	22,987
Current portion of long-term borrowings	4,6,8 and12	123,162	76,103
Other current liabilities	6	271,945	1,886
Total current liabilities		1,568,634	689,278
Non-current liabilities			
Contract liabilities, non-current	4 and 6	163,802	28,527
Long-term borrowings	4, 6, 8 and 12	135,089	74,048
Deferred tax liabilities	4 and 6	21,434	15,228
Lease liabilities, non-current	4,6 and 12	88,713	58,132
Net defined benefit liabilities	4 and 6	6,502	16,904
Guarantee deposits		5,269	990
Total non-current liabilities		420,809	193,829
Total liabilities		1,989,443	883,107
Equity attributable to the parent company	4 and 6		
Common stock		852,630	655,869
Additional paid-in capital		158,340	112,491
Retained earnings			
Legal reserve		128,417	52,755
Special reserve		247,943	291,085
Unappropriated earnings		846,826	799,299
Other components of equity		(146,210)	(247,943)
Treasury shares		(101,847)	-
Total equity attributable to the parent company		1,986,099	1,663,556
Non-controlling interests		1,082,273	505,275
Total equity		3,068,372	2,168,831
Total liabilities and equity		$5,057,815	$3,051,938

Note: The Group had completed the purchase price allocation of Uniplus Electronics Co., Ltd. on the control acquisition date, thus the consolidated balance sheet as of December 31, 2021 was adjusted, please refer to Note6 (27) for further information.

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

SOFTSTAR ENTERTAINMENT INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2022 and 2021 (Adjusted)

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	Notes	For the Years Ended December 31, 2022	2021 (Adjusted) (Note)
Net sales	4, 5, 6 and 7	$2,252,134	$559,406
Cost of goods sold	7	(1,357,295)	(166,304)
Gross profit		894,839	393,102
Operating expenses	6 and 7		
Sales and marketing expenses		(467,537)	(111,454)
General and administrative expenses		(340,653)	(130,562)
Research and development expenses		(184,534)	(135,611)
Expected credit losses		(13,041)	(2,678)
Subtotal		(1,005,765)	(380,305)
Operating (loss) income		(110,926)	12,797
Non-operating income and expenses			
Interest income	6 and 7	5,908	415
Other income	6 and 7	4,473	19,271
Other gains and losses	6	737,419	1,093,887
Finance costs	6	(15,379)	(3,877)
Share of profit or loss of associates and joint ventures accounted for using equity method		2,537	(80,653)
Subtotal		734,958	1,029,043
Profit before income tax		624,032	1,041,840
Income tax expense	4, 5 and 6	(58,293)	(300,733)
Net income		565,739	741,107
Other comprehensive income (loss)	4 and 6		
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans		2,568	2,108
Unrealized gains or losses from financial assets at fair value through other comprehensive income (loss)		(11,286)	27,799
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method		513	11
Tax of items that will not be reclassified subsequently to profit or loss		(427)	168
Items that may be reclassified subsequently to profit or loss:			
Exchange differences resulting from translating the financial statements of foreign operations		17,223	15,345
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method		(15)	(11)
Total other comprehensive income (loss) , net of tax		8,576	45,420
Total comprehensive income		$574,315	$786,527
Net income attributable to:			
Stockholders of the parent		$624,486	$740,653
Non-controlling interests		(58,747)	454
		$565,739	$741,107
Comprehensive income (loss) attributable to:			
Stockholders of the parent		$617,647	$786,013
Non-controlling interests		(43,332)	514
		$574,315	$786,527
Earnings per share (NTD)	4 and 6		
Earnings per share-basic		$7.48	$8.70
Earnings per share-diluted		$7.44	$8.68

Note: The Group had completed the purchase price allocation of Uniplus Electronics Co., Ltd. on the control acquisition date, thus the consolidated statement of comprehensive income for the year ended 2021 was adjusted, resulting in a decrease in net income by NT$8,521 thousand.

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

<u>English Translation of Consolidated Financial Statements Originally Issued in Chinese</u>

SOFTSTAR ENTERTAINMENT INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

			Retained Earnings			Others Components of Equity						
Description	**Common Stock**	**Additional Paid-in Capital**	**Legal Reserve**	**Special reserve**	**Unappropriated Earnings**	**Exchange Differences Resulting from Translating the Financial Statements of Foreign Operations**	**Unrealized Gains or Losses from Financial Assets at Fair Value Through Other Comprehensive Loss**	**Unearned Stock-Based Employee Compensation**	**Treasury Shares**	**Total**	**Non-Controlling Interests**	**Total**
Balance as of January 1, 2021	$630,643	$112,360	$47,123	$281,771	$98,402	$(15,345)	$(275,740)	$(6,540)	$-	$872,674	$214	$872,888
Appropriation and distribution of 2020 retained earnings												
Legal reserve	-	-	5,632	-	(5,632)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(12,613)	-	-	-	-	(12,613)	-	(12,613)
Stock dividends	25,226	-	-	-	(25,226)	-	-	-	-	-	-	-
Special reserve	-	-	-	9,314	(9,314)	-	-	-	-	-	-	-
Net income in 2021	-	-	-	-	740,653	-	-	-	-	740,653	454	741,107
Other comprehensive income (loss) in 2021	-	-	-	-	2,218	15,334	27,808	-	-	45,360	60	45,420
Total comprehensive income (loss)	-	-	-	-	742,871	15,334	27,808	-	-	786,013	514	786,527
Difference between consideration and carrying amount of subsidiaries acquired	-	131	-	-	11,728	-	-	-	-	11,859	-	11,859
Changes in ownership interests in subsidiaries	-	-	-	-	(917)	-	-	-	-	(917)	(190)	(1,107)
Share-based payment transactions	-	-	-	-	-	-	-	6,540	-	6,540	-	6,540
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	504,737	504,737
Balance as of December 31, 2021	$655,869	$112,491	$52,755	$291,085	$799,299	$(11)	$(247,932)	$-	$-	$1,663,556	$505,275	$2,168,831
Balance as of January 1, 2022	$655,869	$112,491	$52,755	$291,085	$799,299	$(11)	$(247,932)	$-	$-	$1,663,556	$505,275	$2,168,831
Appropriation and distribution of 2021 retained earnings												
Legal reserve	-	-	75,662	-	(75,662)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(196,761)	-	-	-	-	(196,761)	-	(196,761)
Stock dividends	196,761	-	-	-	(196,761)	-	-	-	-	-	-	-
Special reserve	-	-	-	(43,142)	43,142	-	-	-	-	-	-	-
Changes in other capital surplus												
Net income in 2022	-	-	-	-	624,486	-	-	-	-	624,486	(58,747)	565,739
Other comprehensive income (loss) in 2022	-	-	-	-	2,138	7,057	(16,034)	-	-	(6,839)	15,415	8,576
Total comprehensive income (loss)	-	-	-	-	626,624	7,057	(16,034)	-	-	617,647	(43,332)	574,315
Repurchase of treasury share		-	-	-	-	-	-	-	(6,943)	(6,943)	-	(6,943)
Acquisition of parent company's stocks by subsidiaries Recognized as treasury shares	-	-	-	-	-	-	-	-	(94,904)	(94,904)	(169,586)	(264,490)
Parent company's cash dividends received by subsidiaries	-	4,227	-	-	-	-	-	-	-	4,227	-	4,227
Difference between consideration and carrying amount of subsidiaries acquired	-	2,411	-	-	(36,359)	11	(8)	-	-	(33,945)	(18,377)	(52,322)
Changes in ownership interests in subsidiaries	-	39,211	-		(5,989)	-	-	-	-	33,222	(78,387)	(45,165)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	886,680	886,680
Disposal of investments in equity instruments measured												-
at fair value through other comprehensive income or loss	-	-	-	-	(110,707)	-	110,707	-	-	-	-	-
Balance as of December 31, 2022	$852,630	$158,340	$128,417	$247,943	$846,826	$7,057	$(153,267)	$-	$(101,847)	$1,986,099	$1,082,273	$3,068,372

Note: The Group had completed the purchase price allocation of Uniplus Electronics Co., Ltd. on the control acquisition date, thus the consolidated statements of changes in equity for the year ended December 31, 2021 and the balance as of January 1, 2022 were adjusted, please refer to Note6 (27) for further information.

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

SOFTSTAR ENTERTAINMENT INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021 (Adjusted)
(Expressed in Thousands of New Taiwan Dollars)

Description	For the Years Ended December 31, 2022	2021 (Adjusted) (Note)
Cash flows from operating activities:		
Net income before tax	$624,032	$1,041,840
Adjustments for:		
Depreciation	61,171	25,643
Amortization	30,432	7,333
Expected credit impairment losses (gains)	13,041	2,678
Loss on financial assets and liabilities at fair value through profit or loss	16,639	4,971
Interest expense	15,379	3,877
Interest income	(5,908)	(415)
Share-based payments expense	815	6,540
Share of net (profit) loss of associates and joint ventures accounted for using equity method	(2,537)	80,653
Loss on disposal of property, plant and equipment	1,977	3,220
Gain on disposal of intangible assets	(23,709)	-
Gain on disposal of investment	(648,250)	(1,123,088)
Impairment loss from non-financial assets	11,885	890
Others	3,553	609
Changes in operating assets and liabilities:		
Contract assets	22,478	40,014
Notes receivable, net	13,162	1,186
Notes receivable-related parties, net	(804)	-
Accounts receivable, net	(103,171)	109,174
Accounts receivable-related parties, net	5,736	(299)
Other receivables	5	(1,638)
Other receivables-related parties	515	(39)
Inventories, net	2,491	13,836
Prepayment	(30,949)	3,931
Other current assets	(5,819)	107,080
Other financial assets	(31,514)	-
Contract liabilities	(117,124)	131,637
Notes payable	62	(4,120)
Accounts payable	(15,552)	(57,603)
Other payables	5,370	33,025
Other payables-related parties	712	-
Provisions	4,438	-
Other current liabilities	(545,677)	(173)
Net defined benefit liabilities	(10,402)	(1,966)
Cash provided by operations	(707,523)	428,796
Interest received	5,908	415
Interest paid	(11,065)	(3,881)
Income tax paid	(308,825)	(52,531)
Net cash provided by/(used in) operating activities	(1,021,505)	372,799
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(6,430)	(20,872)
Proceeds from disposal of financial assets at fair value through other comprehensive income	67,397	109,526
Acquisition of financial assets at fair value through profit or loss	(15,705)	(60,008)
Proceeds from disposal of financial assets at fair value through profit or loss	57,933	-
Acquisition of investments accounted for using equity method	(17,991)	(491,811)
Proceeds from disposal of investments accounted for using equity method	638,632	1,840,786
Acquisition of subsidiaries (net of cash acquired)	85,035	(67,673)
Acquisition of property, plant and equipment	(21,307)	(6,114)
Proceeds from disposal of property, plant and equipment	579	379
(Increase) decrease in refundable deposits	(4,826)	1,165
Acquisition of intangible assets	(18,676)	(3,736)
Proceeds from disposal of intangible assets	1,500	-
Decrease (increase) in other financial assets	558,856	(104,471)
(Increase) decrease in other noncurrent assets	(47,328)	1,881
Net cash provided by activities	1,277,669	1,199,052
Cash flows from financing activities:		
Increase in short-term borrowings	158,481	-
Proceeds from long-term borrowings	112,733	110,000
Repayment of long-term borrowings	(152,951)	(91,167)
Increase in guarantee deposits received	(12,101)	-
Repayment of the principal portion of lease liabilities	(48,136)	(19,833)
Cash dividends	(184,471)	(12,613)
Treasury stock transactions	(271,433)	-
Changes in non-controlling interests	(72,223)	(917)
Net cash used in by financing activities	(470,101)	(14,530)
Net foreign exchange difference	8,556	-
Net (decrease) increase in cash and cash equivalents	(205,381)	1,557,321
Cash and cash equivalents at beginning of year	1,795,522	238,201
Cash and cash equivalents at end of year	$1,590,141	$1,795,522

Note: The Group had completed the purchase price allocation of Uniplus Electronics Co., Ltd. on the control acquisition date, thus the consolidated statement of cash flows for the year ended December 31, 2021 was adjusted.

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

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Stated)

1. History and organization

Softstar Entertainment Inc. ("the Company"), formerly known as Cyber Power Systems, Inc., was incorporated in August 1998 in the Republic of China and changed its name to Softstar Entertainment Inc. the same year. The Company and its subsidiaries ("the Group") main business include online games, game software; instructional software; research, design, sales of computer peripherals; multilayer printed circuit board; copper clad laminate; prepreg and electronic component manufacturing, lamination, research and development and trade of business operation; third-party payment services; distribution, maintenance and trade of export electronic component, integrated circuit, computer equipment; domestic and foreign liquor agency; and research, manufacturing and sale of application delivery controllers, high-end SSL VPN systems, remote desktop access solutions, application acceleration and WAN optimization controllers. On August 8, 2001, the Company listed its shares of stock on the Taipei Stock Exchange (TPEx). The Company's registered office and the main business location is at 22F.-1, No. 77, Sec. 2, Dunhua S. Road, Republic of China (R.O.C.).

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Group for the years ended December 31, 2022 and 2021 were authorized for issue by the Board of Directors on March 24, 2023.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after 1 January 2022. The adoption of these newly issued or revised standards had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Disclosure Initiative - Accounting Policies – Amendments to IAS 1	1 January 2023
b	Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
c	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023

(a) Disclosure Initiative - Accounting Policies – Amendments to IAS 1

The amendments improve accounting policy disclosures that to provide more useful information to investors and other primary users of the financial statements.

(b) Definition of Accounting Estimates – Amendments to IAS 8

The amendments introduce the definition of accounting estimates and include other amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to help companies distinguish changes in accounting estimates from changes in accounting policies.

(c) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after 1 January 2023. The potential impact of the newly issued and revised standards and interpretations is under assessment now, and the Group temporarily is unable to reasonably determine the impact.

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	1 January 2023
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
d	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
e	Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024

(a) IFRS 10"Consolidated Financial Statements" and IAS 28"Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 17 "Insurance Contracts"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(d) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(e) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the standards and interpretations listed under, the Group is temporarily unable to determine the impact.

4. Summary of significant accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2022 and 2021 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(A) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
(B) exposure, or rights, to variable returns from its involvement with the investee, and
(C) the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(A) the contractual arrangement with the other vote holders of the investee
(B) rights arising from other contractual arrangements
(C) the Group's voting rights and potential voting rights

The Group re-assesses whether it controls an investee or not if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control of a subsidiary, it:

A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;
B. derecognizes the carrying amount of any non-controlling interest;
C. recognizes the fair value of the consideration received;
D. recognizes the fair value of any investment retained;
E. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings; and
F. recognizes any surplus or deficit in profit or loss.

The consolidated entities are listed as follows:

			Percentage of ownership (%)		
Investor	Subsidiary	Main businesses	December 31, 2022	December 31, 2021	Note
The Company	Loftstar Interactive Entertainment Inc.	Software wholesale and software services	100	100	1
The Company	Activision Entertainment Ltd.	Performing arts	100	100	2
The Company	Gamebase Digital Media Corporation	Software services and information processing services, etc.	100	100	3
The Company	Softstar Animation Limited (SAL)	Investment holdings	100	100	
The Company	Time Vision International Limited (TVI)	Investment holdings	100	100	4
The Company	Uniplus Electronics Co., Ltd.	Manufacture, lamination, processing, research and development, and merchandising of electronic parts/components	34.39	34.39	5 and 7
The Company	New Profit Holding Limited	Investment holdings	100	100	6
The Company	JFN Investment Holding Corp	Investment holdings	100	100	7 and 8
The Company	Lanjing Ltd.	Investment holdings	100	100	7 and 9
The Company	Jiwei Technology Ltd.	Investment holdings	100	100	7 and 10
The Company	Red Sunrise Co., Ltd.	Third-party payment services	50.72	-	11
The Company	Chander Electronics Corp.	Electronic Products Distribution	11.26	6.89	12 and 13
New Profit Holding Limited	Chander Electronics Corp.	Electronic Products Distribution	1.58	1.86	12
JFN Investment Holding Corp	Chander Electronics Corp.	Electronic Products Distribution	5.11	5.51	12 and 14
Lanjing Ltd.	Chander Electronics Corp.	Electronic Products Distribution	21.64	1.54	12
Jiwei Technology Ltd.	Chander Electronics Corp.	Electronic Products Distribution	1.14	1.34	12
Uniplus Electronics Co., Ltd.	Chander Electronics Corp.	Electronic Products Distribution	2.48	-	15
Jiwei Technology Ltd.	Array Holdings for APGFIII Fund LPs	Investment holdings	100	-	13
Jiwei Technology Ltd.	Array Taiwan Inc.	Information software services	100	-	16
Uniplus Electronics Co., Ltd.	Green Bless Co., Ltd.	Beauty and skincare products	100	100	5 and 17

			Percentage of ownership (%)		
Investor	Subsidiary	Main businesses	December 31, 2022	December 31, 2021	Note
Uniplus Electronics Co., Ltd.	Hang Zheng Technology Co., Ltd.	Wholesale of electronic equipment	100	100	5 and 18
Uniplus Electronics Co., Ltd.	Jiu He Yi Technology Co., Ltd.	Wholesale of electronic equipment	100	100	5 and 19
Uniplus Electronics Co., Ltd.	Ruihe Investment Co., Ltd.	Investment holdings	100	-	5 and 20
Gamebase Digital Media Corporation	Mega Media Group Limited	Investment holdings	100	100	21
Red Sunrise Co., Ltd.	Sun Tech Co., Ltd.	Third-party payment services	100	-	11
Red Sunrise Co., Ltd.	Soundnet Tech Co., Ltd.	Information software services	100	-	11
Chander Electronics Corp.	Chander Electronics (HK) Corporation	Maintenance, distribution and trade of electronic components, integrated circuits, computer equipment, liquor and related products	100	-	12
Chander Electronics Corp.	Yun Fang Co., Ltd.	Tobacco, alcohol, beverage, food and medical equipment wholesalers and retail	100	-	12
Chander Electronics Corp.	Changsha Zecheng Technology Co., Ltd.	Maintenance, distribution and trade of electronic components, integrated circuits, computer equipment, and related products	100	-	12
Chander Electronics Corp.	Quan Zhe Metal Corp.	Electronic component products, information software wholesalers and retail, and data processing services	100	-	12 and 13
Chander Electronics Corp.	Toptrend Technologies Corp.	Electronic products and components trading services	89.75	-	12, 22, and 23
Array Holdings for APG FIII Fund LPs	Array Inc.	Research and sale of Application Delivery Controllers, high-end SSL VPN systems, Remote Desktop Access Solutions and Application Acceleration	41.42	-	13
Array Inc.	Array Networks, Inc. (Array Cayman)	Investment holdings	100	-	12 and 13
Array Cayman	Array Networks, Inc. (Array US)	Research, manufacture and sale of Network Functions Platform, Application Delivery Controllers, high-end SSL VPN systems, Remote Desktop Access Solutions and Application Acceleration	100	-	12 and 13

			Percentage of ownership (%)		
Investor	Subsidiary	Main businesses	December 31, 2022	December 31, 2021	Note
Array Cayman	Zentry Security Inc.	Zentry modernizes the secure access with enhanced security, improved productivity, and ease of use. It helps customers migrate to Zero Trust Security model from obsolete perimeter model (Firewall & VPN)	99.95	-	12, 13, and 24
Array US	Array Networks Japan Kabishiki Kaisha	Research, manufacture and sale of Network Functions Platform, Application Delivery Controllers, high-end SSL VPN systems, Remote Desktop Access Solutions and Application Acceleration	100	-	12 and 13
Array US	Array Networks India Private Limited	Research, manufacture and sale of Network Functions Platform, Application Delivery Controllers, high-end SSL VPN systems, Remote Desktop Access Solutions and Application Acceleration	100	-	12 and 13

Note 1: Loftstar Interactive Entertainment Inc. increased its capital of NT$20,000 thousand and NT$10,000 thousand in March and June, 2021, respectively, totaling NT$30,000 thousand and 3,000 thousand shares. The newly issued shares were subscribed by the Company and the registration process was completed.

Note 2: Taipei City Government approved Softstar Agency Co., Ltd. to alter its name to Activision Entertainment Ltd. on April 16, 2021. Activision Entertainment Ltd. increased its capital of NT$5,000 thousand, totaling 500 thousand shares in April 2021. The new shares were subscribed by the Company and the registration process was completed.

Note 3: On March 30, 2021, the Company purchased 400,000 shares of Gamebase Digital Media Corporation from Cite Publishing Limited, which increased the Company's ownership from 93.5% to 100%. Gamebase Digital Media Corporation increased its capital by NT$140,000 thousand in 2021, totaling 14,000 thousand shares which were subscribed by the Company. Gamebase Digital Media Corporation increased its capital by NT$13,000 thousand in December 2022, totaling 1,300 thousand shares, which were subscribed by the Company, and the registration process was completed.

Note 4: On April 12, 2021, the Company restructured its organization by establishing two offshore subsidiaries, Time Vision International Limited (TVI) and Best Classic International Limited (BCI). The Company's subsidiary, Softstar International Inc. was directly held by Best Classic International Limited (BCI) after re-organization. Best Classic International Limited (BCI) was sold to CMGE Technology Group Limited in December 2021.

Note 5: The Company purchased 28,323 thousand and 33,632 thousand shares of Uniplus Electronics Co., Ltd. in a private placement amounted to NT$160,000 thousand and NT$190,000 thousand, respectively, which increased the Company's ownership from 15.72% to 34.39%. As the Company obtained the substantial controls over Uniplus Electronics Co., Ltd., it was consolidated as the Company's subsidiary from the control acquisition date in September 2021.

Note 6: On October 18, 2021, the Company acquired 100% of New Profit Holding Limited's shares from a related party, Angel (USA) Investments Limited.

Note 7: On November 25, 2021, the Company acquired 100% shareholdings of JFN Investment Holding Corp., Lanjing Ltd., and Jiwei Technology Ltd. from a related party, Uniplus Electronics Co., Ltd.

Note 8: JFN Investment Holding Corp. increased its capital by NT$6,775 thousand in April and September 2022. The newly shares were subscribed by the Company.

Note 9: Lanjing Ltd. increased its capital by NT$296,700 thousand in March and April 2022. The newly shares were subscribed by the Company and the registration process was completed.

Note 10: Jiwei Technology Ltd. increased its capital by NT$211,717 thousand in March, April, and June 2022. The newly shares were subscribed by the Company and the registration process was completed.

Note 11: The Company purchased 5,476 thousand shares of Red Sunrise Co., Ltd. amounted to NT$136,899 thousand on January 3, 2022, with 55.03% shareholdings. Red Sunrise Co., Ltd. and its subsidiaries were consolidated from the control acquisition date. Red Sunrise Co., Ltd. increased its capital by NT$100,000 thousand on July 15, 2022, and the Company subscribed NT$40,000. As the Company did not acquire shares newly issued to its original ownership interest, the Company's interest was reduced from 55.03% to 50.72%.

Note 12: Lanjing Ltd. acquired 16,415 thousand shares of Chander Electronics Corp. amounted to NT$296,487 thousand in April 2022, thus the Group's direct and indirect shareholdings increased from 17.14% to 41.05%. Chander Electronics Corp. was consolidated from the control acquisition date in April 2022, and Array Inc. was consolidated simultaneously since Chander Electronics Corp.'s subsidiary indirectly held 29.21% shares of Array Inc. Chander Electronics Corp. increased its capital by NT$80,000 thousand on August 11, 2022, and the Company and its subsidiaries, including Lanjing Ltd., Jiwei Technology Ltd., did not acquire shares newly issued to its original ownership interest, and the Group's direct and indirect interest was reduced to 40.19%. The Company acquired 2,091 thousand shares of Chander Electronics Corp. in October and November 2022, and its direct and indirect interest increased to 43.21%.

Note 13: The Company's subsidiary, Jiwei Technology Ltd., acquired 50% of Array Holdings for APGFIII Fund LPs' shares amounted to NT$100,567, which contributed to 20.71% shares of a company listing on the TPEX in Taiwan, Array Inc. (ticker symbol: 3664), with 10,586 thousand shares. Quan Zhe Metal Corp., 100% owned subsidiary of Chander Electronics Corp., sold the rest 50% shareholdings of Array Holdings for APIGIII Fund LPs to Jiwei Technology Ltd. on April, 25, 2022. The Group held 41.42% shareholdings of a company listing on the TPEX in Taiwan, Array Inc. (ticker symbol: 3664), with 21,172 thousand shares.

Note 14: The Company sold 350 shares of Chander Electronics Corp. to its subsidiary, JFN Investment Holding Corp., at the price of NT$19 per share in April and September 2022, resulting in a change of shareholdings.

Note 15: Uniplus Electronics Co., Ltd. acquired 2,000 thousand shares of Chander Electronics Corp. amounted to NT$48,269 thousand in November 2022.

Note 16: Jiwei Technology Ltd. established Array Taiwan Inc. in July 2022 with NT$10,000 thousand of capital and 100% shareholdings. Array Inc.'s Board of Director resolved to acquire 100% shareholdings of Array Taiwan Inc. from Jiwei Technology Ltd. at the price of NT$10,000 thousand in September 2022. The transfer of ownership was completed in January 2023.

Note 17: Green Bless Co., Ltd. increased its capital of 500 thousand shares in cash in April 2021, the share capital increased to NT$25,000 thousand, and the shareholdings remained 100%.

Note 18: Uniplus Electronics Co., Ltd. established Hang Zheng Technology Co., Ltd. in December 2019 with NT$40,000 thousand in capital. Hang Zheng Technology Co., Ltd., reduced its capital of 3,000 thousand shares, its capital changed to NT$10,000 thousand, and the shareholding remained 100%.

Note 19: Uniplus Electronics Co., Ltd. established Jiu He Yi Technology Co., Ltd. in May 2021 with NT$15,000 thousand in capital, and the shareholdings was 100%.

Note 20: Uniplus Electronics Co., Ltd. established Ruihe Investment Co., Ltd. in January 2022 with NT$100 thousand of capital and 100% shareholdings.

Note 21: Gamebase Digital Media Corporation a cquired 100% shareholdings of Mega Media Group Limited from a related party, Global Angel Investment Limited, with NT$93,200 thousand in December 2021.

Note 22: Chander Electronics Corp. invested 30% of the shares of Toptrend Technologies Corp. in December 2021, which was accounted for using the equity method. In addition, the Group obtained more than half of Toptrend Technologies Corp.'s board seats through the re-election of directors at Toptrend Technologies Corp.'s shareholders' meeting in January 2022, therefore, the Group acquired substantial control over Toptrend Technologies Corp. and included it in the preparation of the consolidated financial statements. In April 2022, the Group acquired another 32.52% shares of Toptrend Technologies Corp., raising its total shareholding to 62.52%.

Note 23: On September 15, 2022, Chander Electronics Corp.'s board of directors resolved to issue new shares as consideration for the exchange of shares of Toptrend Technologies Corp. The ratio of share exchange was 1.3333 shares for 1 share of Chander's ordinary shares held by the transferees, and 4,106 thousand shares were issued. Chander originally held 12,566 thousand shares directly in Toptrend Technologies Corp., representing a 62.52% shareholding. After the share exchange in the new share issue, the Group acquired 5,474 thousand shares held by Toptrend Technologies Corp.'s other shareholders, raising its total shareholding to 89.75%. The transfer of shares of other companies to issue new shares had been approved by the relevant authorities, and October 19, 2022 was set as the share exchange base date.

Note 24: On June 10, 2022, Array Inc.'s board of directors approved to convert the loan to Zentry to Zentry's shares, which resulted in the capital increase in Zentry. As of December 31, 2022, the total investment in Zentry was US$11,200 thousand. In addition, the issuance of new shares under Zentry's share options in September and October 2022 reduced the Group's interest in Zentry to 99.95% as of December 31, 2022.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NT$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
B. Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.
C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NTD at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
B. The Group holds the asset primarily for the purpose of trading.
C. The Group expects to realize the asset within twelve months after the reporting period.
D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

A. The Group expects to settle the liability in its normal operating cycle.
B. The Group holds the liability primarily for the purpose of trading.
C. The liability is due to be settled within twelve months after the reporting period.
D. The Group does not have an unconditional right to defer settlement of the liability for at least twelve 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.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within one month) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial instruments

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

Financial assets and financial liabilities within the scope of IAS 9 *Financial Instruments: Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(A) the Group's business model for managing the financial assets and
(B) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables, other financial assets, current, refundable deposits and other financial assets, non-current etc., on balance sheet as at the reporting date:

(A) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(B) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(A) purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
(B) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(A) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(B) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(A) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
(B) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
(C) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
   a. Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
   b. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

The Group measures expected credit losses of a financial instrument in a way that reflects:

(A) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(B) the time value of money; and
(C) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

(A) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
(B) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
(C) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
(D) For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

(A) The rights to receive cash flows from the asset have expired
(B) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(C) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity.

Compound instruments

The Group evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Group assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 *Financial Instruments*.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

(A) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
(B) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
(C) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

(A) it eliminates or significantly reduces a measurement or recognition inconsistency; or
(B) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or
B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower of cost and net realizable value. Cost is calculated by the weighted average method. Some subsidiaries' inventories are recorded at the standard cost and adjusted to weighted-average cost in the reporting period. Cost of finished goods and work in progress include direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. When comparing cost and the net realizable value item by item, the net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(11) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Group's percentage of ownership interests in the associate, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate is reduced or increased as the Group fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in Additional Paid in Capital and Investment in associate. 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 interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 Investments in Associates and Joint Ventures. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Group estimates:

A. Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(12) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	50~55 years
Machinery and equipment	1~10 years
Office equipment	1~10 years
Leasehold improvements	3~5 years
Transportation equipment	5 years
Other equipment	1~8 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(13) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
C. amounts expected to be payable by the lessee under residual value guarantees;
D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

A. the amount of the initial measurement of the lease liability;
B. any lease payments made at or before the commencement date, less any lease incentives received;
C. any initial direct costs incurred by the lessee; and
D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(14) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

A summary of the policies applied to the Group's intangible assets is as follows:

	Trademark	Game royalty	Computer software	Technology of patent	Goodwill	Other Intangible assets
Useful lives	Indefinite	Finite	Finite	Finite	Indefinite	Finite
Amortization method used	No amortization	Amortized on a straight-line basis within six months from the date of commercial operation of the game.	Amortized on a straight- line basis over the estimated useful life	Amortized on a straight- line basis over the estimated useful life	No amortization. Tested for impairment annually.	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired	Acquired	Acquired	Acquired	Acquired	Acquired

Other intangible assets includes digital assets with indefinite useful lives.

(15) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(16) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Sales returns and allowances

A provision has been recognized for sales returns and allowances in accordance with IFRS 15.

(17) Treasury stocks

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

(18) Revenue recognition

The Group's revenue arising from contracts are primarily related to royalties. Licensing content includes licensing its solely developed intellectual property (IP) to others that grant use in game development, game operations and film content and online game operation services. The accounting policies are explained as follow:

Sale of goods

The Group manufactures and sells products. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main products of the Group are game software and related peripherals and electronic products and revenue is recognized based on the consideration stated in the contract.

The Group recognizes revenue and accounts receivable when the products of electronic components, tobacco, liquor, application delivery controllers, high-end SSL VPN systems, remote desktop access solutions, application acceleration and WAN optimization controllers are delivered and arrived at the place designated by the customers, as the customers have the right of pricing and use and responsibility of reselling and take the risk on obsolescence of the goods.

The credit period of the Group's sale of goods is from 30 to 180 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract.

Rendering of services

A. The Group provides services related to game licensing. The Group identifies performance obligations and determines whether the licensing provides a customer with a right to access the Group's IP over time or with a right to use the Group's IP at a point in time. Based on experience, the Group uses the expected value method to estimate variable consideration. The scope is limited to the accumulated amount of the revenue recognized which is likely to not be significantly reversed in the subsequent period, when the uncertainty associated with the contracts are eliminated.

   For some contracts, if the Group has fulfilled the performance obligation but does not have a right to an unconditional consideration, these contacts should be presented as contract assets. Besides, loss allowance for contract assets was assessed in accordance with IFRS 9. For some rendering of services contracts, when part of the consideration was received from customers upon signing the contract and the Group owns the obligation to provide the services subsequently, these contracts should be recognized as contract liabilities.

B. The Group provides services related to online games. The Group sells online game time points to subsequently provide services, therefore sales amount from online game time points is recognized as a contract liabilities and revenue is subsequently recognized based on actual usage.

C. The Group provides services related to the operation of online games. When the players recharge their game credits, they can subsequently use the credits to buy virtual items in the game. The Group recognizes the proceeds received from the sales of game points as contract liabilities. Revenue is recognized in accordance with the estimated lifetime of the virtual items after players recharge their game credits and subsequently use the credits to by virtual items.

D. Fee income from electronic payments and third-party payments is obtained from providing services to customers on online cash flow platforms and is recognized as revenue when cash has been received and the performance obligation has been mostly completed.

E. The Group provides after-sales support services of application delivery controllers, high-end SSL VPN systems, remote desktop access solutions, application acceleration and WAN optimization controllers. As the Group provides support services, customers simultaneously receive and consume the benefits provided by the Group's satisfaction of performance obligations. Consequently, the related revenue is recognized when services are rendered.

(19) Borrowing Costs

Borrowing costs in line with the requirements which are directly attributable to the acquisition, construction or production of assets may be capitalized as part of the cost of the asset. All other borrowing costs are recognized as expenses incurred during the period. The borrowing costs include interest and other costs incurred in connection with the borrowing of funds.

(20) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(21) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee’s name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore fund assets are not included in the Group’s consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

A. the date of the plan amendment or curtailment, and
B. the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

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

(22) Share-based payment transactions

The cost of equity-settled transactions between the Group and its subsidiaries is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of restricted stocks issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Group recognized unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period.

(23) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

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

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities 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. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The estimated average annual effective income tax rate only includes current income tax. The recognition and measurement of deferred tax follows annual financial reporting requirements in accordance with IAS 12. The Group recognizes the effect of change in tax rate for deferred taxes in full if the new tax rate is enacted by the end of the interim reporting period, by charging to profit or loss, other comprehensive income, or directly to equity.

(24) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 *Financial Instruments* either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty arising from these assumptions and estimates could result in material adjustments to the carrying amount of the assets or liabilities in future periods.

(1) Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

A. Revenue recognition – royalties

In accordance with IRFS 15, the Group identifies performance obligations and determine whether the licensing provides a customer with a right to access the Group's IP over time or with a right to use the Group's IP at a point in time and recognizes royalty revenue when performance obligations have been satisfied.

B. Business combination

The business combination in the Group is in accordance with Business Mergers and Acquisitions Act. The costs relating to the acquisitions are recognized as expense when the costs happen and the servings were accessed. Goodwill is initially measured as the net amount of the excess of the aggregate of the consideration transferred, the non-controlling interest, and the fair value of equity held by the investor at the acquisition date over the net fair value of the identifiable assets acquired and the liabilities assumed. The non-controlling interest is measured as its share of the net identifiable assets of investee.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date bear a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. These estimates and assumptions are discussed below.

A. Estimate of variable consideration

With the Group's business practices, the Group expects to provide a price concession. This price concession will depend on the situation of the industry at the time and the customer. The expected value method is used to estimate variable consideration to predict the amount of the consideration that the Group will be entitled to. When the aforementioned method for estimating variable consideration is included in the transaction price, the scope is limited to the accumulated amount of the revenue recognized, which is likely to not be significantly reversed in the subsequent period when the uncertainty associated with the contracts are eliminated.

B. Accounts receivables–estimate of impairment loss

The Group estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (forward-looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

C. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recognized in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (i.e. the discounted cash flows model) or market approach. Changes in assumptions used in the valuation model could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

D. Inventories

Estimates of net realisable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

E. Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and changes of the future salary etc. Please refer to Note 6 for more details.

F. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

G. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carry forward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of December 31,	
	2022	2021
Cash on hand & petty cash	$1,079	$454
Checking and saving accounts	1,589,062	1,795,068
Total	$1,590,141	$1,795,522

(2) Notes receivable and Notes receivable-related parties

	As of December 31,	
	2022	2021
Notes receivable	$11,056	$18,632
Less: loss allowance	-	-
Subtotal	11,056	18,632
Notes receivable-related parties	804	-
	$11,860	$18,632

Notes receivable were not pledged.

The Group follows the requirement of IFRS9. Please refer to Note 6 (20) for more details on loss allowance and Note 12 for details on credit risk.

(3) Accounts receivable and Accounts receivable-related parties

	As of December 31,	
	2022	2021
Accounts receivable	$910,109	$136,271
Less: Loss allowance	(36,603)	(2,166)
Subtotal	873,506	134,105
Accounts receivable-related parties	11,448	299
Total	$884,954	$134,404

Accounts receivable were not pledged.

Accounts receivable are generally on 30-180 day terms. The total carrying amount as of December 31, 2022 and 2021 were NT$921,557 thousand and NT$136,570 thousand, respectively. Please refer to Note 6 (20) for more details on loss allowance of accounts receivable for the years ended December 31, 2022 and 2021. Please refer to Note 12 for more details on credit risk management.

(4) Inventories, net

	As of December 31,	
	2022	2021
Raw materials	$88,141	$61,798
Work in progress	1,946	876
Finished goods	41,608	14,681
Commodities	92,663	-
Total	$224,358	$77,355

The cost of inventories recognized in expenses amounted to NT$971,493 thousand and NT$95,003 thousand for the years ended December 31, 2022 and 2021, respectively, including the reversal of write-down of inventories of NT$1,882 thousand and the write-down of inventories of NT$1,798 thousand, respectively.

The reversal of write-down of inventories in the current year was because of the partial inventories close-out.

No inventories were pledged.

(5) Prepayments

	As of December 31,	
	2022	2021
Prepaid outsourcing fee	$31,307	$19,798
Prepayment for purchases	30,920	10,864
Other prepayments	28,065	8,583
Total	$90,292	$39,245

(6) Other financial assets

	As of December 31,	
	2022	2021
Restricted trust deposits	$237,930	$-
Reserve account-demand deposits	112,306	47,536
Reserve account-time deposits	64,520	3,000
Pledged deposits	768	-
Time deposits with original maturities of more than 3 months	-	100,000
Total	$415,524	$150,536
Current	$392,179	$118,530
Non-current	$23,345	$32,006

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

Please refer to Note 8 for further details on pledged other financial assets.

(7) Financial assets designated at fair value through profit or loss, noncurrent

	As of December 31,	
	2022	2021
Financial assets designated at fair value through profit or loss:		
Cathy Private Equity Ecology Limited Partnership	$12,263	$23,097
Cathy Private Equity Smart Technology Limited Partnership	12,424	14,797
Morgan Stanley Mutual Funds	11,291	-
Wisdom Capital Limited Partnership	6,934	-
Film investment agreement (Note1)	3,000	-
Allianz Global Investors Income and Growth Fund	1,271	-
Outstanding Capital Limited Partnership (Note2)	284	-
Contract of profit sharing rights on game publishing (Note3, 4, and 5)	-	17,143
Total	$47,467	$55,037
Current	$19,496	$-
Non-current	$27,971	$55,037

Note 1: The profit generated from the film would be allocated to the Company and other corporations based on the signed investment agreement.

Note 2: The Group and Outstanding Capital Limited Partnership signed the contracts of partnership in 2022. Duration of superficies of the term agreement, resolved to enter dissolution and liquidation procedures. The investments will be returned to shareholders as net assets when the procedures are completed. The Company assess of investee companies net assets approaching the fair value of the investment.

Note 3: The Group and A.R.T. Games Co., Ltd. signed development and publishing agreement, and its primary terms are as follows:

A. Investment amount: NT$10,000 thousand (tax excluded: NT$9,524 thousand)
B. Contract date: May 10, 2021
C. Expiry date: Until the commercial operation of this game is ceased.
D. After the commercial operation of this game starts in any of the licensed areas, A.R.T. Games Co., Ltd. shall share the profits according to the following ways:
(A) The Group is entitled of 30% of this game’s operating revenues after the deduction of channel service fees and bad debt rate.
(B) The aforementioned percentage of profit sharing will be adjusted to 4% after the Group receives more than NT$10,000 thousand.
(C) The Group signed the supplemental agreement with A.R.T. Games Co., Ltd. in March 2022, for the entitled of operating revenues amended to 50%. After the actual collection amount by the Group reaches NT$10,000 thousand, the entitled of operating revenues will be carried out according to the original contract. If the Group receives less than NT$10,000 thousand, A.R.T. Games Co., Ltd. has to pay the difference.

Note 4: The Group and Galaxy Power Holdings Limited signed a development and publishing agreement, and its primary terms are as follows:

A. Investment amount: NT$10,000 thousand (tax excluded: NT$9,524 thousand)
B. Contract date: May 10, 2021
C. Expiry date: Until the commercial operation of this game is ceased.
D. After the commercial operation of this game starts in any one of the licensed areas, Galaxy Power Holdings Limited shall share the profits according to the following ways:

(A) The Group is entitled of 30% of this game’s operating revenues after the deduction of channel service fees and bad debt rate.
(B) The aforementioned percentage of profit sharing percentage will be adjusted to 4% after the Group receives more than NT$10,000 thousand.
(C) The Group signed the supplemental agreement with Galaxy Power Holdings Limited in March 2022, for the entitled of operating revenues amended to 50%. After the actual collection amount by the Group reaches NT$10,000 thousand, the entitled of operating revenues will be carried out according to the original contract. If the Group receives less than NT$10,000 thousand within three years after the commercial operation of the game, Galaxy Power Holdings Limited has to pay the difference.
(D) The Group signed the supplemental agreement with Galaxy Power Holdings Limited in May 2022 that Galaxy Power Holdings Limited would develop another game and share operating revenue with the Group.

Note 5: The Group terminated the development and publishing agreement with A.R.T. Games Co., Ltd. and Galaxy Power Holdings Limited on December 1, 2022.

Financial assets designated at fair value through profit or loss were not pledged.

(8) Financial assets at fair value through other comprehensive income, noncurrent

	As of December 31,	
	2022	2021
Equity instrument investments measured at fair value through other comprehensive income, noncurrent:		
Listed company stocks		
Newretail Co., Ltd.	$6,093	$14,314
Emerging market stocks		
SNSplus Inc.	3,386	4,134
Private company stocks		
Super Energy Materials Inc.	45,430	-
BLC Group Holding Limited	8,358	20,000
Taiwan Smart Card Co.	6,160	3,084
Hanbang Precision Technology Co., Ltd.	92	-
Auer Media & Entertainment Corp.	-	67,397
Double Edge Entertainment Corp.	-	3,043
Total	$69,519	$111,972

Financial assets at fair value through other comprehensive income were not pledged.

(9) Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Group:

	As of December 31,				
	2022		2021		
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)	Note
Investments in associates:					
Neweb Technologies Co., Ltd.	$452,386	32.63%	$-	-%	Note 1
Niusnews Co., Ltd.	102,689	34.25%	108,240	27.63%	Note 2
Double Edge Entertainment Corp.	12,597	30.31%	-	-%	Note 3
PayNow Inc.	7,745	41.44%	-	-%	
A.R.T. Games Co., Ltd.	1,635	49%	3,423	49%	
Chander Electronics Corp.	-	-%	221,706	17.14%	Note 1
Chia-e International Inc.	-	28.21%	-	28.21%	
Total	$577,052		$333,369		

Note 1: The Group acquired additional shares of Chander Electronics Corp. in April 2022, thus increasing the shareholdings to 41.04%. Chander Electronics Corp. was consolidated from the control acquisition date, and the investment as an associate was reclassified to a subsidiary. Therefore, the Group acquired the shareholdings of Neweb Technologies Co., Ltd., recognized under investments accounted for using the equity method.

Note 2: The Board of Director of the Group held on December 24, 2021 approved the subsidiary, Gamebase Digital Media Corporation, to acquire 318 thousand newly issued shares of Niusnews Co., Ltd. with NT$34,980 thousand in exchange of 8.93% shareholdings. In addition, Gamebase Digital Media Corporation also acquired 100% of Mega Media Group Limited’s shares from a related party, Global Angel Investments Limited, with NT$93,260 thousand, indirectly holding 666 thousand shares of Niusnews Co., Ltd. (18.7% of shareholdings). The Company increased Niusnews Co., Ltd.’s capital by NT$3,731 thousand and NT$3,760 thousand through the subsidiary, Gambase Digital Media Corporation, on April 25 and 27, 2022, subscribing 749 thousand newly issued shares, and the shareholdings reached to 21.09%. As Mega Media Group Limited failed to acquire shares newly issued to its original ownership interest, its shareholding reduced to 13.16%, and the Group’s shareholdings was 34.25%.

Note 3: The Group increased Double Edge Entertainment Corp.’s capital by NT$10,000 thousand on April 29, 2022, to acquire 1,000 thousand shares. As the Group’s shareholdings reached to 29.84%, the investment from financial assets at fair value through other comprehensive income, non-current was reclassified to investments accounted for using the equity method. The Group acquired 25 thousand shares of Double Edge Entertainment Corp. amounted to NT$500 thousand and its shareholdings increased to 30.31%.

A. The Group recognized NT$0 thousand and NT$2,688 thousand impairment loss for the investments accounted for using equity method after assessing the possibility of recoverable amount of the investments in 2022 and 2021, respectively.

B. Investments in Associates

Information on the material associate of the Group:

Company name: Neweb Technologies Co., Ltd.

Nature of the relationship with the associate: Neweb Technologies Co., Ltd. is in the business of information processing services. The Group invested in Neweb Technologies Co., Ltd. for the purpose of business needs.

Principal place of business (country of incorporation): Taiwan

Reconciliation of the associate's summarized financial information presented to the carrying amount of the Group's interest in the associate:

The summarized financial information of the associate is as follows:

	As of December 31, 2022
Current assets	$2,926,435
Non-current assets	759,010
Current liabilities	(2,572,452)
Non-current liabilities	(92,704)
Equity	1,020,289
Property of the Group's ownership	32.63%
Subtotal	332,919
Goodwill	119,467
Carrying amount of the investment	$452,386

	For the year ended December 31, 2022
Operating revenue	$1,150,592
Profit or loss from continuing operations	$76,561
Other comprehensive income	(7,400)
Total comprehensive income	$69,161

The Group's investments in Niusnews Co., Ltd., Double Edge Entertainment Corp., PayNow Inc., A.R.T. Games Co., Chia-e International Inc., and Chander Electronics Corp. are not individually material. The aggregate carrying amount of the Group's interests in the abovementioned investees is NT$124,666 thousand and NT$333,369 thousand, as of December 31, 2022 and 2021, respectively. The aggregate financial information is as follows:

	For the years ended December 31	
	2022	2021
Net loss from continuing operations	$(44,206)	$(29,168)
Other comprehensive income (net of tax)	2	2,871
Total comprehensive loss	$(44,204)	$(26,297)

The Group recognized the investment income(loss) based on the financial information of the investees recognized in investments accounted for under the equity method. Such financial information is as follows:

	Investment gain/(loss) For the years ended December 31	
	2022	2021
Neweb Technologies Co., Ltd.	$20,097	$-
Niusnews Co., Ltd.	(12,351)	-
Array Holdingss for APGFIII Fund LPs	(3,890)	-
A.R.T. Games Co., Ltd.	(1,788)	4,969
PayNow Inc.	1,156	-
Double Edge Entertainment Corp.	(705)	-
Chander Electronic Corp.	18	(1,876)
Softstar Technology (Beijing) Co., Ltd. (Note)	-	(84,287)
Uniplus Electronics Co., Ltd.	-	541
Chia-e International Inc.	-	-
Total	$2,537	$(80,653)

Note : Investment loss for Softstar (Beijing) included NT$(8,491) thousand amortization between the book value and the fair value of its intangible assets in 2021.

C. The aforementioned associates had no contingent liabilities or capital commitments as at December 31, 2022 and 2021. No investments accounted for using the equity method were pledged.

D. We did not audit the financial statements of certain investee companies. Those statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for those investee companies accounted for using equity method and information disclosed in Note 13 relating to these equity investments, is based solely on the audit reports of other auditors. These associates and joint ventures under equity method amounted to NT$555,075 thousand and NT$221,706 thousand, representing 11% and 7% of consolidated total assets as of December 31, 2022 and 2021, respectively. The related shares of profit or loss from the associates and joint ventures under the equity method amounted to NT$7,746 thousand and NT$(1,876) thousand, representing 1% and 0% of the consolidated profit before tax for the years ended December 31 2022 and 2021, respectively, and the related shares of other comprehensive income (loss) from the associates and joint ventures under the equity method amounted to NT$(2,415) thousand and NT$2,871 thousand, representing (28)% and 6% of the consolidated other comprehensive income for the years ended December 31, 2022 and 2021, respectively.

(9) Property, plant and equipment

	As of December 31, 2022	As of December 31, 2021
Owner occupied property, plant and equipment	$144,439	$38,100

	Land	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Leasehold improvements	Total
Cost:								
As of January 1, 2022 (Adjusted)	$-	$-	$127,448	$19,889	$1,847	$26,405	$2,814	$178,403
Additions	-	-	3,296	5,060	-	3,720	9,231	21,307
Disposals	-	-	(17)	(2,143)	(1,161)	(1,425)	(3,466)	(8,212)
Acquisition of subsidiaries	69,585	26,582	45,046	43,470	1,541	79,280	4,087	269,591
Other changes	-	-	6,612	2,560	-	4,889	38	14,099
Loss of control	-	-	-	(594)	-	(3,150)	-	(3,744)
As of December 31, 2022	$69,585	$26,582	$182,385	$68,242	$2,227	$109,719	$12,704	$471,444
As of January 1, 2021	$-	$-	$9,970	$16,030	$-	$-	$13,929	$39,929
Additions	-	-	151	1,214	-	1,935	2,814	6,114
Disposals	-	-	-	(1,403)	-	(22,356)	(13,929)	(37,688)
Other changes	-	-	(4,010)	4,010	-	250	-	250
Acquisition of subsidiaries	-	-	121,337	38	1,847	46,576	-	169,798
As of December 31, 2021 (Adjusted)	$-	$-	$127,448	$19,889	$1,847	$26,405	$2,814	$178,403
Depreciation and impairment:								
As of January 1, 2022 (Adjusted)	$-	$-	$98,300	$17,452	$271	$23,354	$926	$140,303
Depreciation	-	453	9,127	2,589	445	5,441	2,068	20,123
Disposals	-	-	(17)	(1,603)	(1,161)	(1,406)	(1,469)	(5,656)
Acquisition of subsidiaries	-	7,750	35,782	40,256	1,250	73,558	3,140	161,736
Other changes	-	-	4,501	3,205	-	4,806	(179)	12,333
Loss of control	-	-	-	(178)	-	(1,656)	-	(1,834)
As of December 31, 2022	$-	$8,203	$147,693	$61,721	$805	$104,097	$4,486	$327,005
As of January 1, 2021	$-	$-	$7,643	$13,537	$-	$-	$10,602	$31,782
Depreciation	-	-	2,804	1,760	117	1,365	926	6,972
Disposals	-	-	-	(1,131)	-	(22,356)	(10,602)	(34,089)
Other changes	-	-	(3,262)	3,262	-	-	-	-
Acquisition of subsidiaries	-	-	91,115	24	154	44,345	-	135,638
As of December 31, 2021 (Adjusted)	$-	$-	$98,300	$17,452	$271	$23,354	$926	$140,303
Net carrying amounts as of:								
December 31, 2022	$69,585	$18,379	$34,692	$6,521	$1,422	$5,622	$8,218	$144,439
December 31, 2021 (Adjusted)	$-	$-	$29,148	$2,437	$1,576	$3,051	$1,888	$38,100

Note: Other changes included reclassifications and effect of foreign currency exchange differences.

Please refer to Note 8 for further details on pledged property, plant and equipment.

(10) Intangible assets

	Trademarks	Computer software	Game Royalty	Technology of patent	Goodwill	Other intangible assets	Total
Cost:							
As of January 1, 2022 (Adjusted)	$35,988	$19,275	$9,063	$24,295	$99,927	$30,281	$218,829
Addition-acquired separately	-	14,417	4,259	-	-	21,156	39,832
Deduction-derecognized	-	(5,664)	(9,063)	-	-	(1,681)	(16,408)
Effect of foreign currency exchange differences	-	8,177	-	-	5,533	-	13,710
Acquisition of subsidiaries	-	115,071	-	-	521,741	60,567	697,379
As of December 31, 2022	$35,988	$151,276	$4,259	$24,295	$627,201	$110,323	$953,342
As of January 1, 2021	$-	$30,883	$9,063	$-	$2,712	$-	$42,658
Addition-acquired separately	111	3,625	-	-	-	-	3,736
Deduction-derecognized	-	(15,233)	-	-	-	-	(15,233)
Acquisition of subsidiaries	35,877	-	-	24,295	97,215	30,281	187,668
As of December 31, 2021 (Adjusted)	$35,988	$19,275	$9,063	$24,295	$99,927	$30,281	$218,829
Amortization and impairment:							
As of January 1, 2022 (Adjusted)	$27,395	$17,787	$9,063	$12,548	$-	$1,009	$67,802
Amortization	-	11,640	3,693	3,826	-	11,273	30,432
Impairment	-	-	-	-	-	11,884	11,884
Deduction-derecognized	-	(4,164)	(9,063)	-	-	(607)	(13,834)
Effect of foreign currency exchange differences	-	7,657	-	-	-	-	7,657
Acquisition of subsidiaries	-	108,227	-	-	-	522	108,749
As of December 31, 2022	$27,395	$141,147	$3,693	$16,374	$-	$24,081	$212,690
As of January 1, 2021	$-	$28,366	$9,063	$-	$-	$-	$37,429
Amortization	-	4,654	-	1,670	-	1,009	7,333
Deduction- derecognized	-	(15,233)	-	-	-	-	(15,233)
Acquisition of subsidiaries	27,395	-	-	10,878	-	-	38,273
As of December 31, 2021 (Adjusted)	$27,395	$17,787	$9,063	$12,548	$-	$1,009	$67,802
Net carrying amount as of:							
December 31, 2022 (Adjusted)	$8,593	$10,129	$566	$7,921	$627,201	$86,242	$740,652
December 31, 2021 (Adjusted)	$8,593	$1,488	$-	$11,747	$99,927	$29,272	$151,027

Amortization expense of intangible assets under the statement of comprehensive income:

	For the years ended December 31	
	2022	2021
Operating costs	$3,693	$-
Sales and marketing expenses	$11,551	$2,475
Administrative expense	$12,927	$1,752
Research and development expense	$2,261	$3,106

(11) Impairment test for goodwill

For impairment testing, goodwill acquired through business combinations has been allocated to 5 cash-generating units as follow:

A. Electronic products unit
B. Electronic parts and components unit
C. Network application unit
D. Third-party payment unit
E. Others unit

Carrying amount of goodwill allocated to each cash-generating unit:

	As of December 31,	
	2022	2021 (Adjusted)
Electronic products unit	$97,215	$97,215
Electronic parts and components unit	292,949	-
Network application unit	145,997	-
Third-party payment unit	88,328	-
Others unit	2,712	2,712
Total	$627,201	$99,927

Cash-generating unit of electronic products

The goodwill of electronic products unit was acquired through the combination of Uniplus Electronics Co., Ltd. and its subsidiaries in 2021. The recoverable amounts as of December 31, 2022 and 2021 have been determined based on the fair value less costs to sell, and the fair value was assessed based on market approach. Based on the abovementioned analysis, the management assessed that the goodwill was not impaired as of December 31, 2021 and 2022.

Cash-generating unit of electronic parts and components

The goodwill of electronic parts and components unit was acquired through the combination of Chander Electronics Corp. and its subsidiaries in April 2022, and the amount of goodwill was estimated based on provisional fair value. The Group had sought an independent appraisal. The valuation results had not been received as of the day management issued the financial statements.

Cash-generating unit of network application

The goodwill of network application unit was acquired through the combination of Array Inc. and its subsidiaries in April 2022, and the amount of goodwill was estimated based on provisional fair value. The Group had sought an independent appraisal. The valuation results had not been received as of the day management issued the financial statements.

Cash-generating unit of third-party payment

The recoverable amount of third-party payment unit was determined based on the value in use which is calculated according to the forecasted cash flow in five-year-financial budget approved by the management. The forecasted cash flow was updated to inflect the changes of the demands for the related products. The after-tax discount rate of the forecasted cash flow in 2022 was 14.3%, with the growth rate of the cash flow in the period more than 5 years in 2022 was 1%. The growth rate is equivalent to the long-term growth rate of the industry. Based on the abovementioned analysis, the management assessed that the goodwill allocated to the cash-generating unit was not impaired.

(12) Short-term borrowings

Details of short-term loans are as follows:

	As of December 31, 2022			
	Currency	Interest Rate	Expiration date	Amount
Secured loan	NTD	2.06%~2.60%	2023.9.22~2023.12.27	$441,181

There was no short-term borrowings as of December 31, 2021.

The Group’s unused short-term line of credit amounted to NT$688,343 thousand as of December 31, 2022.

(13) Other payables

	As of December 31,	
	2022	2021
Salary payable	$134,673	$62,673
Brokerage fees payable	49,409	83,936
Royalties payable	47,034	-
Professional service fees payable	6,107	3,563
Insurance payable	4,033	2,315
Other accrued expenses	55,753	26,037
Total	$297,009	$178,524

(14) Other current liabilities

	As of December 31,	
	2022	2021
Receipts under custody from third-party payment	$223,463	$-
Others	48,482	1,886
Total	$271,945	$1,886

The Group's receipts under custody from third-party payment are receipts from members' transactions.

(15) Long-term borrowings

Details of long-term loans are as follows:

	As of December 31, 2022			
	Currency	Interest Rate	Expiration date	Amount
Secured bank loan	NTD	2.03%~3.58%	2023.5.20~2027.4.12	$234,528
Unsecured bank loan	NTD	2.52%~2.52%	2023.6.12	4,279
Other unsecured loan	NTD	5.06%	2025.4.22	19,444
Subtotal				258,251
Less: current portion				(123,162)
Total				$135,089

	As of December 31, 2021			
	Currency	Interest Rate	Expiration date	Amount
Secured loan	NTD	1.95%~2.02%	2022.3.16~2025.12.24	$137,462
Unsecured loan	NTD	2.02%	2027.6.12	12,689
Subtotal				150,151
Less: current portion				(76,103)
Total				$74,048

Please refer to Note 8 for further details on pledged long-term borrowings.

(16) Post-employment benefits

Defined contribution plan

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, and the Company and its domestic subsidiaries will make monthly contributions of no less than 6% of the employee's monthly wages to the employees' individual pension accounts. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts. In addition, the employees of Changsha Zecheng Technology Co., Ltd. in China are members of a state-managed retirement benefit plan operated by the government of China. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

Expenses under the defined contribution plan for the years ended December 31, 2022 and 2021 are NT$11,995 thousand and NT$7,580 thousand, respectively.

Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor standards Act, The Company and its domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. At the end of each year, if the balance in the designated labor pension reserve funds is inadequate to cover the benefit estimated to be paid in the following year, the Company and its domestic subsidiaries will make up the difference in one appropriation before the end of March in the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the regulations for revenues, expenditures, safeguard and utilization of the labor retirement fund. The pension fund is invested in-house or under mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute NT$524 thousand to its defined benefit plan during the 12 months after December 31, 2022.

The weighted-average durations of the defined benefits plan obligation were 10 and 11 years as of December 31, 2022 and 2021, respectively.

Pension costs recognized in profit or loss for the years ended December 31, 2022 and 2021:

	For the years ended December 31,	
	2022	2021
Current period service costs	$39	$213
Interest income or expense	118	51
Total	$157	$264

Reconciliation of present value of the pension obligation under defined benefit pension plans and fair value of the plan assets are as follows:

	As of		
	December 31, 2022	December 31, 2021	January 1, 2021
Present value of the pension obligation under defined benefit pension plans	$29,145	$30,348	$32,946
Fair value of plan assets	(22,643)	(13,444)	(12,049)
Net defined benefit liabilities, noncurrent	$6,502	$16,904	$20,897

Reconciliation of liability (asset) of the defined benefit plan are as follows:

	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability /(asset)
As of January 1, 2021	$32,946	$(12,049)	$20,897
Current period service costs	213	-	213
Net interest expense (income)	239	(188)	51
Subtotal	452	(188)	264
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in population assumptions	27	-	27
Actuarial gains and losses arising from changes in financial assumptions	(918)	-	(918)
Experience adjustments	(945)	(177)	(1,122)
Remeasurements of the defined benefit asset	-	(95)	(95)
Subtotal	(1,836)	(272)	(2,108)
Payments from the plan	(5,473)	5,473	-
Contributions by employer	-	(461)	(461)
Acquisition of subsidiaries	4,259	(5,947)	(1,688)
As of December 31, 2021	30,348	(13,444)	16,904
Current period service costs	39	-	39
Net interest expense (income)	213	(95)	118
Subtotal	252	(95)	157
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	(1,662)	-	(1,662)
Experience adjustments	207	(603)	(396)
Remeasurements of the defined benefit asset	-	(510)	(510)
Subtotal	(1,455)	(1,113)	(2,568)
Payments from the plan	-	-	-
Contributions by employer	-	(7,991)	(7,991)
As of December 31, 2022	$29,145	$(22,643)	$6,502

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As of December 31,	
	2022	2021
Discount rate	1.25%-3.00%	0.70%
Expected rate of salary increases	2.00%	2.00%

Sensitivity analysis:

	2022		2021	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Discount rate increase by 0.25%	$-	$(663)	$-	$(733)
Discount rate decrease by 0.25%	685	-	759	-
Future salary increase by 0.25%	856	-	850	-
Future salary decrease by 0.25%	-	(808)	-	(813)

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(17) Equities

A. Common stock

The Company’s authorized capital were both NT$1,300,000 thousand, and issued capital were NT$852,630 thousand and NT$655,869 thousand with 85,263 thousand shares and 65,587 thousand shares as of December 31, 2022 and 2021, respectively, each at a par value of NT$10. Each share has one voting right and a right to receive dividends.

On April 30, 2015, the shareholders' meeting of the Company approved the issuance no more than 10,000 thousand shares of common stock through private placement issuance. The subscription price of the private placement common stock was NT$84.61 per share, totaling 2,000 thousand shares. The private placement date was March 25, 2016. The capital increase by cash was for the purpose of enriching working capital and repaying bank loans. The Company received NT$169,220 thousand through private placement issuance and has completed registration for change. Apart from the fact that private placement common stocks were subject to the Securities and Exchange Act's restrictions of transfer and must reapply for public offering after three years for public transaction, the remaining rights and obligations were the same as other issued common stock.

The shareholders' meeting held on July 1, 2021 approved the issuance of 2,523 thousand shares of common stock from unappropriated retained earnings for 2020 in the amount of NT$25,226 thousand, at a par value of NT$10 per share. The base date for capital increase was November 2, 2021, and the registration was completed.

The shareholders' meeting held on May 27, 2022 approved the issuance of 19,676 thousand shares of common stock from unappropriated retained earnings for 2021 in the amount of NT$196,761 thousand, at a par value of NT$10 per share. The base date for capital increase was September 19, 2022, and the registration was completed.

B. Capital surplus

	As of December 31,	
	2022	2021
Additional Paid-in Capital	$112,360	$112,360
Difference between consideration and carrying amount of subsidiaries acquired	39,221	10
Restricted employee stock	2,532	121
Treasury shares	4,227	-
Total	$158,340	$112,491

According to the Company Act, the capital reserve shall not be used except for offset the deficit of the company. When a company incurs no loss, it may distribute the capital surplus generated from the excess of the issuance price over the per value of capital and donations. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares.

C. Treasury Stocks

On December 13, 2022, the Board of Directors meeting resolved to repurchase treasury stocks. It was expected to buy 1,000,000 shares between December 14, 2022 to February 13, 2023 in the price between NT$40 and NT$70 per share. As of December 31, 2022, the Company has bought back 124 thousand shares in the amount of NT$6,943 thousand.

The Company's subsidiaries, Uniplus Electronics Co., Ltd., Chander Electronics Corp., and Toptrend Technologies Corp., held 5,326 thousand, 621 thousand, and 686 thousand shares of the Company as of December 31, 2022, in the amount of NT$70,443 thousand, NT$12,942 thousand, and NT$11,519 thousand, totaling NT$94,904 thousand. As of December 31, 2022, the treasury stock held by the Company was NT101,847 thousand in total.

D. Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

(A) Payment of all taxes and dues;
(B) Offset prior years' operation losses;
(C) Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
(D) Set aside or reverse special reserve in accordance with law and regulations; and
(E) The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

The company's dividend distribution adopts conservative principle. Paying stock dividend is preferred. If there is a surplus, it will be distributed to shareholders as cash dividends, but the ratio of cash dividend distribution is expected to be lower than 50% of the total dividend distribution.

According to the Company Act, the Company is required to set aside an amount from its earnings to legal reserve unless such legal reserve reaches the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

In accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865 and "Applicable question and answer for the provision of special reserves after the adoption of International Financial Reporting Standards (IFRSs)", the Group sets aside and reverses special reserves.

Details of the 2021 earnings distribution and dividends per share approved by the shareholder's meeting held on May 27, 2022 were as follows:

	Appropriation of earnings	Dividend per share (NTD)
	2021	2021
Legal reserve	$75,662	
Special reserve	(43,142)	
Cash dividend on common stock	196,761	$3
Share dividend on common stock	196,761	3

The appropriation of 2022 unappropriated retained earnings has not yet been resolved by the Board of Directors as of the reporting date.

Please refer to Note 6 (22) for details on employees' compensation and remuneration to directors and supervisors.

E. Non-controlling interests

	For the years ended December 31,	
	2022	2021
Beginning balance	$505,275	$214
Gain (Loss) attributable to non-controlling interests	(58,747)	454
Other comprehensive income attributable to non-controlling interests	15,415	60
Acquisition of equity interests of subsidiaries	878,616	504,737
Receipt of parent company's cash dividends	8,064	-
Acquisition of new shares in a subsidiary not in proportionate to ownership interest	(32,229)	-
Acquisition of shares of non-controlling interests	(46,158)	(190)
Difference between consideration and carrying amount of subsidiaries acquired	(18,377)	-
Acquisition of parent company's stocks by subsidiaries recognized as treasury shares	(169,586)	-
Ending balance	$1,082,273	$505,275

(18) Share-based payment plans

A. Certain employees of the Group are entitled to share-based payment as part of their remunerations. The group grants the equity instruments to the employees in return for the services they provide. These plans are accounted for as equity-settled share-based payment transactions.

(A) The Company- Restricted employee stock plan

The Company applied for an additional issuance of restricted employee stock in 2018 and issued on January 5, 2021 of NT$15,000 thousand, totaling 1,500 thousand shares, and the share price was NT$105 per share. There's no additional share-based payment plans. The share-based payment agreement is as follows:

Type of grant	Date of grant	Total numbers of options granted (unit)	Contract period	Vesting Conditions
Restricted employee stock plan (Note 1)	December 5, 2018	1,500,000	28 months	Achievement of performance conditions (Note 2)

Note 1: The restricted employee stock issued by the Group were not transferable during the contract period, but they did not restrict voting rights and included in the distribution of dividends. Employees who leave during the vested period were required to return the shares, but the dividends obtained is not required to return.

Note 2: A portion of the restricted employee stock would be vested at the end of each year if the employee's performance reaches the target set by the company. The maximum share vested would be 40%, 30% and 30% in each of the three years.

The detail information of upon share-based payment agreement is as follows：

	As of December 31,	
	2022	2021
	Numbers (thousand shares)	Numbers (thousand shares)
Balance at January 1	-	447
Issued	-	-
Cancelled	-	-
Less：vested	-	(447)
Balance at December 31	-	-

(B) The subsidiary- Employee share option plan of Array Inc.

On July 2, 2021, Array Inc.'s Board of Directors approved the issuance of employee share options, and the total number of new ordinary shares to be issued for the exercise of all options is 2,000 thousand shares. The Company did not issue any employee share options for the year ended December 31, 2022. Information on employee share options is as follows:

	For the years ended December 31,			
	2022		2021	
	Number of Exercisable Options (In Thousands)	Weighted-average Exercise Price (US$)	Number of Exercisable Options (In Thousands)	Weighted-average Exercise Price (US$)
Balance at January 1	2,858	$0.35	1,997	$0.40
Options granted	-	-	1,655	0.31
Options forfeited	-	-	(722)	0.40
Options exercised	(12)	0.32	(13)	0.37
Options expired	(498)	0.43	(59)	0.90
Balance at December 31	2,348		2,858	0.35
Options exercisable, end of year	942		970	0.42

(C) The subsidiary- Employee share option plan of Zentry Security Inc.

Qualified employees of the Company's subsidiary, Zentry, were granted 1,895 thousand options in 2021. Each option entitles the holder with the right to subscribe for one ordinary share of Zentry. The options granted are valid for 10 years. Twenty-five percent 25% of the optioned shares shall vest on the first anniversary of the vesting commencement date, and 1/48 of the optioned shares shall vest each month thereafter. The exercise price is US$0.06 per option. Information on employee share options is as follows:

	For the years ended December 31,			
	2022		2021	
	Number of Exercisable Options (In Thousands)	Weighted-average Exercise Price (US$)	Number of Exercisable Options (In Thousands)	Weighted-average Exercise Price (US$)
Balance at January 1	1,846	$0.06	-	$-
Options granted	2,379	0.06	1,895	0.06
Options exercised	(51)	0.06	(49)	0.06
Options expired	(4,174)	0.06	-	-
Balance at December 31	-	-	1,846	0.06
Options exercisable, end of year	-	-	244	0.06

Options granted in 2021 priced using the Black-Scholes pricing model, and the inputs to the model as follows:

Grant-date share price	US$ 0.06
Exercise price	US$ 0.06
Expected volatility	63.8%
Expected life (in years)	5
Expected dividend yield	-
Risk-free interest rate	0.26%

(D) The expenses recognized for employee services received for the years ended December 31, 2022 and 2021, are shown in the following table:

	For the years ended December 31,	
	2022	2021
Total expense arising from equity-settled share-based payment transactions	$815	$6,540

(19) Operating revenue

	For the years ended December 31,	
	2022	2021
Revenue from contracts with customers		
Sale of goods	$1,437,441	$146,702
Rendering of service	799,092	408,870
Other operating revenue	20,054	8,149
Less: sales returns and allowances	(4,453)	(4,315)
Total	$2,252,134	$559,406

Analysis of revenue from contracts with customers for the year ended December 31, 2022 and 2021 are as follows:

A. Disaggregation of revenue

For the year ended December 31, 2022

	Operating Department	Research and Development Department	Electronic Products Department	Electronic Parts and components Department	Network Application Department	Third-party Payment Department	Others	Total
Sale of goods	$36,903	$-	$304,078	$661,220	$398,063	$82	$37,095	$1,437,441
Rendering of services	79,721	401,336	-	-	-	333,636	-	814,693
Total	$116,624	$401,336	$304,078	$661,220	$398,063	$333,718	$37,095	$2,252,134
Timing of revenue recognition:								
At a point in time	$32,451	$156,302	$304,078	$661,220	$398,063	$333,718	$37,095	$1,922,927
Over time	84,173	245,034	-	-	-	-	-	329,207
Total	$116,624	$401,336	$304,078	$661,220	$398,063	$333,718	$37,095	$2,252,134

For the year ended December 31, 2021

	Operating Department	Research and Development Department	Electronic Products Department	Beauty Products Department	Total
Sale of goods	$15,163	$-	$121,087	$6,137	$142,387
Rendering of services	104,222	312,797	-	-	417,019
Total	$119,385	$312,797	$121,087	$6,137	$559,406
Timing of revenue recognition:					
At a point in time	$20,750	$136,310	$121,087	$6,137	$284,284
Over time	98,635	176,487	-	-	275,122
Total	$119,385	$312,797	$121,087	$6,137	$559,406

The licensed period of some license contracts began in 2021 but were determined and completed in subsequent periods, thus the revenue was recognized after the contract signing date.

B. Contract balances

Net contract assets (liabilities) are as follows:

	Ending balance	Beginning balance	Difference	%
Contract assets, current	$-	$-	$-	-%
Contract assets, noncurrent	3,638	35,046	(31,408)	(90%)
Contract liabilities, current	(175,489)	(130,120)	(45,369)	35%
Contract liabilities, noncurrent	(163,802)	(28,527)	(135,275)	474%

Contract assets decreased by NT$31,408 thousand from December 31, 2021 to December 31, 2022, mainly due to the changes of few contracts, resulting in the derecognition of related contract assets.

Contract liabilities increased by NT$180,644 thousand from December 31, 2021 to December 31, 2022 was mainly due to the launch of some projects, the contract liabilities were transferred to operating revenue amounted to NT$95,530 thousand, and acquisition of subsidiaries increased amount of NT$283,139 thousand.

C. Transaction price allocated to unsatisfied performance obligations

The Group's transaction price allocated to unsatisfied performance obligations amounted to NT$339,291 thousand as of December 31, 2022. Management expects that the transaction price allocated to unsatisfied performance obligations will be recognized as revenue within one to two years.

The Group's transaction price allocated to unsatisfied performance obligations amounted to NT$158,647 thousand as of December 31, 2021. Management expects that the transaction price allocated to unsatisfied performance obligations will be recognized as revenue within one to three years.

(20) Expected credit losses (gains)

	For the years ended December 31, 2022	For the years ended December 31, 2021
Operating expenses – Expected credit losses (gains)		
Contract assets	$8,930	$3,999
Accounts receivable	4,111	(1,321)
Total	$13,041	$2,678

The credit risks of the Group's financial assets measured at amortized cost were assessed as low (same as the assessment result in the beginning of the period) as of December 31, 2022 and 2021. As the Group's trade partners are financial institutions with good credit, the loss allowance was NT$0 thousand measured at a loss ratio of 0%.

The Group measures the loss allowance of its contract assets and trade receivables (including notes receivable and accounts receivable) at an amount equal to lifetime expected credit losses. The assessments of the Group's loss allowance are as follows:

A. the gross carrying amount of contract assets are NT$3,638 thousand and NT$35,046 thousand as of December 31, 2022 and 2021, respectively. The loss allowance amounts to NT$0 where an expected credit loss ratio of 0% is used.

B. the Group groups its trade receivables by counterparties' credit rating, geographical region and industry sector, and its loss allowance is measured by using a provision matrix, details are as follow:

As of December 31, 2022

Group 1

	Not yet due	Overdue				
	(Note)	<=30 days	31-60 days	61-150 days	>=151 days	Total
Gross carrying amount	$17,624	$2,497	$27	$19,081	$59	$39,288
Loss ratio	-%	3.72%	100%	24.1%	99.15%	
Lifetime expected credit losses	-	(93)	(27)	(4,599)	(58)	(4,777)
Subtotal	$17,624	$2,404	$-	$14,482	$1	$34,511

Group 2

	Not yet due	Overdue				
	(Note)	<=90 days	91-180 days	181-270 days	>=271 days	Total
Gross carrying amount	$ 92,052	$ 42	$-	$-	$-	$ 92,094
Loss ratio	-%	89.04%	-%	-%	-%	
Lifetime expected credit losses	-	(37)	-	-	-	(37)
Subtotal	$92,052	$ 5	$-	$-	$-	$ 92,057

Group 3

	Not yet due	Overdue				
	(Note)	<=90 days	91-120 days	121-365 days	>=365 days	Total
Gross carrying amount	$252,610	$31,884	$21,469	$-	$-	$305,963
Loss ratio	-%	3.17%	-%	-%	-%	
Lifetime expected credit losses	-	(1,012)	-	-	-	(1,012)
Subtotal	$252,610	$30,872	$21,469	$-	$-	$304,951

Group 4

	Not yet due	Overdue				
	(Note)	<=180 days	181-270 days	271-360 days	>=360 days	Total
Gross carrying amount	$263,396	$114,002	$1,058	$393	$25,810	$404,659
Loss ratio	-%	2.47%	50.00%	45.8%	100%	
Lifetime expected credit losses	-	(2,817)	(529)	(180)	(25,810)	(29,336)
Subtotal	$263,396	$111,185	$529	$213	$-	$375,323

Group 5

	Not yet due	Overdue				
	(Note)	<=90 days	91-180 days	181-270 days	>=271 days	Total
Gross carrying amount	$89,970	$2	$-	$-	$1,441	$91,413
Loss ratio	-%	-%	-%	-%	100%	
Lifetime expected credit losses	-	-	-	-	(1,441)	(1,441)
Subtotal	$89,970	$2	$-	$-	$-	$89,972
Total						$896,814

As of December 31, 2021

Group 1

	Not yet due	Overdue				
	(Note)	<=30 days	31-120 days	121-365 days	>=365 days	Total
Gross carrying amount	$31,062	$1,961	$226	$431	$81	$33,761
Loss ratio	0.21%	3.01%	47.81%	57.01%	100.00%	
Lifetime expected credit losses	(65)	(59)	(108)	(246)	(81)	(559)
Subtotal	$30,997	$1,902	$118	$185	$-	$33,202

Group 2

	Not yet due	Overdue				
	(Note)	<=30 days	31-120 days	121-365 days	>=365 days	Total
Gross carrying amount	$108,415	$9,481	$10	$-	$1,570	$119,476
Loss ratio	0.00%	0.28%	100.00%	0.00%	100.00%	
Lifetime expected credit losses	-	(27)	(10)	-	(1,570)	(1,607)
Subtotal	$108,415	$9,454	$-	$-	$-	$117,869
Total						$151,071

Note: The Group's notes receivable are not overdue.

C. the Group measures the loss allowance of its other receivable at an amount equal to lifetime expected credit losses. As of December 31, 2022 and 2021, the Group both recognized NT$0 thousand allowance loss.

The movement in the provision for impairment of contract assets and accounts receivable during the December 31, 2022 and 2021 are as follows:

	Contract Assets	Accounts Receivable
As of January 1, 2022	$-	$2,166
Reversal and write off due to receipt	8,930	4,111
Acquisition of subsidiaries	-	30,047
Write off due to inability to receive	(8,930)	(1,570)
Exchange differences	-	2,015
Others		(166)
As of December 31, 2022	$-	$36,603
Beginning balance	$-	$1,880
Reversal and write off due to receipt	3,999	(1,321)
Acquisition of subsidiaries	-	1,607
Write off due to inability to receive	(3,999)	-
As of December 31, 2021	$-	$2,166

Please refer to Note 12 for further details on credit risk.

(21) Operating leases

A. Group as a lessee

The Group leases various properties, including real estate (land and buildings), machinery and equipment, transportation equipment, office equipment and other equipment. The lease terms range from 1 to 5 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follow:

(A) Amounts recognized in the balance sheet

a. Right-of-use assets

The carrying amount of right-of-use assets

	As of December 31,	
	2022	2021
Buildings	$124,361	$73,853
Transportation equipment	7,596	6,658
Other equipment	2,067	-
	$134,024	$80,511

The Group's right-of-use assets increased by NT$136,837 thousand and NT$94,388 thousand as from January 1 to December 31, 2022 and 2021.

b. Lease liabilities

	As of December 31,	
	2022	2021
Lease liabilities	$139,933	$81,119
Current	$51,220	$22,987
Non-current	$88,713	$58,132

Please refer to Note 6 (23) D for the interest on lease liabilities recognized for the years ended December 31, 2022 and 2021 and refer to Note 12 (5) Liquidity Risk Management for the maturity analysis for lease liabilities as of December 31, 2022 and 2021.

(B) Amounts recognized in the statement of profit or loss

Depreciation expense of right-of-use assets

	For the year ended December 31,	
	2022	2021
Buildings	$36,980	$16,768
Transportation equipment	3,260	1,903
Other equipment	808	-
	$41,048	$18,671

(C) Income and costs relating to leasing activities

	For the year ended December 31,	
	2022	2021
The expenses relating to short-term leases	$11,700	$1,029
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	240	283

(D) Cash outflow relating to leasing activities

During the years ended December 31, 2022 and 2021, the Group's total cash outflows for leases amounting to NT$60,076 thousand and NT$21,145 thousand, respectively.

B. Group as a lessor

The Group signs operating lease contract to lend parts of leasing office and factory and web server. The average lease terms are in 2 years. Because almost all the risk and benefit of the ownership of identified assets were not transferred, the leases were classified as operating lease.

	For the year ended December 31,	
	2022	2021
Rental income from operating lease		
Income relating to fixed rental	$2,916	$942
Income relating to variable rental	-	869
	$2,916	$1,811

The Group signs operating lease contract, the expected total amount of undiscounted rental payment and residual years as of December 31, 2022 and 2021 are as follow:

	As of December 31,	
	2022	2021
Within 1 year	$1,353	$2,706
Between 1-2 years	-	1,353
	$1,353	$4,059

(22) Summary statement of employee benefits, depreciation and amortization expense by function during the years ended December 31, 2022 and 2021:

	For the years ended December 31,					
	2022			2021		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	$31,527	$445,061	$476,588	$5,369	$197,281	$202,650
Labor and health insurance	6,482	48,373	54,855	487	15,010	15,497
Pension	355	11,797	12,152	95	7,749	7,844
Other employee benefits expense	21,462	224,335	245,797	422	8,344	8,766
Depreciation	5,329	55,842	61,171	955	24,688	25,643
Amortization	3,693	26,739	30,432	-	7,333	7,333

According to the Articles of Incorporation, no less than 3% of profit of the current year is distributable as employees' compensation and no higher than 3% of profit of the current year is distributable as remuneration to directors and supervisors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit for the year ended December 31, 2022, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2022 to be 3% of profit of the current year and 1% of profit of the current year, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2022 amount to NT$21,398 thousand and NT$8,783 thousand, respectively, and the Board of Directors meeting resolved the distribution on March 24,2023.

Based on the profit for the year ended December 31, 2021, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2021 to be 3% of profit of the current year and 1% of profit of the current year, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2021 amount to NT$31,925 thousand and NT$10,642 thousand, respectively.

The Board of Directors meeting held on May 27, 2022 resolved to distribute NT$31,925 thousand and NT$10,642 thousand in cash as employees' compensation and remuneration to directors and supervisors of 2021, with no material variance with the estimated amount accrued in the financial statements for the year ended December 31, 2021.

(23) Non-operating income and expenses

A. Interest income

	For the years ended December 31,	
	2022	2021
Financial assets measured at amortized cost	$5,908	$415

B. Other income

	For the years ended December 31,	
	2022	2021
Rental income	$2,916	$1,811
Tax refund	-	1,770
Government support income	-	1,888
Other income	1,557	13,802
Total	$4,473	$19,271

C. Other gains and losses

	For the years ended December 31,	
	2022	2021
Gains on disposal of investments (Note)	$648,250	$1,123,088
Foreign exchange gains and losses, net	96,340	(11,366)
Losses on disposal of intangible assets	23,709	-
Losses on disposal of property, plant and equipment	(1,977)	(3,220)
Evaluation loss from financial assets	(16,639)	(4,971)
Impairment loss from non-financial assets	(11,885)	(890)
Other	(379)	(8,754)
Total	$737,419	$1,093,887

Note: Gains on disposal of investments is mainly cause by the disposal of Softstar Technology (Beijing) Co., Ltd. and the intellectual property of Chinese Paladin (only Mainland China), please refer to Note6 (29) for the relevant analysis on the disposal of the material assets.

D. Finance costs

	For the years ended December 31, 2022	For the years ended December 31, 2021
Interest on borrowings from bank	$11,685	$2,981
Interest on lease liabilities	3,694	896
Total	$15,379	$3,877

(24) Components of other comprehensive income (loss)

For the year ended December 31, 2022:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax relating to components of other comprehensive income (loss)	Other comprehensive income (loss), net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$2,568	$-	$2,568	$(427)	$2,141
Unrealized gains or losses from financial assets at fair value through other comprehensive income	(11,286)	-	(11,286)	-	(11,286)
Share of other comprehensive loss of associates and joint ventures accounted for using the equity method	513	-	513	-	513
Items that may be reclassified subsequently to profit or loss:					
Exchange differences resulting from translating the financial statements of a foreign operation	17,223	-	17,223	-	17,223
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(15)	-	(15)	-	(15)
Total of other comprehensive income	$9,003	$-	$9,003	$(427)	$8,576

For the year ended December 31, 2021:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax relating to components of other comprehensive income (loss)	Other comprehensive income (loss), net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$2,108	$-	$2,108	$168	$2,276
Unrealized gains or losses from financial assets at fair value through other comprehensive income	27,799	-	27,799	-	27,799
Share of other comprehensive loss of associates and joint ventures accounted for using the equity method	11	-	11	-	11
Items that may be reclassified subsequently to profit or loss:					
Exchange differences resulting from translating the financial statements of a foreign operation	15,345	-	15,345	-	15,345
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(11)	-	(11)	-	(11)
Total of other comprehensive income	$45,252	$-	$45,252	$168	$45,420

(25) Income tax

The major components of income tax expense for the years ended 31 December 2022 and 2021 are as follows:

A. Income tax expense recognized in profit or loss

	For the years ended December 31,	
	2022	2021 (Adjusted)
Current income tax expense:		
Current income tax charge	$68,841	$291,497
Adjustments in respect of current income tax of prior periods	(6,555)	-
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	(3,993)	9,236
Total income tax expense	$58,293	$300,733

B. Income tax expense recognized in other comprehensive income

	For the years ended December 31,	
	2022	2021
Deferred tax expense (income):		
Remeasurements of defined benefit plans	$427	$(168)

Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31,	
	2022	2021
Accounting profit before tax from continuing operations	$624,032	$1,041,840
Tax at the domestic rates applicable to profits in the country concerned	$124,806	$208,368
Tax adjustments for prior periods	(6,555)	-
Tax effect of revenues exempt from taxation		5,755
Investment income (loss)	(122,451)	-
Dividend income	36,852	-
Evaluation gain (loss) from financial assets	3,241	-
Non-deductible expenses from taxation	10,133	128,208
Tax effect of deferred tax assets/liabilities	(38,249)	(94,477)
Additional income tax on unappropriated earnings	17,915	-
Unrecognized loss carryforwards	8,367	-
Effect of different tax rates of entities operating in other jurisdictions	716	-
Overseas withholding tax	23,518	52,879
Total income tax expense recognized in profit or loss	$58,293	$300,733

Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2022

	Beginning balance as of January 1, 2022 (Adjusted)	Recognized in profit or loss	Recognized in other comprehensive income	Effect of acquisition of subsidiaries	Ending balance as of December 31, 2022
Temporary differences					
Unrealized bad debt expense	$29	$780	$-	$-	$809
Unrealized foreign exchange gains and losses	976	(2,022)	-	2,565	1,519
Gain on land revaluation	-	-	-	(3,551)	(3,551)
Fiscal and tax differences in amortization of intangible assets	(6,276)	(147)	-	(1,750)	(8,173)
Fiscal and tax differences in depreciation of fixed assets	(5,710)	(70)	-	928	(4,852)
Unrealized loss on inventory valuations	1,178	-	-	-	1,178
Defined benefit liability, non-current	1,091	(1,655)	(427)	-	(991)
Others	701	(331)	-	335	705
Unused tax losses	-	7,438	-	-	7,438
Deferred tax income/ (expense)		$3,993	$(427)	$(1,473)	
Net deferred tax assets/(liabilities)	$(8,011)				$(5,918)
Reflected in balance sheet as follows:					
Deferred tax assets	$7,217				$15,516
Deferred tax liabilities (Adjusted)	$15,228				$21,434

For the year ended December 31, 2021 (adjusted)

	Beginning balance as of January 1, 2021	Recognized in profit or loss	Recognized in other comprehensive income	Effect of acquisition of subsidiaries	Ending balance as of December 31, 2021
Temporary differences					
Unrealized bad debt expense	$-	$29	$-	$-	$29
Unrealized foreign exchange losses	534	446	-	1	981
Unrealized foreign exchange gains	(40)	35	-	-	(5)
Fiscal and tax differences in amortization of intangible assets	796	933	-	(8,005)	(6,276)
Fiscal and tax differences in depreciation of fixed assets	-	981	-	(6,691)	(5,710)
Unrealized loss on inventory valuations	-	823	-	355	1,178
Defined benefit liability, non-current	3,591	(38)	168	(2,630)	1,091
Others	653	27	-	21	701
Unused tax losses	12,472	(12,472)	-	-	-
Deferred tax income/ (expense)		$(9,236)	$168	$(16,949)	
Net deferred tax assets/(liabilities)	$18,006				$(8,011)
Reflected in balance sheet as follows:					
Deferred tax assets	$18,046				$7,217
Deferred tax liabilities	$40				$15,228

The information of the unused tax losses for the Group is as follows:

	Unused tax losses As of December 31,		
Year	2022	2021	Expiration year
2012	$9,217	$25,507	2022
2013	23,777	-	2023
2014	31,975	31,975	2024
2015	-	1,106	2025
2016	40,104	52,300	2026
2017	703,780	675,123	2027
2018	48,250	58,962	2028
2019	45,543	37,507	2029
2020	179,621	120,022	2030
2021(predicted)	72,993	35,042	2031
2022(predicted)	53,691	-	2032
Subtotal	1,208,951	1,037,544	
Foreign subsidiaries	210,150	-	
Total	$1,419,101	$1,037,544	

Note: As the subsidiary of the Group, Kobe Co., Ltd., was dissolved in 2021, the unused tax losses, NT$72,880 thousand, during 2016 to 2021 were also eliminated.

The information of the unrecognized deferred tax assets in respect of unused tax losses and investment credits:

	For the years ended December 31,	
	2022	2021
Loss carry forwards	$2,227,048	$996,374
Investment credits	$86,164	$-
Foreign tax credit	$66,721	$-
Capital loss carried forward	$401,809	$-

The assessment of income tax returns

As of December 31, 2022, the assessment of the income tax returns of the Company and its subsidiaries in Taiwan is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2020
Subsidiary - Loftstar Interactive Entertainment Inc.	Assessed and approved up to 2020
Subsidiary- Activision Entertainment Ltd.	Assessed and approved up to 2020
Subsidiary- Red Sunrise Co., Ltd.	Assessed and approved up to 2020
Subsidiary- Gamebase Digital Media Corporation	Assessed and approved up to 2020
Subsidiary- Uniplus Electronics Co., Ltd.	Assessed and approved up to 2020
Subsidiary- Lanjing Ltd.	Assessed and approved up to 2020
Subsidiary- Jiwei Technology Ltd.	Assessed and approved up to 2020
Subsidiary- Chander Electronics Corp.	Assessed and approved up to 2020
Indirect subsidiary- Sun Tech Co., Ltd.	Assessed and approved up to 2020
Indirect subsidiary - Soundnet Tech Co., Ltd.	Assessed and approved up to 2020
Indirect subsidiary - Toptrend Technologies Corp.	Assessed and approved up to 2020
Indirect subsidiary - Green Bless Co., Ltd.	Assessed and approved up to 2020
Indirect subsidiary - Hang Zheng Technology Co., Ltd.	Assessed and approved up to 2020

(26) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31, 2022	For the years ended December 31, 2021
(A) Basic earnings per share		
Net income attributable to ordinary equity holders of the Company (in thousand NT$)	$624,486	$740,653
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	83,480	85,110
Basic earnings per share (NT$)	$7.48	$8.70
(B) Diluted earnings per share		
Net income attributable to ordinary equity holders of the Company after dilution (in thousand NT$)	$624,486	$740,653
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	83,480	85,110
Effect of dilution:		
Restricted employee stock	-	153
Employee compensation-stock (in thousands)	406	77
Weighted average number of ordinary shares outstanding after dilution (in thousands)	83,886	85,340
Diluted earnings per share (NT$)	$7.44	$8.68

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(27) Business combinations

A. Obtain control of subsidiaries

(A) Acquisition of Uniplus Electronic Co., Ltd.

The Group held 33,632 thousand shares of Uniplus Electronics Co., Ltd. in a private placement, and the shareholdings reached 34.39% in 2021. As the Company obtained the substantial controls over Uniplus Electronics Co., Ltd. in September 2021, it was consolidated as the Company’s subsidiary from the control acquisition date.

The non-controlling interest was measured by the proportionate share of Uniplus Electronics Co., Ltd.’s identifiable net assets.

The fair value of the identifiable assets and liabilities of Uniplus Electronics Co., Ltd. as at the date of acquisition are as follows:

	Fair value as at the date of acquisition
Cash and cash equivalents	$282,327
Financial assets at amortized cost, current	107,080
Notes and accounts receivable	108,677
Other receivables	969
Current income tax assets	1,185
Inventories	88,748
Prepayments	31,252
Other current assets	2,032
Financial assets at fair value through other comprehensive income, non-current	77,369
Financial assets at amortized cost, non-current	3,000
Property, plant and equipment	34,159
Intangible assets	51,993
Right-of-use assets	67,358
Deferred tax assets	303
Refundable deposits	5,417
Other noncurrent assets	1,940
Notes and accounts payable	(22,813)
Other payables	(16,933)
Other payables-related parties	(100)
Current income tax liabilities	(302)
Other current liabilities	(926)
Deferred tax liabilities	(17,316)
Lease liabilities	(67,597)
Other noncurrent liabilities	(2,766)
Total net assets of Uniplus Electronics Co., Ltd. and its subsidiaries	735,056
Percentage of ownership	34.39%
Net assets attributed based on percentage of ownership	252,785
Fair value of the equity investment on the date of acquisition	350,000
Goodwill	$97,215

Gain on disposal of investment accounted for using the equity method	
Fair Value of remaining investments	$160,048
Less: Carrying amount of net assets on the disposal date	(160,553)
Gains (losses) on disposal of investments	$(505)

Cash outflow of acquiring the subsidiary

Cash consideration paid in current year	$350,000
Less: Balance of cash and equivalent cash acquired	(282,327)
Cash outflow of acquiring the subsidiary, net	$67,673

The Group had sought an independent appraisal of the assets held by Uniplus Electronics Co., Ltd. and the purchase price allocation was completed in July 2022. According to the purchase price allocation result, the fair value on the acquisition date was NT$735,056, an increase of NT$58,781 compared to the provisional value.

The comparative information for the years ended December 31, 2021 was adjusted in order to reflect the aforementioned difference. The adjustments of the assets are as follows:

Increase in property, plants and equipment, net	$28,334
Increase in intangible assets except goodwill	34,491
Decrease in unappropriated earnings	(2,930)
Increase in non-controlling interests	(32,975)
Decrease in goodwill	(20,215)
Increase in deferred tax liabilities	(12,565)

(B) Acquisition of Red Sunrise Co., Ltd.

The Group acquired 5,476 thousand shares of Red Sunrise Co., Ltd. in a private placement with 55.03% shareholdings in January 2022. As the Company obtained the substantial controls over Red Sunrise Co., Ltd., it was consolidated as the Company's subsidiary from the control acquisition date.

The non-controlling interest of was measured by the proportionate share of Red Sunrise Co., Ltd.'s identifiable net assets.

The fair value of the identifiable assets and liabilities of Red Sunrise Co., Ltd. as at the date of acquisition are as follows:

	Carrying amount
Cash and cash equivalents	$208,145
Notes and accounts receivable	108,438
Other receivables-related parties	577
Current income tax assets	1,457
Prepayments	4,491
Other financial assets, current	630,388
Other current assets	238
Property, plant and equipment	5,404
Intangible assets	20,743
Refundable deposits	2,838
Notes and accounts payable	(1,847)
Other payables	(14,005)
Contract liabilities, current	(9,785)
Other current liabilities	(839,764)
Deferred tax liabilities	(4,014)
Guarantee deposits	(16,365)
Total net assets of Red Sunrise Co., Ltd. and its subsidiaries	96,939
Non-controlling interests	(8,676)
Total net assets attributed to Red Sunrise Co., Ltd.	88,263
Percentage of ownership	55.03%
Net assets attributed based on percentage of ownership	48,571
Fair value of the equity investment on the date of acquisition	136,899
Goodwill	$88,328

Cash outflow of acquiring the subsidiary

	Carrying amount
Cash consideration paid in current year	$136,899
Less: Balance of cash and equivalent cash acquired	(208,145)
Cash outflow of acquiring the subsidiary, net	$(71,246)

The Group had sought an independent appraisal of the assets held by Red Sunrise Co., Ltd. and the purchase price allocation was completed in December 2022. According to the purchase price allocation result, the fair value on the acquisition date was NT$96,939, an increase of NT$16,055 compared to the provisional value.

(C) Acquisition of Chander Electronics Corp.

The Group acquired 28,181 thousand shares of Chander Electronics Corp. in a private placement with 41.04% shareholdings in April 2022. As the Company obtained the substantial controls over Chander Electronics Corp., it was consolidated as the Company's subsidiary from the control acquisition date.

The carrying amount of assets and liabilities of Chander Elctronics Corp. and its subsidiaries on the acquisition date are as follows:

	Carrying amount
Cash and cash equivalents	$273,809
Financial assets at fair value through other comprehensive income, current	1,368
Notes and accounts receivable, net	342,660
Other receivables	4,927
Inventories	111,075
Other current assets	10,713
Other financial assets	44,151
Financial assets at fair value through other comprehensive income, non-current	29,301
Investments accounted for using the equity method	533,341
Property, plant and equipment	89,444
Right-of-use assets	2,933
Intangible assets	41,509
Deferred tax assets	4,934
Other noncurrent assets	2,868
Short-term borrowings	(282,700)
Contract liabilities, current	(41,945)
Accounts payable	(148,348)
Other payables	(48,447)
Current income tax liabilities	(5,742)
Lease liabilities, current	(1,121)
Current portion of long-term borrowings	(48,793)
Other current liabilities	(677)
Long-term borrowings	(99,525)
Deferred tax liabilities	(3,634)
Lease liabilities, non-current	(1,820)
Other noncurrent liabilities	(15)
Total net assets of Chander Electronics Corp. and its subsidiaries	810,266
Non-controlling interests	(257,012)
Total net assets attributed to Chander Electronics Corp.	553,254
Percentage of ownership	41.04%
Net assets attributed based on percentage of ownership	227,110
Fair value of the equity investment on the date of acquisition	520,059
Goodwill	$292,949

Cash outflow of acquiring the subsidiary

	Carrying amount
Cash consideration paid in current year	$296,487
Less: Balance of cash and equivalent cash acquired	(273,809)
Cash outflow of acquiring the subsidiary, net	$22,678

The carrying amount of net assets recognized in the financial statements as of December 31, 2022 were estimated based on the provisional fair value. The Group had sought an independent appraisal of the assets held by Chander Electronics Corp. but did not receive the purchase price allocation results as of the day management issued the financial statements.

(D) Acquisition of Array Inc.

As the Group obtained the substantial controls over Array Inc. with additional 29.21% shares through acquiring the control of Chander Electronics Corp. in the second quarter, Chander Electronics Corp. and Array Inc. were consolidated in the financial statements. The Company's subsidiary, Jiwei Tchnology Ltd., acquired all the shares of Array Holdings for APGFIII Fund LPs on April 25, 2022, therefore, the Group held 21,172 thousand shares of Array Inc. in a private placement, with 41.42% shareholdings. The carrying amount of assets and liabilities of Array Inc. and its subsidiaries on the acquisition date are as follow:

	Carrying amount
Cash and cash equivalents	$137,034
Financial assets at fair value through other comprehensive income, current	47,633
Financial assets at amortized cost, current	117,075
Accounts receivable-third party	211,714
Other receivables	545
Inventories	40,957
Other current assets	12,777
Property, plant and equipment	13,008
Right-of-use assets	44,610
Other intangible assets	5,907
Deferred tax assets	2,591
Other noncurrent assets	1,898
Contract liabilities, current	(119,243)
Accounts payable	(21,809)
Other payables	(50,663)
Current income tax liabilities	(2,299)
Lease liabilities, current	(12,689)
Other current liabilities	(3,789)
Contract liabilities, non-current	(126,795)
Lease liabilities, non-current	(36,586)
Other noncurrent liabilities	(3,115)
Total net assets of Array Inc. and its subsidiaries	258,761
Non-controlling interests	(35)
Total net assets attributed to Array Inc.	258,726
Percentage of ownership	41.42%
Net assets attributed based on percentage of ownership	$107,164

Array Inc. was consolidated since the Group obtained the substantial controls over Chander Electronics Corp. in April 2022, without any cash outflow.

The carrying amount of net assets recognized in the financial statements as of December 31, 2022 were estimated based on the provisional fair value. The difference between the carrying amount and the fair value of the equity investment on the acquisition date amounted to NT$145,996 thousand, which was recognized under goodwill temporarily. The Group had sought an independent appraisal of the assets held by Array Inc. but did not receive the purchase price allocation results as of the day management issued the financial statements.

B. Equity transactions with non-controlling interests

(A) The Company's subsidiary, Jiwei Technology Ltd., acquired 50% shareholdings of Array Holdings for APGDIII Fund LPs from Quan Zhe Investment Co., Ltd. amounted to NT$100,567 thousand, which contributed to 12.21% shareholdings of Array Inc. The shareholdings increased from 29.21% to 41.42%. As the aforementioned transactions didn't change the Group's controls over the subsidiaries, the Group regarded it as an equity transaction.

	Carrying amount
Considerations paid in cash	$(59,294)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	56,171
Differences between actual consideration and carrying value	$(3,123)
Line items adjusted for equity transactions	
Unappropriated earnings	$(3,113)
Exchange differences resulting from translating the financial statements of foreign operations	(10)
Differences recognized from equity transactions	$(3,123)

(B) The Company's subsidiary, Chander Electronics Corp, increased its interest in Toptrend Technologies Corp. by 32.52% and 27.23% in April and October 2022, respectively, and eventually increased its interest from 30% to 89.75%.

	Carrying amount
Consideration paid in cash	$(117,643)
Consideration exchange in share	(95,258)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	227,133
Difference in equity transaction	$14,232
Capital surplus	$14,232

(C) The Company purchased the remaining non-controlling interests of 400,000 thousand shares from Cite Publishing Limited on March 30, 2021, and the shareholdings of Gamebase Digital Media Corporation held by the Company increased from 93.85% to 100%. As the aforementioned transaction did not change the Group's control over the subsidiary, the Group regarded it as an equity transaction.

	Carrying amount
Consideration paid in cash	$(1,000)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	83
Difference in equity transaction	$(917)
Line items adjusted for equity transactions	
Unappropriated earnings	$(917)

(D) The Company acquired 100% shareholdings of Uniplus Electronics Co., Ltd.'s subsidiaries, JFN Investment Holding Corp., Lanjing Ltd., and Jiwei Technology Ltd., from Uniplus Electronics Co., Ltd., with a total transaction amount of NT$109,526 thousand. As the aforementioned transactions did not change the Group's control over the subsidiary, the Group regarded it as an equity transaction.

	Carrying amount
Consideration paid in cash	$(71,860)
Carrying amount of net asset of the subsidiaries acquired	71,968
Difference between consideration and carrying amount of subsidiaries acquired	$108
Line items adjusted for equity transactions	
Capital surplus	$108

(28) Changes in subsidiaries' ownership

Acquisition of additional interest of a subsidiary

A. Chander Electronics Corp.

The Group acquired 1.57% and 3.49% of Chander Electronics Ltd.'s shares with voting rights in October and November 2022, respectively, and the Group's interest was increased to 43.21%. The cash consideration paid to non-controlling interests amounted to NT$98,555 thousand, and the carrying amount of Chander Electronic Corp.'s net assets (initial acquisition and without goodwill) was NT$814,160 thousand. The additional acquisition of Chander Electronics Corp.'s equity, including the decrease in non-controlling interests and adjustment of accumulated other comprehensive income, are as follow:

Cash consideration paid to non-controlling interests	$98,555
Decrease in non-controlling interests	(46,158)
Differences recognized in retained earnings	$52,397

Acquire subsidiaries' shares newly issued different from to the original ownership interest

A. Red Sunrise Co., Ltd.

Red Sunrise Co., Ltd. increased its capital on July 15, 2022. As the Group did not acquire shares newly issued to its original ownership interest, the Group's interest was reduced to 50.72%. The cash obtained from the capital increase amounted to NT$60,000 thousand, and the carrying amount of Red Sunrise Co., Ltd.'s net assets (initial acquisition without goodwill) was NT$179,669 thousand. The equity adjustments related to Red Sunrise Co., Ltd. are as follow:

Cash obtained from the capital increase	$60,000
Increase in non-controlling interests	(52,717)
Differences recognized in capital surplus	$7,283

B. Chander Electronics Corp.

Chander Electronics Corp. increased its capital on August 11, 2022. As the Group did not acquire shares newly issued to its original ownership interest, the Group's interest was reduced to 40.19%. The cash obtained from the capital increase amounted to NT$118,209 thousand, and the carrying amount of Chander Electronics Corp.'s net assets (initial acquisition without goodwill) was NT$721,599 thousand. The equity adjustments related to Chander Electronics Corp. are as follow:

Cash obtained from the capital increase	$118,209
Increase in non-controlling interests	(110,312)
Adjustment in other comprehensive income	352
Differences recognized in capital surplus	$8,249

C. Chander Electronics Corp.

Chander Electronics Corp. issued new shares as consideration for the exchange of shares of Toptrend Technologies Corp. on October 19, 2022. As the Group did not acquire shares newly issued, the Group's interest was reduced to 38.15%. The cash obtained from the capital increase amounted to NT$0 thousand, and the carrying amount of Chander Electronics Corp.'s net assets (initial acquisition without goodwill) was NT$814,160 thousand. The equity adjustments related to Chander Electronics Corp. are as follow:

Cash obtained from the capital increase	$-
Decrease in non-controlling interests	24,946
Adjustment in other comprehensive income	126
Differences recognized in capital surplus	$25,072

(29) Disposal of the material assets

On July 1, 2022, the shareholders' meeting of the Company approved to dispose the material assets, the interests of Softstar Technology (Beijing) Co., Ltd. and the IP of Chinese Paladin (in Mainland China only), and granted the Board of Directors an authorization to dispose the assets as follows:

A. The total transaction price of the Softstar Technology (Beijing) Co., Ltd. and the IP of Chinese Paladin (in Mainland China only) transfer shall not be lower than NT$2.2 billion.

B. Or sole license the IP of Chinese Paladin (in Mainland China only) to the third party based on a long-term license agreement.

A resolution was passed at a Board of Directors meeting held on August 5, 2021 to dispose of the interests of Softstar Technology (Beijing) Co., Ltd. and the IP of Chinese Paladin (in Mainland China only) in the following ways:

A. Counterparty and price: CMGE Technology Group Limited, at a price of HK$641.84 million, approximately NT$2,312,550 thousand.

B. Broker: Hongkong Siyuan Group Limited; Broker fee: HK$3,209.2 thousand, approximately NT$115,627 thousand.

C. The Company has transferred the interests of Softstar Technology (Beijing) Co., Ltd. and the IP of Chinese Paladin (in Mainland China only) through Time Vision International Limited, a subsidiary of the Company. Time Vision International has disposed its subsidiary, Best Classic International Limited, to transfer 49% shareholdings of Softstar Technology (Beijing) Co., Ltd. and disposed another subsidiary, Mighty Leader Limited, to transfer the IP of Chinese Paladin (in Mainland China only). These relevant disposal procedures have been completed in the end of 2021, and all the directly related interests reclassed to groups held for sale of NT$456,535 thousand has been derecognized. As of December 31, 2022, the Company has received all the consideration, amounted to NT$2,327,270 thousand, approximately HK$641.84 million.

Gain (loss) on disposal of the investment is disclosed below:

Cash consideration received in the current period	$672,232
Less: Broker fees payable	(33,600)
Net gain on disposal of the investment	$638,632

(30) Subsidiaries with material non-controlling interests

Financial information of the subsidiaries with material non-controlling interests are provided below:

Proportion of equity interests held by non-controlling interests:

Name	Country of operation	As of December 31, 2022	As of December 31, 2021
Uniplus Electronics Co., Ltd. and its subsidiaries	Taiwan	65.61%	65.61%
Chander Electronics Corp. and its subsidiaries	Taiwan	56.79%	-

Note: The aforementioned percentage of equity interests refers to the total shareholding ratio of non-controlling interests. As Uniplus Electronics Co., Ltd. and Chander Electronics Corp. both hold subsidiaries, the information below is their consolidated financial information.

Accumulated balance of material non-controlling interests:	As of December 31, 2022	As of December 31, 2021 (Adjusted)
Uniplus Electronics Co., Ltd. and its subsidiaries	$358,862	$505,275
Chander Electronics Corp. and its subsidiaries	$476,669	$-

Profit (loss) allocated to material non-controlling interests:	As of December 31, 2022	As of December 31, 2021 (Adjusted)
Uniplus Electronics Co., Ltd. and its subsidiaries	$(1,930)	$454
Chander Electronics Corp. and its subsidiaries	$(2,538)	$-

The summarized financial information of the subsidiaries is provided below; the information is based on amounts before inter-company eliminations.

Summarized information of profit or loss for the year ended December 31, 2022:

	Uniplus Electronics Co., Ltd. and its subsidiaries	Chander Electronics Corp. and its subsidiaries
Operating revenue	$323,262	$1,017,451
Profit for current period from continuing operations	17,325	(7,855)
Total comprehensive income for current period	$92,184	$25,625

Summarized information of profit or loss for the year ended December 31, 2021:

	Uniplus Electronics Co., Ltd. and its subsidiaries
Operating revenue	$387,231
Profit for current period from continuing operations	12,900
Total comprehensive income for current period	$34,361

Summarized information of assets and liabilities as of December 31, 2022:

	Uniplus Electronics Co., Ltd. and its subsidiaries	Chander Electronics Corp. and its subsidiaries
Current assets	$486,519	$698,403
Non-current assets	399,682	773,708
Current liabilities	40,281	462,769
Non-current liabilities	33,876	113,547

Summarized information of assets and liabilities as of December 31, 2021:

	Uniplus Electronics Co., Ltd. and its subsidiaries
Current assets	$702,475
Non-current assets	105,873
Current liabilities	42,333
Non-current liabilities	46,155

Summarized cash flow information for the year ended December 31, 2022:

	Uniplus Electronics Co., Ltd. and its subsidiaries	Chander Electronics Corp. and its subsidiaries
Operating activities	$80,415	$(63,079)
Investing activities	(141,410)	117,889
Financing activities	(14,205)	81,748
Effect of exchange rate	-	718
Net decrease in cash and cash equivalents	(75,200)	137,276

Summarized cash flow information for the year ended December 31, 2021:

	Uniplus Electronics Co., Ltd. and its subsidiaries
Operating activities	$(4,574)
Investing activities	2,910
Financing activities	(13,166)
Effect of exchange rate	-
Net decrease in cash and cash equivalents	(14,830)

7. Related party transactions

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Galaxy Power Holdings Limited	The key management of the Group is the responsible person of this company
Global Angel Investments Limited	The chairman of the Group is the chairman of this company
Bacchus Wine Group Co., Ltd.	The chairman of the Group is the chairman of this company
Care & Love Wine Co., Ltd.	The chairman of the Group is the chairman of this company
Angel (USA) Investments Limited	The chairman of the Group is the chairman of this company
Major Power Investment Co., Ltd.	The chairman of the Group is the chairman of this company
Channel First Investment Corp.	The chairman of the Group is the chairman of this company
Uniplus Electronics Co., Ltd.	Associate (Note 1)
Chander Electronics Corp.	Associate (Note 1)
Niusnews Co., Ltd.	Associate
A.R.T. Games Co., Ltd.	Associate
Softstar Technology (Shanghai) Co., Ltd.	Associate
Double Edge Entertainment Corp.	Other related parties
United Weima Co., Ltd.	Other related parties
Fed Technology Co., Ltd.	Other related parties
Heshan Ltd.	Other related parties
Jiun-Rung, Tu	Other related parties
Yuan-Kai,Wang	Other related parties

Note 1: Uniplus Electronics Co., Ltd. and Chander Electronics Corp. were consolidated from the control acquisition date, thus the companies were changed to the Company's subsidiaries from associates.

Note 2: The shareholders' meeting of the Company held in August 2021 approved to sell the interests of Softstar Technology (Shanghai) Co., Ltd. and Softstar Technology (Beijing) Co., Ltd. The settlement of securities was completed on November 25, 2021, thus they were no longer the related parties of the Company since November 25, 2021.

Significant transactions with the related parties

(1) Sales

	For the years ended December 31,	
	2022	2021
Sale of goods		
Associates		
Niusnews Co., Ltd.	$766	$-
Uniplus Electronics Co., Ltd.(Note)	-	95
Other related parties		
Care & Love Wine Co., Ltd.	12,093	-
Bacchus Wine Group Co., Ltd.	8,594	-
Rendering of services		
Other related parties		
Bacchus Wine Group Co., Ltd.	1,307	1,720
Galaxy Power Holdings Limited	534	686
Care & Love Wine Co., Ltd.	450	570
	$23,744	$3,071

The sales terms of the above related parties was determined through mutual agreement. The collection period from sales to the related party customers are 30~60 days, which is the same with the third party customers.

Note: It was the transaction between Gamebase Digital Media Corporation and Uniplus Electronics Co., Ltd. before Uniplus Electronics Co., Ltd. was consolidated.

(2) Purchases

	For the years ended December 31,	
	2022	2021
Other related parties		
Bacchus Wine Group Co., Ltd.	$22,007	$-

(3) Operating cost

	For the years ended December 31,	
	2022	2021
Associates		
Softstar Technology (Shanghai) Co., Ltd.	$-	$207
Other related parties		
Double Edge Entertainment Corp.	444	-
Galaxy Power Holdings Limited	148	
Total	$592	$207

The operating cost was labor cost and royalty costs of the related parties.

(4) Other operating cost

	For the years ended December 31,	
	2022	2021
Associates		
Niusnews Co., Ltd.	$185	$-

(5) Operating expenses

	For the years ended December 31,	
	2022	2021
Associates		
Niusnews Co., Ltd.	$571	$-
A.R.T. Games Co., Ltd.	-	11,024
Chander Electronics Corp.	-	130
Uniplus Electronics Co., Ltd. (Note)	-	114
Other related parties		
Galaxy Power Holdings Limited	9,524	-
Bacchus Wine Group Co., Ltd.	5,586	867
Global Angel Investments Limited	3,775	91
Heshan Ltd.	571	-
Care & Love Wine Co., Ltd.	330	174
Double Edge Entertainment Corp.	20	-
Newlogistics Co., Ltd.	-	207
Total	$20,377	$12,607

Note: It was the transaction between Softstar Entertainment Inc. and Uniplus Electronics Co., Ltd. before Uniplus Electronics Co., Ltd. was consolidated.

(6) Accounts receivable-related parties

	As of December 31,	
	2022	2021
Other related parties		
Bacchus Wine Group Co., Ltd.	$7,509	$150
Care & Love Wine Co., Ltd.	3,939	74
Galaxy Power Holdings Limited	-	75
	$11,448	$299

(7) Notes receivable-related parties

	As of December 31,	
	2022	2021
Associates		
Niusnews Co., Ltd.	$804	$-

(8) Other receivable-related parties

	As of December 31,	
	2022	2021
Associates		
Niusnews Co., Ltd.	$106	$-
Chander Electronics Corp.	-	44
Total	$106	$44

(9) Prepayments

	As of December 31,	
	2022	2021
Other related parties		
Galaxy Power Holdings Limited	$14,286	$9,524
A.R.T. Games Co., Ltd.	7,619	-
Double Edge Entertainment Corp.	1,079	972
Global Angel Investments Limited	165	165
Total	$23,149	$10,661

Prepayment-related parties relates to prepayments for purchases and rents.

(10) Financial assets at fair value through profit or loss

	As of December 31,	
	2022	2021
Other related parties		
A.R.T. Games Co., Ltd.	$-	$9,524
Galaxy Power Holdings Limited	-	7,619
Total	$-	$17,143

The Group signed the contracts of cooperative game development and publishing with A.R.T. Games Co., Ltd. and Galaxy Power Holdings Limited, please refer to Note 6 (7) for further details.

Termination of contract with A.R.T. Games Co., Ltd. and Galaxy Power Holdings Limited in December 31, 2022.

(11) Refundable deposits

	As of December 31,	
	2022	2021
Other related parties		
Global Angel Investments Limited	$1,485	$990

(12) Other payables-related parties

	As of December 31,	
	2022	2021
Other related parties		
Bacchus Wine Group Co., Ltd.	$395	$100
Care & Love Wine Co., Ltd.	176	-
Heshan Ltd.	100	-
Total	$671	$100

(13) Lease-related parties

A. The Group paid rentals to Global Angel Investments Limited by checks or remittance monthly, and the rental payments were NT$3,772 thousand and NT$3,457 thousand for the years ended December 31, 2022 and 2021, respectively.

B. Right-of-use assets

	As of December 31,	
	2022	2021
Other related parties		
Global Angel Investments Limited	$7,548	$9,360

C. Lease liabilities

	As of December 31,	
	2022	2021
Other related parties		
Global Angel Investments Limited	$7,642	$9,412

D. Interest expenses

	For the years ended December 31,	
	2022	2021
Other related parties		
Global Angel Investments Limited	$115	$266

(14) Endorsements and Guarantees Given by Related Parties

Related Party Category/Name	2022
Jun-Rong, Tu	
Amount endorsed	$524,463
Amount utilized (reported as secured bank loans)	$256,937
Yuan-Kai,Wang	
Amount endorsed	$395,710
Amount utilized (reported as secured bank loans)	$86,670

(15) Other

Other transactions between the Company and associates are shown below:

	For the years ended December 31,	
Item	2022	2021
Other income	$-	$44

Other transactions between the Company and other related parties are shown below:

Item	For the years ended December 31, 2022	For the years ended December 31, 2021
Interest income	$12	$4

(16) The Board of Directors of the Company held on August 12, 2021 resolved to acquire 33,632 thousand shares of Uniplus Electronics Co., Ltd. from the related parties, Channel First Investment Corp., Global Angel Investments Limited, Major Power Investment Co., Ltd., Chander Electronics Corp., with a total transaction amount of NT$190,000 thousand, accounting for 18.67% of Uniplus Electronics Co., Ltd.'s issued ordinary shares.

(17) The Board of Directors of the Company held on October 8, 2021 resolved to increase its shareholdings of Chander Electronics Corp. for the sake of business diversification and strategy, and the accumulated shareholdings raised to 17.14%.

(a) Purchased 4,728,088 shares of Chander Electronics Corp. with a total transaction amount of NT$89,834 thousand from Major Power Investment Co., Ltd. in October 2021.

(b) Acquired 100% of New Profit Holding Limited's shares with a total transaction amount of NT$24,213 thousand from Angel (USA) Investments Limited, which indirectly holds 1,274,346 shares of Chander Electronics Corp. in October 2021.

(18) The Board of the Company held on December 24, 2021 resolved to acquire 100% of Mega Media Group Limited's shares from the related party, Global Angel Investments Limited, through the subsidiary, Gamebase Digital Media Corporation, with a total transaction amount of NT$93,260 thousand.

(19) Key management personnel compensation

	For the years ended December 31, 2022	For the years ended December 31, 2021
Short-term employee benefits	$72,240	$44,228
Post-employment benefits	640	542
Other long-term benefits	912	4,020
Share-based payment	232	299
Total	$74,024	$49,089

8. Assets pledged as security

The following table lists assets of the Group pledged as security:

Items	Carrying amount December 31, 2022	Carrying amount December 31, 2021	Secured liabilities
Other financial assets, current (demand deposits)	$92,729	$21,511	Current portion of long-term borrowings Short-term borrowings Collateral for letter of credit
Other financial assets, current (time deposits)	61,520	-	Current portion of long-term borrowings Short-term borrowings
Other financial assets, non-current (demand deposits)	19,577	29,006	Long - term borrowings Collateral for letter of credit
Other financial assets, non-current (time deposits)	3,768	-	Customs duty guarantee Bank credits and merchant services
Land and buildings	87,963	-	Long-term and short-term borrowings
Shares of subsidiary Toptrend Technologies Corp.	355,908	-	Long-term and short-term borrowings
Shares of associate Neweb Technologies Co., Ltd.	332,919	-	Long-term and short-term borrowings
Total	$954,384	$50,517	

9. Commitments and contingencies

(1) As of December 31, 2022, amounts available under unused letters of credit of Uniplus Electronics Co., Ltd. were NT$2,299 thousand.

(2) On September 28, 2022, Uniplus Electronics Co., Ltd. signed the agreement of limited partnership with Outstanding Capital Limited Partnership and promised to invest NT$30,000 thousand. As of December 31, 2022, the accumulated investment amount was NT$300 thousand and accounted for financial assets at fair value through profit or loss.

(3) On July 2, 2021, the board of directors of Array, Inc., approved the severance plan for management officers in the event of a change in control. According to the agreement, Array Inc., shall pay termination benefits with a total of US$2,000 thousand for terminating certain employees' employment before their normal retirement dates during the 12-month period beginning on the date of a change in the ownership of Array, Inc.

10. Loss due to major disasters

None.

11. Significant subsequent events

(1) The Board of Directors meeting of the Company held on February 20, 2023 resolved to acquire 30,000 thousand shares of Uniplus Electronics Co., Ltd. in a private placement amounted to NT$195,000 thousand, which would increase the Company's shareholdings from 34.39% to 43.76%.

(2) The Company repurchased 510 thousand shares from December 14, 2022 to February 13, 2023 at the average repurchase price of NT$61.25 per share, totaling NT$31,235 thousand. The repurchased shares was 510 shares lower than the expected 1,000 thousand shares, as the execution of repurchase was subject to the stock price and transaction volume in consideration of the shareholders' interests and market mechanism.

(3) The Board of Directors meeting of the Company held on March 24, 2023 resolved to acquire 15 thousand shares of San Jiang Electric Mfg. Co., Ltd. type A preference shares, each at a par value of NT$10 thousand. The expected subscription price is NT$10 thousand, totaling NT$150,000 thousand.

(4) On February 20, 2023, the Board of Directors meeting of Uniplus Electronics Co., Ltd. resolved to acquire 11,550 shares of San Jiang Electric Mfg. Co., Ltd. amounted to NT$1,294,000 thousand from Mighty Firm International Ltd. and individual shareholders. The shareholding percentage would be around 76.49% after this acquisition. The settlement of securities was completed on March 6, 2023.

(5) In order to enrich Array Inc.'s working capital and meet the capital needs of future diversified development, on March 16, 2023, Array Inc.'s extraordinary shareholders' meeting resolved to issue no more than 20,000 thousand ordinary shares for cash through private placements and authorized the board of directors to carry out the private placements four times within one year from the resolution date.

(6) On March 16, 2023, Array Inc.'s extraordinary shareholders' meeting approved a restricted share plan for employees with a total amount of 25,000 thousand, consisting of 2,500 thousand shares, and authorized the board of directors to determine the issue price of the restricted shares when they are issued.

12. Others

(1) Categories of financial instruments

Financial assets	As of December 31,	
	2022	2021
Financial assets at fair value through profit or loss	$47,467	$55,037
Financial assets at fair value through other comprehensive income	69,519	111,972
Financial assets measured at amortized cost		
Cash and cash equivalents (except for cash on hand)	1,589,062	1,795,068
Notes receivable, net	11,506	18,632
Notes receivable-related parties, net	804	-
Accounts receivable, net	873,506	134,105
Accounts receivable-related parties, net	11,448	299
Other receivables	8,263	2,796
Other receivables-related parties	106	44
Other financial assets, current	392,179	118,530
Refundable deposits	24,517	12,803
Other financial assets, non-current	23,345	32,006
Total	$3,051,722	$2,281,292

Financial liabilities	As of December 31,	
	2022	2021
Financial liabilities at amortized cost:		
Accounts payable	$489,541	$213,859
Long-term borrowings (including current portion)	258,251	150,151
Lease liabilities	139,933	81,119
Total	$887,725	$445,129

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD, RMB, JPY and INR. The information of the sensitivity analyses as follows:

A. When NTD strengthens/weakens against USD by 1%, the profit or loss for the years ended December 31, 2022 and 2021 is decreased/increased by NT$8,433 thousand and NT$11,492 thousand, respectively.

B. When NTD strengthens/weakens against RMB by 1%, the profit or loss for the years ended December 31, 2022 and 2021 is decreased/ increased by NT$723 thousand and NT$1,130 thousand, respectively.

C. When NTD strengthens/weakens against HKD by 1%, the profit or loss for the years ended December 31, 2022 and 2021 is decreased/ increased by NT$0 thousand and NT$835 thousand, respectively.

D. When NTD strengthens/weakens against JPY by 1%, the profit or loss for the years ended December 31, 2022 and 2021 is decreased/ increased by NT$39 thousand and NT$0 thousand, respectively.

E. When NTD strengthens/weakens against INR by 1%, the profit or loss for the years ended December 31, 2022 and 2021 is decreased/ increased by NT$2,966 thousand and NT$0 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans and receivables at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Group managed interest rate risk by sustaining appropriate combination of fixed and floating interest rate, but it's not applicable to hedge accounting because of not meeting the criteria of hedge accounting.

The sensitivity analysis of the interest rate risk pertains primarily to the interest rate exposure items at the end of financial statement reporting period, including financial assets and borrowings with floating rate. Assuming holding in a whole fiscal year, an increase/ decrease of 10% in interest rate, the profit for the years ended December 31, 2022 and 2021 is decreased/increased by NT$638 and NT$150 thousand, respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial asset at fair value through other comprehensive income (available-for-sale financial assets in 2021). The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

As of December 31, 2022 and 2021, an increase/decrease of 10% in the price of the listed companies' stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NT$948 thousand and NT$1,845 thousand on the equity attributable to the Group for the years ended December 31, 2022 and 2021, respectively.

Please refer to Note 12 (8) for sensitivity analysis information of other equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of December 31, 2022, and December 31, 2021, accounts receivable and contract assets from top ten customers represent 40.61% and 20.27% of the total accounts receivables of the Group, respectively. The credit concentration risk of other accounts receivable is relatively insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies, and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents and bank borrowings. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2022					
Accounts payable (including other payables)	$489,541	$-	$-	$-	$489,541
Short-term borrowings	441,181	-	-	-	441,181
Long-term borrowings (including estimated interest)	124,367	128,270	7,492	-	260,129
Lease liabilities (Note)	51,470	67,986	26,021	-	145,477
As of December 31, 2021					
Accounts payable (including other payables)	$213,859	$-	$-	$-	$213,859
Long-term borrowings (including estimated interest)	77,627	48,039	27,492	-	$153,158
Lease liabilities (Note)	24,606	40,666	18,710	314	84,296

Note: Including cash flows resulted from short-term leases or leases of low-value assets.

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2022:

	Short-term borrowings	Long-term borrowings (including current portion)	Guarantee deposits	Lease liabilities	Total liabilities from financing activities
As of January 31, 2022	$-	$150,151	$990	$81,119	$232,260
Cash flows	158,481	(40,218)	(12,101)	(48,136)	58,026
Non-cash changes	282,700	148,318	16,380	106,950	554,348
As of December 31, 2022	$441,181	$258,251	$5,269	$139,933	$844,634

Reconciliation of liabilities for the year ended December 31, 2021:

	Short-term borrowings	Long-term borrowings (including current portion)	Lease liabilities	Total liabilities from financing activities
As of January 31, 2021	$-	$131,318	$29,045	$160,363
Cash flows	-	18,833	(19,833)	(1,000)
Non-cash changes	-	-	71,907	71,907
As of December 31, 2021	$-	$150,151	$81,119	$231,270

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

(A) The carrying amount of cash and cash equivalents, accounts receivables, refundable deposits, accounts payable and other current liabilities approximate their fair value due to their short maturities.

(B) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

(C) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method or income approach valuation techniques. The market method valuation is based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities). The income method is based on the estimated recoverable amount of the present value of similar financial assets that are expected to be received from cash dividends or disposals of investments.

(D) Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(E) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Group’s financial assets and financial liabilities measured at amortized cost is approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12 (8) for fair value measurement hierarchy for financial instruments of the Group.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Fund	$12,562	$-	$24,687	$37,249
Limited partnership	-	-	7,218	7,218
Film investment agreement	-	-	3,000	3,000
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	3,386	6,093	60,040	69,519

As of December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Fund	$-	$-	$37,894	$37,894
Profit sharing contract of game development and publishing	-	-	17,143	17,143
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	4,134	14,314	93,524	111,972

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2022 and 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets					
	Measured at fair value through profit or loss					Measured at fair value through other comprehensive income
	Fund	Limited partnership	Film investment agreement	Profit sharing contract of game development and publishing	Total	Stocks
Beginning balances as of January 1, 2022	$37,894	$-	$-	$17,143	$55,037	$93,524
Total gains and losses recognized for the year ended December 31, 2022						
Amount recognized in profit or loss (presented in "Unrealized gains (losses) from financial asset at fair value through profit or loss)	(16,207)	(582)	-	-	(16,789)	-
Amount recognized in OCI (presented in "Unrealized gains (losses) from financial asset at fair value through other comprehensive income)	-	-	-	-	-	991
Acquisition of subsidiaries	-	-	-	-	-	29,285
Acquired in 2022	3,000	7,800	3,000	1,905	15,705	6,430
Disposed in 2022	-	-	-	-	-	(67,397)
Reclassified to investments accounted for using the equity method in 2022	-	-	-	-	-	(2,793)
Repaid in 2022	-	-	-	(19,048)	(19,048)	-
Ending balances as of December 31, 2022	$24,687	$7,218	$3,000	$-	$34,905	$60,040

	Assets
	Measured at fair value through other comprehensive income
	Stocks
Beginning balances as of January 1, 2021	$35,923
Total gains and losses recognized for the year ended December 31, 2021	
Amount recognized in OCI (presented in "Unrealized gains (losses) from financial asset at fair value through other comprehensive income)	10,446
Ending balances as of December 31, 2021	$46,369

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of December 31, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through profit or loss					
Fund	Market approach	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value of the fund.	10% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Group's equity by NT$2,469 thousand
Limited partnership	Value of net assets	Not Applicable	-%	Not Applicable	Not Applicable
Financial assets at fair value through other comprehensive income					
Unlisted stocks	Income approach	Discount for lack of marketability	16%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Group's equity by NT$6,004 thousand

As of December 31, 2021

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through profit or loss					
Profit sharing contract of game development and publishing	Discount in cash flow	Discounting rate	12%	The higher the discount rate, the lower the fair value of the contract.	10% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Group's equity by NT$1,714 thousand
Financial assets at fair value through other comprehensive income					
Stocks	Income approach	Discount for lack of marketability	16%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Group's equity by NT$9,352 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's Finance Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

(Expressed in thousands)

	December 31, 2022		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$29,035	30.71	$891,665
JPY	16,708	0.23	3,904
RMB	16,397	4.41	72,309
INR	799,811	0.37	296,546
Financial liabilities			
Monetary items:			
USD	1,576	30.71	48,310

	December 31, 2021		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$41,613	27.68	$1,151,860
JPY	11,280	0.24	2,747
RMB	26,107	4.34	113,341
HKD	16	3.55	55
Financial liabilities			
Monetary items:			
USD	99	27.68	2,728
RMB	73	4.34	316
HKD	23,544	3.55	83,583

The above information is disclosed based on the carrying amount of foreign currency (after conversion of functional currency).

The Group has a variety of functional currencies, therefore the monetary impact on financial assets and liabilities impact for each individual currency cannot be disclosed. For the year ended December 31, 2022 and 2021, foreign exchange losses were NT$96,340 thousand and NT$11,366 thousand, respectively.

(10) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Additional disclosure

(1) The following are additional disclosures for the Company and its affiliates as required by the R.O.C. Securities and Futures Bureau:

(A) Financing provided to other: Please refer to Attachment 1-1 to 1-3.
(B) Endorsement/Guarantee provided to others: None
(C) Securities held (excluding subsidiaries, associates and joint venture): Please refer to Attachment 2.
(D) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million and 20 percent of the capital stock: Please refer to Attachment 3.
(E) Business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions: Please refer to Attachment 4.
(F) Names, locations and related information of investee companies (Not including investment in Mainland China): Please refer to Attachment 5.
(G) Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million and 20 percent of the capital stock: Please refer to Attachment 6.
(H) Acquisition of individual real estate with amount exceeding the lower of NT$300 million and 20 percent of the capital stock: None.
(I) Disposal of individual real estate with amount exceeding the lower of NT$300 million and 20 percent of the capital stock: None.
(J) Receivables from related parties with amounts exceeding the lower of NT$100 million and 20 percent of capital stock: Please refer to Attachment 7.
(K) Financial instruments and derivative transactions: None.

(2) Information on investments in mainland China

(A) Basic information: Please refer to Attachment 8.
(B) Directly or indirectly significant transactions through third regions with the investees in Mainland China: None

(3) Information on major shareholders

Information on major shareholders: Please refer to Attachment 9.

14. Segment information

For management purposes, the Group is organized into business units based on their products and services and has seven reportable operating segments as follows:

Operating Department: this segment is mainly responsible for researching, licensing, and sales of products.

Research and Development Department: this segment is mainly responsible for researching, licensing, and sales of products in Mainland China.

Electronic Products Department: this segment is mainly responsible for manufacturing, designing, and sales of electronic products.

Electronic Parts and Components Department: this segment is mainly responsible for sales of electronic parts and components.

Network Application Department: this segment is mainly responsible for researching, manufacturing and sale of application delivery controllers, high-end SSL VPN systems, remote desktop access solutions, application acceleration and WAN optimization controllers.

Third-payment Department: this segment is mainly responsible for third-party payment services.

Other Department: this segment mainly includes manufacturing and sales of beauty and skincare products, domestic and foreign liquor agent sale, and others.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

(1) The following table presents segment profit and loss of the Group' operating segments:

(Expressed in thousands)

	For the year ended December 31, 2022								
Revenue	Operating Department	Research and development and licensing segment	Electronic Products Department	Electronic parts and components Department	Network Application Department	Third-party payment Department	Other Department	Adjustment and elimination	Total
External customer	$116,624	$401,336	$304,078	$661,220	$398,063	$333,718	$37,095	$-	$2,252,134
Inter-segment	22,709	44,735	-	-	-	-	24	(67,468)	-
Total revenue	$139,333	$446,071	$304,078	$661,220	$398,063	$333,718	$37,119	$(67,468)	$2,252,134
Segment (loss) profit	$(60,406)	$85,060	$(23,063)	$(27,795)	$(107,587)	$20,001	$40	$2,824	$(110,926)

(Expressed in thousands)

	For the year ended December 31, 2021					
Revenue	Operating Department	Research and development and licensing segment	Electronic Products Department	Beauty Products Department	Adjustment and elimination	Total
External customer	$119,385	$312,797	121,087	$6,137	$-	$559,406
Inter-segment	10,307	53,493	-	-	(63,800)	-
Total revenue	$129,692	$366,290	$121,087	$6,137	$(63,800)	$559,406
Segment (loss) profit	$22,072	$(1,217)	$(8,286)	$228	$-	$12,797

Inter-segment revenue is eliminated on consolidation and recorded under the "adjustment and elimination" column, all other adjustments and eliminations are disclosed below.

The following table presents segment assets of the Group's operating segments as at December 31, 2022 and 2021:

Operating segment assets

	Operating Department	Research and development and licensing segment	Electronic Products Department	Electronic Parts and Components Department	Network Application Department	Third-party Payment Department	Other Department	Reportable operating segments	Adjustment and elimination	Total
December 31, 2022	$215,092	$1,076,114	$1,082,243	$1,265,063	$788,224	$586,563	$512,506	$5,525,805	$(467,990)	$5,057,815
December 31, 2021 (Adjusted)	$209,013	$2,635,027	$1,013,553	$-	$-	$-	$11,256	$3,868,849	$(816,911)	$3,051,938

Operating segment liabilities

	Operating Department	Research and development and licensing segment	Electronic Products Department	Electronic Parts and Components Department	Network Application Department	Third-party Payment Department	Other Department	Reportable operating segments	Adjustment and elimination	Total
December 31, 2022	$124,887	$503,761	$180,691	$572,803	$475,583	$297,846	$5,513	$2,161,084	$(171,641)	$1,989,443
December 31, 2021 (Adjusted)	$49,223	$1,026,474	$226,850	$-	$-	$-	$1,578	$1,304,125	$(421,018)	$883,107

Note: After the Group obtained controls of the subsidiaries, Electronic Products ,Beauty Products Departments , and Investment Departments were added into the reportable operating segments.

Other reconciliations of reportable segments

	For the years ended December 31, 2022	For the years ended December 31, 2021
Total profit or loss for reportable segments	$(110,926)	$12,797
Other profit or loss	734,958	1,029,043
Profit before tax from continuing operations	$624,032	$1,041,840

(3) Geographical information

Revenue from external customers:

	For the years ended December 31, 2022	For the years ended December 31, 2021
Taiwan	$831,370	$135,919
Mainland China	597,893	201,837
India	239,331	-
United States	93,889	57,251
Other	489,651	164,399
Total	$2,252,134	$559,406

The revenue information above is based on the location of the customer.

Attachment 1-1: Financing provided to others - Softstar Entertainment Inc.

NO. (Note1)	Lender	Counter-party	Financial statement account	Related party	Maximum amount of current period	Ending balance	Amount actually drawn (Note4)	Interest rate	Nature of financing (Note2)	Amount of sales to (purchases from) counter-party	Reason for short-term financing (Note6)	Loss allowance	Collateral		Limit of financing amount for individual counter-party (Note3)	Limit of financing amount (Note3)
													Item	Value		
1	Softstar Entertainment Inc.	Loftstar Interactive Entertainment Inc.	Other Receivables - related parties	Yes	$25,000	$25,000	$25,000	-	2	$-	Operating capital	$-	-	$-	$50,000	$794,440

Note 1:The number filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is "0".

(2) The subsdiaries are numbered in order starting from "1".

Note 2:The number filled in for nature of loan are as follows:

(1) Business transaction is "1".

(2) Short-term financing is "2".

Note 3: Limit of financing amount for individual counter-party should not exceed NT$50 million; limit of total financing amount shall not exceed 40% of the Company’s net asset value.

Note 4: All transactions listed above were eliminated in the consolidated financial statement.

Attachment 1-2: Financing provided to others - Array Inc.

NO. (Note1)	Lender	Counter-party	Financial statement account	Related party	Maximum amount of current period	Ending balance	Amount actually drawn (Note4)	Interest rate	Nature of financing (Note2)	Amount of sales to (purchases from) counter-party	Reason for short-term financing (Note6)	Loss allowance	Collateral		Limit of financing amount for individual counter-party (Note3)	Limit of financing amount (Note3)
													Item	Value		
1	Array Cayman	Zentry Security Inc.	Other Receivables - related parties	Yes	USD4,500 $138,195	USD3,300 $101,343	USD - $-	-	2	$-	Operating capital	$-	-	$-	$99,247	$99,247 (Note5)

Note 1:The number filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is "0".

(2) The subsdiaries are numbered in order starting from "1".

Note 2:The number filled in for nature of loan are as follows:

(1) Business transaction is "1".

(2) Short-term financing is "2".

Note 3: The financing limit for each individual counter-party should not exceed 40% of the lender’s net worth as stated in its latest audited financial statements.

Note 4: All transactions listed above were eliminated in the consolidated financial statement.

Note 5: The functional currency of Array Inc. is USD.

Attachment 1-3: Financing provided to others - Chander Electronics Corp.

NO. (Note1)	Lender	Counter-party	Financial statement account	Related party	Maximum amount of current period	Ending balance	Amount actually drawn (Note4)	Interest rate	Nature of financing (Note2)	Amount of sales to (purchases from) counter-party	Reason for short-term financing (Note6)	Loss allowance	Collateral		Limit of financing amount for individual counter-party (Note3)	Limit of financing amount (Note3)
													Item	Value		
1	Yun Fang Co., Ltd.	Chander Electronics Corp.	Other Receivables	Yes	$20,000	$20,000	$17,000	1.20%	2	$-	Operating capital	$-	-	$-	$25,000	$26,100

Note 1: The number filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is "0".

(2) The subsdiaries are numbered in order starting from "1".

Note 2: The number filled in for nature of loan are as follows:

(1) Business transaction is "1".

(2) Short-term financing is "2".

Note 3: For those who have business transactions, the total amount of loans granted by Yun Fang Co., Ltd. should not exceed 600% of the net value of Yun Fang Co., Ltd., and the individual financing amount should not exceed the amount of business transactions between the two parties in the most recent year.

Note 4: All transactions listed above were eliminated in the consolidated financial statement.

(Expressed in thousands of NTD unless otherwise stated)

ATTACHMENT 2: Securities held as of December 31, 2022

Names of companies held	Type of securities (Note 1)	Name of securities (Note 1)	Relationship with the Company (Note 2)	Financial statement account	December 31, 2022				Note (Note 4)
					Shares (in thousand)	Carrying amount (Note 3)	Percentage of ownership (%)	Fair value	
Softstar Entertainment Inc.	Stock	Taiwan Smart Card Co.	-	Financial assets at fair value through other comprehensive income, non-current	2,552	$6,160	15.95	$6,160	None
Softstar Entertainment Inc.	Stock	Funfia Inc.	-	Financial assets at fair value through other comprehensive income, non-current	600	-	11.51	-	None
Softstar Entertainment Inc.	Emerging stock	SNSplus Inc.	-	Financial assets at fair value through other comprehensive income, non-current	266	3,386	1.22	3,386	None
Softstar Entertainment Inc.	Listed stock	Newretail Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	657	6,093	2.26	6,093	None
Softstar Entertainment Inc.	Fund	Cathay Private Equity Ecology Limited Partnership	-	Financial assets at fair value through profit or loss, non-current	-	12,263	16.21	12,263	None
Softstar Entertainment Inc.	Fund	Cathy Private Equity Smart Technology Limited Partnership	-	Financial assets at fair value through profit or loss, non-current	-	12,424	4.92	12,424	None
Mega Media Group Limited	Stock	BLC Group Holding Limited	-	Financial assets at fair value through other comprehensive income, non-current	678	8,358	8.82	8,358	None
Mega Media Group Limited	Stock	Boom Fintech Inc.	-	Financial assets at fair value through other comprehensive income, non-current	250	-	9.22	-	None
Uniplus Electronics Co., Ltd.	Fund	Outstanding Capital Limited Partnership	-	Financial assets at fair value through profit or loss, non-current	-	284	4.32	284	None
Chander Electronics Corp.	Stock	Super Energy Materials Inc.	-	Financial assets at fair value through other comprehensive income, non-current	2,272	45,430	11.36	45,430	None
Toptrend Technologies Corp.	Fund	Allianz Global Investors Income and Growth Fund	-	Financial assets at fair value through profit or loss, current	4.7	1,271	-	1,271	None
Toptrend Technologies Corp.	Stock	Hanbang Precision Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	93	92	1.56	92	None
Toptrend Technologies Corp.	Fund	Wisdom Capital Limited Partnership	-	Financial assets at fair value through profit or loss, current	-	6,934	-	6,934	None
Array US	Fund	Morgan Stanley Mutual Funds	-	Financial assets at fair value through profit or loss, current	-	11,291	-	11,291	None

Note 1: Securities on the list refer to securities such as stocks, bonds, beneficiary certificates and securities derived from those items included in IFRS 9 “Financial Instruments”.
Note 2: Fields do not have to be filled in if the security issuer is not a related party.
Note 3: Securities which were acquired by using fair value method, please fill in amount based on calculating after adjustment from fair value minus accumulated impairment; fill in the rest amount based on original acquired cost or after amortization minus accumulated impairment.
Note 4: Listed securities due to guarantees, pledged loans, or others who are restricted by agreement shall specify in the remarks column the number of guarantees or the number of shares borrowed, the amount of the guarantee or the amount of the loan, and restrictions on use.

(Expressed in thousands of NTD unless otherwise stated)

ATTACHMENT 3: Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital

Purchaser/Seller	Marketable securities type and name (Note1)	Financial statement account	Counter -party	Relationship	Beginning balance		Acquisition		Disposal				Ending balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying value	Gain/Loss on disposal	Shares/Units	Amount (Note5)
Softstar Entertainment Inc.	Red Sunrise Co., Ltd.	Investments accounted for using the equity method	Note2	-	-	$-	7,075,955	$176,899	-	$-	$-	$-	7,075,955	$190,447
Jiwei Technology Ltd.	Array Holdings for APGFIII Fund LPs	Investments accounted for using the equity method	Note3	-	-	-	-	201,134	-	-	-	-	-	167,275
Lanjing Ltd.	Chander Electronics Corp.	Investments accounted for using the equity method	Note4	-	1,064,000	20,216	16,414,540	296,487	-	-	-	-	17,478,540	355,396
Chander Electronics Corp.	Toptrend Technologies Corp.	Investments accounted for using the equity method	None	Subsidiary	6,030	109,240	12,011	212,901	-	-	-	-	18,041	355,908

Note 1: Securities refers to stocks, bods, beneficiary certificates, and securities derived from items listed above.

Note 2: 36 third parties, including Lu, Ming-Hung and Ho Yang Investment Co., Ltd., and the investee's newly issued shares.

Note 3: The third party, Asia Pacific Growth Fund III, L.P. and the Company's subsidiary, Quan Zhe Metal Corp.

Note 4: Lifetek Instrument Inc. and 3 other third parties.

Note 5: The ending balance includes share of profit or loss and exchange differences on translating foreign operations of investments accounted for using equity method, valuation of financial assets, etc.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SOFTSTAR ENTERTAINMENT INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in thousands of NTD unless otherwise stated)

Attachment 4: Significant intercompany transactions between consolidated entities

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Business Transactions: Account	Amount	Term	As a percentage of consolidated revenues (Note 3)
0	Softstar Entertainment Inc.	Loftstar Interactive Entertainment Inc.	1	Operating Revenue	$42,476	Negotiated by both parties	2
0	Softstar Entertainment Inc.	Loftstar Interactive Entertainment Inc.	1	Operating Costs	11,178	Negotiated by both parties	0
0	Softstar Entertainment Inc.	Loftstar Interactive Entertainment Inc.	1	Accounts Receivable- related parties	25,920	Negotiated by both parties	1
0	Softstar Entertainment Inc.	Loftstar Interactive Entertainment Inc.	1	Other Receivables-related parties	26,421	Negotiated by both parties	1
0	Softstar Entertainment Inc.	Loftstar Interactive Entertainment Inc.	1	Accounts Payable-related parties	5,590	Negotiated by both parties	0
1	Uniplus Electronics Co., Ltd.	Hang Zheng Technology Co., Ltd.	3	Operating Revenue	239,541	120 days monthly settlement	11
1	Uniplus Electronics Co., Ltd.	Hang Zheng Technology Co., Ltd.	3	Rental Income	2,857	Monthly settlement	0
1	Uniplus Electronics Co., Ltd.	Hang Zheng Technology Co., Ltd.	3	Other Income	1,800	Monthly settlement	0
1	Uniplus Electronics Co., Ltd.	Hang Zheng Technology Co., Ltd.	3	Accounts Receivable	92,782	Based on regular terms	2
1	Uniplus Electronics Co., Ltd.	Hang Zheng Technology Co., Ltd.	3	Other Receivables	315	Monthly settlement	0
1	Uniplus Electronics Co., Ltd.	Hang Zheng Technology Co., Ltd.	3	Prepayment	4,890	Based on regular terms	0
1	Uniplus Electronics Co., Ltd.	Green Bless Co., Ltd.	3	Rental Income	366	Monthly settlement	0
1	Uniplus Electronics Co., Ltd.	Jiu He Yi Technology Co., Ltd.	3	Rental Income	29	Monthly settlement	0
1	Uniplus Electronics Co., Ltd.	Ruihe Investment Co.,Ltd.	3	Rental Income	29	Monthly settlement	0
2	Green Bless Co., Ltd.	Uniplus Electronics Co., Ltd.	3	Sales Revenue	24	Negotiated by both parties	0
3	Chander Electronics Corp.	Changsha Zecheng Technology Co., Ltd.	3	Sales Revenue	8,594	Based on regular terms	0
3	Chander Electronics Corp.	Changsha Zecheng Technology Co., Ltd.	3	Other Receivables	5,324	Based on regular terms	0
3	Chander Electronics Corp.	Yun Fang Co., Ltd.	3	Other Payables	17,000	For working capital and the interest rate is 1.2%	0
4	Array US	Zentry Security Inc.	3	Other Receivables-related parties	92,628	Based on regular terms	2
4	Array US	Array Networks India Private Limited	3	Accounts Receivable- related parties	159,749	Based on regular terms	2
4	Array US	Array Networks India Private Limited	3	Operating Revenue	74,081	Based on regular terms	3
4	Array US	Array Networks India Private Limited	3	Royalties Revenue	74,520	Based on regular terms	3
4	Array US	Array Networks India Private Limited	3	Other Receivables-related parties	16,687	Based on regular terms	0
5	Array Networks Japan Kabishiki Kaisha	Array US	3	Service Revenue	14,246	Based on regular terms	1
5	Array Networks Japan Kabishiki Kaisha	Array US	3	Accounts Receivable- related parties	17,652	Based on regular terms	0
6	Array Networks India Private Limited	Zentry Security Inc.	3	Other Receivables-related parties	38,017	Based on regular terms	1

Note 1: Information about related party transactions should be stated. The numbers of each company are illustrated as follows:
1. 0 is for the parent company.
2. Each subsidiary is numbered from 1.

Note 2: Transactions are categorized into three types as follows: (There is no need to repeat the disclosure of the same transaction between the parent company and each subsidiary. For example, if the parent company has disclosed the transaction with the subsidiary, the subsidiary does not need to disclose it; if transactions between subsidiaries has been disclosed by one company, the other company does not need to disclose the transaction.
1. Parent company and subsidiary.
2. Subsidiary and Parent company.
3. Subsidiary and subsidiary.

Note 3: Transaction amount is stated as a percentage of total revenues or assets. Percentages of assets or liabilities accounts are calculated as ending balance divided by consolidated assets, and percentages of profit or loss accounts are calculated as accumulated amount for the year divided by consolidated revenues.

(Expressed in thousands of NTD unless otherwise stated)

ATTACHMENT 5: Names, locations and related information of investee companies (Not including investment in Mainland China)

Investor company	Investee company	Location	Main business and products	Original investment amount		Investment as of December 31, 2022			Net income (loss) of investee (Note 1)	Investment income (loss) recognized (Note 1)	Note
				Ending balance	Beginning balance	Number of shares (in thousand)	Percentage of ownership (%)	Book value			
Softstar Entertainment Inc.	Loftstar Interactive Entertainment Inc.	Taiwan	Software wholesale and information software services	$58,500	$58,500	5,850	100	$(33,809)	$(54,652)	$(54,652)	Subsidiary
Softstar Entertainment Inc.	Activision Entertainment Ltd.	Taiwan	Performing arts	6,000	6,000	-	100	943	(858)	(858)	Subsidiary
Softstar Entertainment Inc.	Red Sunrise Co., Ltd.	Taiwan	Third-party payment services	176,899	-	7,076	50.72	190,447	16,816	6,265 (Note 5)	Subsidiary
Softstar Entertainment Inc.	Gamebase Digital Media Corporation	Taiwan	Software publishing and information software services	151,000	138,000	15,500	100	123,071	(14,745)	(14,745)	Subsidiary
Softstar Entertainment Inc.	Softstar Animation Limited	Samoa	Investment holding	29,888	29,888	980	100	6,807	1,186	1,186	Subsidiary
Softstar Entertainment Inc.	A.R.T. Games Co., Ltd.	Taiwan	Network software development and technical services	12,250	12,250	1,225	49	1,635	(3,649)	(1,788)	Investee accounted for using the equity method
Softstar Entertainment Inc.	Chia-e International Inc.	Taiwan	Investment holding	20,000	20,000	814	28.21	-	(2,233)	-	Investee accounted for using the equity method
Softstar Entertainment Inc.	Time Vision International Limited	Samoa	Investment holding	- (Note 3)	499,922	- (Note 3)	100	369,947	625,352	625,352	Subsidiary
Softstar Entertainment Inc.	Uniplus Electronics Co., Ltd.	Taiwan	Electronic component manufacturing, lamination, research and development and trade of business operation	350,012	350,012	61,955	34.39	285,701	17,325 (Note 5)	(1,736)	Subsidiary
Softstar Entertainment Inc.	New Profit Holding Ltd.	Seychelles	Investment holding	24,501	24,501	1,610	100	27,216	(214)	(214)	Subsidiary
Softstar Entertainment Inc.	JFN Investment Holding Corp.	BVI	Investment holding	78,605	71,830	13	100	85,279	(332)	(332)	Subsidiary
Softstar Entertainment Inc.	Lanjing Ltd.	Taiwan	Investment holding	316,916	20,216	-	100	355,482	(4,441)	(4,441)	Subsidiary
Softstar Entertainment Inc.	Jiwei Technology Ltd.	Taiwan	Investment holding	229,197	17,480	-	100	192,241	(38,026)	(38,026)	Subsidiary
Softstar Entertainment Inc.	Chander Electronics Corp.	Taiwan	Electronic products distribution	191,330	89,834	9,095	11.26	119,609	(20,851)	(2,436)	Subsidiary
Softstar Entertainment Inc.	Double Edge Entertainment Corp.	Taiwan	Film production and media distribution	34,926	5,665	1,591	30.31	12,597	(4,078)	(705)	Investee accounted for using the equity method
Lanjing Ltd.	Chander Electronics Corp.	Taiwan	Electronic products distribution	316,703	20,216	17,479	21.64	355,396	(20,851)	(1,256)	Subsidiary
Jiwei Technology Ltd.	Chander Electronics Corp.	Taiwan	Electronic products distribution	17,480	17,480	920	1.14	19,525	(20,851)	(65)	Subsidiary
Jiwei Technology Ltd.	Array Holdings for APGFIII Fund LPs	British Cayman Islands	Investment holding	201,134	-	-	100	167,275	(47,978)	(40,662)	Indirect subsidiary
Jiwei Technology Ltd.	Array Taiwan Inc.	Taiwan	Information software services	10,000	-	1,000	100	8,164	(1,836)	(1,836)	Indirect subsidiary
New Profit Holding Ltd.	Chander Electronics Corp.	Taiwan	Electronic products distribution	24,213	24,213	1,274	1.58	27,031	(20,851)	(326)	Subsidiary
JFN Investment Holding Corp.	Chander Electronics Corp.	Taiwan	Electronic products distribution	78,480	71,830	4,131	5.11	84,869	(20,851)	(1,079)	Subsidiary
Gamebase Digital Media Corporation	Niusnews Co., Ltd.	Taiwan	Advertisement and information software services	42,471	34,980	1,067	21.08	34,449	(38,109)	(6,750)	Investee accounted for using the equity method
Gamebase Digital Media Corporation	Mega Media Group Limited	Seychelles	General investment	93,260	93,260	2,800	100	76,603	(5,601)	(5,601)	Indirect subsidiary
Mega Media Group Limited	Niusnews Co., Ltd.	Taiwan	Advertisement and information software services	73,260	73,260	666	13.16	68,240	(38,109)	(5,601)	Investee accounted for using the equity method
Array Holdings for APGFIII Fund LPs	Array Inc.	British Cayman Islands	Investment holding	193,291 (Note 4)	193,291	21,172	41.42	157,422	(179,522)	(74,358)	Indirect subsidiary
Uniplus Electronics Co., Ltd.	Green Bless Co., Ltd.	Taiwan	Beauty and skincare products	94,736	94,736	2,900	100	23,488	(776)	(2,649) (Note 5)	Indirect subsidiary
Uniplus Electronics Co., Ltd.	Hang Zheng Technology Co., Ltd.	Taiwan	Wholesale of electronic equipments	10,000	10,000	1,000	100	7,038	(1,895)	(1,895)	Indirect subsidiary
Uniplus Electronics Co., Ltd.	Jiu He Yi Technology Co., Ltd.	Taiwan	Wholesale of electronic equipments	41,000	21,000	4,100	100	40,904	(52)	(52)	Indirect subsidiary
Uniplus Electronics Co., Ltd.	Ruihe Investment Co.,Ltd.	Taiwan	Investment holding	100	-	-	100	52	(48)	(48)	Indirect subsidiary
Red Sunrise Co., Ltd.	Sun Tech Co., Ltd.	Taiwan	Third-party payment services	51,000	1,000	5,100	100	50,945	(65)	(65)	Indirect subsidiary
Red Sunrise Co., Ltd.	Soundnet Tech Co., Ltd.	Taiwan	Third-party payment services	1,820	1,820	282	100	-	-	-	Indirect subsidiary
Red Sunrise Co., Ltd.	PayNow Inc.	Taiwan	Third-party payment services	332	332	663	41.44	7,745	3,863	1,601	Investee accounted for using the equity method
Chander Electronics Corp.	Chander Electronics (HK) Corporation	Taiwan	Distribution and trade of electronic components, integrated circuits, computer equipment and related products	114,142	114,142	28,200	100	8,659	(6)	(6)	Indirect subsidiary
Chander Electronics Corp.	Neweb Technologies Co., Ltd.	Taiwan	Software wholesale and retail sales; electronic data supply services	349,954	349,954	24,649	32.63	452,386	76,561	24,982	Investee accounted for using the equity method
Chander Electronics Corp.	Yun Fang Co., Ltd.	Taiwan	Tobacco, liquor, beverage, food and medical equipment wholesale and retail	5,000	5,000	500	100	4,350	(651)	(651)	Indirect subsidiary
Chander Electronics Corp.	Toptrend Technologies Corp.	Taiwan	Distribution and trade of electronic components, integrated circuits, computer equipment and related products	321,440	108,539	18,041	89.75	355,908	23,526	6,089 (Note 5)	Indirect subsidiary
Chander Electronics Corp.	Quan Zhe Metal Corp.	Taiwan	Electronic component products, information software wholesale and retail, and data processing services	50	50	5	100	50	(5,630)	(5,630)	Indirect subsidiary (Note6)
Quan Zhe Metal Corp.	Array Holdings for APGFIII Fund LPs	British Cayman Islands	Investment holding	-	-	-	-	-	(33,112)	(5,630)	Investee accounted for using the equity method
Array Inc.	Array Cayman	British Cayman Islands	Investment holding	370,326	370,326	37,032	100	248,117	(179,562)	(179,562)	Indirect subsidiary
Array Cayman	Array US	US	Research, manufacture and sale of Application Delivery Controllers, high-end SSL VPN systems, Remote Desktop Access Solutions and Application Acceleration	184,843	166,606	-	100	336,268	(38,656)	(38,656)	Indirect subsidiary
Array Cayman	Zentry Security Inc.	US	Zentry modernizes the secure access with enhanced security, improved productivity, and ease of use. It helps customers migrate to Zero Trust Security model from obsolete perimeter model (Firewall & VPN)	343,952	276,800	-	99.95	(137,047)	(121,558)	(121,517)	Indirect subsidiary
Array US	Array Networks Japan Kabishiki Kaisha	Japan	Research, manufacture and sale of Application Delivery Controllers, high-end SSL VPN systems, Remote Desktop Access Solutions and Application Acceleration	2,342	2,405	200	100	22,035	142	142	Indirect subsidiary
Array US	Array Networks India Private Limited	India	Research, manufacture and sale of Application Delivery Controllers, high-end SSL VPN systems, Remote Desktop Access Solutions and Application Acceleration	36,298	32,717	-	100	23,776	33,356	33,356	Indirect subsidiary

Note 1: If the listed company set up the overseas investment company and consolidated financial statements are primary financial statements under local regulations, information about overseas investees can be disclosed only to the extent of the overseas investment company.

Note 2: If not qualified for the situation stated in Note 1, the above table should be made under rules as follows:

(1)Information about the Company's investments should be filled in the "Investee", "Location", "Main business", "Original investment" and "Investment as of December 31, 2018" columns. The relationship between the investee and the Company should be filled in the "Note" column.

(2)The net income for the year of each investee should be filled in the "Net income (loss) of investee" column.

(3)Only the investment income (loss) of subsidiaries or investees accounted for using the equity method recognized by the Company should be filled in the "Investment income (loss) recognized" column. The investment income (loss) recognized should include investment income (loss) recognized by the investee.

Note 3: The original investment was 2 shares amounted to NT$56.

Note 4: The original investment was completed through share swap.

Note 5: Including the amortization of differences between the carrying amount and the fair value based the purchase price allocation reports.

Note 6: In October 2022, Quan Zhe Investment Co., Ltd. changed its name to Quan Zhe Metal Corp.

Note7: On April 22, 2022, the Chander's board of directors resolved to sell the shares of Array Holdings for APGFIII Fund LPs, an overseas company held by its 100%-owned subsidiary, Quan Zhe Metal Corp., to Jiwei Technology Ltd., the Company's subsidiary, for the amount of disposal NT$100,567 thousand.

Attachment 6: Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note1)		Notes/accounts receivable (payable)		Note
			Purchases/ sales	Amount	Percentage of total purchases/ sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Uniplus Electronics Co., Ltd.	Hang Zheng Technology Co., Ltd.	Subsidiary	Sales	$197,582	79.36%	The credit term is not materially different from he third party.	The transaction price and payment terms are not materially different from the third party.	According to the agreement	Accounts payable $92,782	83.36%	Note

Note: Eliminated in the consolidated financial statement.

Attachment 7: Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

Creditor	Counterparty	Relationship with the counterparty	Balance of receivables from related parties	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Array US	Array Networks India Private Limited	Subsidiary	$159,749	1.96	$-	-	$18,428	$-

(Expressed in thousands of NTD unless otherwise stated)

ATTACHMENT 8-1: Softstar Entertainment Inc.

1. The following table presents names, main businesses and products, total amount of paid-in capital, method of investment, accumulated outflow of investment from Taiwan, investment income recognized, carrying amount, and accumulated inward remittance of earnings on investment of investees in Mainland China

Investee Company	Main business and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as at January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (loss) of investee Company	Percentage of ownership	Investment income (loss) recognized (Note 2)	Carrying value as of December 31, 2022	Accumulated inward remittance of earnings as of December 31, 2022	Note (Note 2(2))
					Outflow	Inflow							
Softstar Technology (Beijing) Co., Ltd.	Information processing service	$32,856	2	$32,856	$-	$32,856 (Note6)	$- (Note6)	(Note4)	-	$-	$-	$-	C
Softstar Technology (Shanghai) Co., Ltd.	Information processing service	134,694	2	22,294	-	-	22,294	(Note4)	-	-	-	-	C

2. Investment quota for Mainland China:

Accumulated investment in Mainland China as of December 31, 2022	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment in accordance with Ministry of Economic Affairs regulations (Note 5)
$22,294	$285,526	$1,191,659

Note 1: The method for engaging in investment in Mainland China include the following：

(1) Direct investment in Mainland China with capital increase through companies registered in third region.

(2) Indirectly investment in Mainland China through companies registered in a third region (Please specify the name of company in third region)

(3) Other method.

Note 2: The investment income (loss) recognized in current period：

(1) It should be noted if it is in preparation which there is no investment profit or loss.

(2) The investment income (loss) were determined based on the following basis:

A.The financial statement was audited by an international certified public accounting firm in cooperation with an R.O.C. accounting firm.

B.The financial statement was audited by the auditors of the parent company.

C.Others.

Note 3: The amount is stated in NTD.

Note 4: The shares of Softstar Technology (Beijing) Co., Ltd. and Softstar Technology (Shanghai) Co., Ltd. were disposed on November 25, 2021, thus the information pertaining to net income (loss) of the investee was not available.

Note 5: The upper limit of investment amount in Mainland China is the higher of 60% of the net value or 60% of consolidated net value.

Note 6: The investment in Softstar Technology (Beijing) Co., Ltd., US$1 million, had been remitted back through the Company's 100% subsidiary, Time Vision International Limited.

The difference between the remittance and the original investment amount was owing to the exchange rate, and the remittance amount had been reported to the Investment commission, MOEA.

(Expressed in thousands of NTD/foreign currency unless otherwise stated)

ATTACHMENT 8-2: Chander Electronics Corp.

1. The following table presents names, main businesses and products, total amount of paid-in capital, method of investment, accumulated outflow of investment from Taiwan, investment income recognized, carrying amount, and accumulated inward remittance of earnings on investment of investees in Mainland China

Investee Company	Main business and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as at January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (loss) of investee Company	Percentage of ownership	Investment income (loss) recognized (Note 2)	Carrying value as of December 31, 2022	Accumulated inward remittance of earnings as of December 31, 2022	Note
					Outflow	Inflow							
Trendwin Electronics (Shenzhen) Corporation (Note4)	Distribution and trade of electronic components, integrated circuits, computer equipment and related products.	HKD-	2	HKD7,639 (USD980)	$-	$-	HKD7,639 (USD980)	$-	-	$-	$-	$-	
Changsha Zecheng Technology Co., Ltd.	Distribution and trade of electronic components, integrated circuits, computer equipment and related products.	$43 (USD2)	1	$43 (USD2)	22,127 (USD716)	-	22,170 (USD718)	(4,456)	100	(4,456)	17,249	-	Note 5 and 6

2. Investment quota for Mainland China:

Accumulated investment in Mainland China as of December 31, 2022	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment in accordance with Ministry of Economic Affairs regulations
USD 1,698	USD 1,698	$513,088

Note 1: The method for engaging in investment in Mainland China include the following：
(1) Direct investment in Mainland China with capital increase through companies registered in third region.
(2) Indirectly investment in Mainland China through companies registered in a third region (Please specify the name of company in third region)
(3) Other method.

Note 2: The investment income (loss) recognized in current period：
(1) It should be noted if it is in preparation which there is no investment profit or loss.
(2) The investment income (loss) were determined based on the following basis:
A.The financial statement was audited by an international certified public accounting firm in cooperation with an R.O.C. accounting firm.
B.The financial statement was audited by the auditors of the parent company.
C.Others.

Note 3: The upper limit of investment amount in Mainland China is the higher of 60% of the net value or 60% of consolidated net value.

Note 4: Trendwin Electronics (Shenzhen) Corporation was liquidated in mainland China in August 2016, but the registration in the Investment commission, MOEA has not yet been cancelled.

Note 5: Eliminated in the consolidated financial statement.

Note 6: Chander’s new investment in Changsha Zecheng Technology Co., Ltd. amounting to NT$22,127 thousand (US$716 thousand) had been approved by the Investment commission, MOEA on February 4, 2023.

Attachment 9: Major shareholder information

Shares / Name	Holding shares	Holding percentage(%)
Angel Fund (ASIA) Investments Limited	8,616,653	10.10
Oriental Golden Richness Ltd.	6,862,236	8.04
Global Angel Investments Limited	5,973,030	7.00
Uniplus Electronics Co., Ltd.	5,325,727	6.24