SOFTSTAR ENTERTAINMENT INC.

PARENT COMPANY ONLY

FINANCIAL STATEMENTS

WITH REPORT OF INDEPENDENT AUDITORS

FOR THE YEARS ENDED

DECEMBER 31, 2022 AND 2021

Registration Address: 22F.-1, No. 77, Sec. 2, Dunhua S. Road, Da'an District, Taipei, Taiwan
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The reader is advised that parent company only financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

SOFTSTAR ENTERTAINMENT INC.

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Auditor Report of Independent Auditors

To Softstar Entertainment Inc.

Opinion

We have audited the accompanying parent company only balance sheets of Softstar Entertainment Inc. (the "Company") as of December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the parent company only financial statements, including the summary of significant accounting policies (together "the parent company only 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 parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its 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.

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 Parent Company Only Financial Statements* section of our report. We are independent of the Company and 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 auditor(s), 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 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon we do not provide a separate opinion on these matters.

Revenue Recognition —Royalties

The Company's 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's IP over time or with a right to use the Company's 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's revenue recognition of royalties 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 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 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.

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

Other Matter – Making Reference to the Reports of Other Independent Auditors

We did not audit the financial statements of certain investments accounted for using the equity method. 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 investment accounted for using the equity method amounted to NT$866,541 thousand and NT$221,706 thousand, representing 35% and 10% of total assets as of December 31, 2022 and 2021, respectively. The related shares of profit or loss from the subsidiaries, associates and joint ventures under the equity method amounted to NT$(58,157) thousand and NT$(1,867) thousand, representing (9)% and (0)% of the profit before tax for the years ended 31 December, 2022 and 2021, respectively, and the related shares of other comprehensive income (loss) from the subsidiaries, associates and joint ventures under the equity method amounted to NT$(8,819) thousand and NT$32 thousand, representing 129% and 0% of the other comprehensive income for the years ended 31 December, 2022 and 2021, respectively.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

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. 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 parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only 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 to express an opinion on the parent company only 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 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Ernst & Young, Taiwan
March 28, 2023

Notice to Readers
The accompanying parent company only financial statements are intended only to present the 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 practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying parent company only 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. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

SOFTSTAR ENTERTAINMENT INC.
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2022 and 2021 (Adjusted)
(Expressed in Thousands of New Taiwan Dollars)
SOFTSTAR ENTERTAINMENT INC.

Assets	Notes	As of December 31, 2022	As of December 31, 2021 (Adjusted) (Note)
Current assets			
Cash and cash equivalents	4, 6, 8 and 12	$351,909	$539,398
Contract assets, current	4, 6 and 7	2,421	-
Accounts receivable, net	4, 6 and 12	24,930	25,805
Accounts receivable-related parties, net	4, 6, 7 and 12	26,077	11,948
Other receivables	4 and 12	6,916	14,499
Other receivables-related parties	7 and 12	28,260	277,998
Current income tax assets	4	3,117	8,188
Prepayment	4 and 7	38,746	12,230
Other financial assets, current	4, 6, 8 and 12	96,431	11,429
Other current assets		46	19
Total current assets		578,853	901,514
Non-current assets			
Financial assets at fair value through profit or loss, non-current	4, 5, 6, and 12	27,687	37,894
Financial assets at fair value through other comprehensive income, non-current	4, 5, 6, and 12	9,546	77,658
Investments accounted for using the equity method	4 and 6	1,770,975	1,206,210
Contract assets, non-current	4 and 6	3,638	35,046
Property, plant and equipment	4 and 6	4,065	4,429
Right-of-use assets	4 and 6	31,328	24,641
Intangible assets	4 and 6	1,496	1,257
Deferred tax assets	4, 5 and 6	3,674	6,007
Refundable deposits	12	7,492	4,289
Other financial assets, non-current	4, 6, 8 and 12	19,570	29,006
Total non-current assets		1,879,471	1,426,437
Total assets		$2,458,324	$2,327,951

Liabilities and Equity	Notes	As of December 31, 2022	As of December 31, 2021 (Adjusted) (Note)
Current liabilities			
Short-term borrowings	4 and 6	$193,000	$-
Contract liabilities, current	4 and 6	14,232	107,176
Accounts payable	12	13,443	17,533
Accounts payable-related parties	7 and 12	5,590	2,207
Other payables	6 and 12	61,752	71,387
Other payables-related parties	7 and 12	298	-
Current income tax liabilities	4 and 6	5,051	242,632
Lease liabilities, current	4, 6, 7 and 12	17,996	9,568
Current portion of long-term borrowings	4, 6, 8 and 12	47,089	76,103
Other current liabilities		2,959	1,160
Total current liabilities		361,410	527,766
Non-current liabilities			
Contract liabilities, non-current	4 and 6	25,940	28,526
Long-term borrowings	4, 6, 8 and 12	27,041	74,048
Deferred tax liabilities	4 and 6	900	5
Lease liabilities, non-current	4, 6 and 12	14,135	15,311
Net defined benefit liabilities	4 and 6	8,990	18,739
Investments accounted for using the equity method in credit balance	4 and 6	33,809	-
Total non-current liabilities		110,815	136,629
Total liabilities		472,225	664,395
Equity			
Common stock	4 and 6	852,630	655,869
Additional paid-in capital	4 and 6	158,340	112,491
Retained earnings	4 and 6		
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		1,986,099	1,663,556
Total liabilities and equity		$2,458,324	$2,327,951

Note: The Company had completed the purchase price allocation of Uniplus Electronics Co., Ltd. on the control acquisition date, thus the parent company only balance sheet as of December 31, 2021 was adjusted, resulting in a decrease in investments accounted for using the equity method and unappropriated earnings both by NT$2,930 thousand.

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

SOFTSTAR ENTERTAINMENT INC.

PARENT COMPANY ONLY 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)

		For the Years Ended December 31,	
Item	**Notes**	**2022**	**2021 (Adjusted) (Noted)**
Net sales	4, 5, 6 and 7	$445,715	$366,290
Cost of goods sold	7	(75,381)	(42,604)
Gross profit	6 and 7	370,334	323,686
Operating expenses	6 and 7		
Sales and marketing expenses		(49,142)	(52,422)
General and administrative expenses		(110,428)	(100,408)
Research and development expenses		(90,541)	(126,218)
Expected credit losses		(13,148)	(2,730)
Subtotal		(263,259)	(281,778)
Operating income		107,075	41,908
Non-operating income and expenses	6		
Interest income		2,663	136
Other income		4,908	15,168
Other gains and losses		61,183	(22,514)
Finance costs		(3,978)	(3,560)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method		512,870	987,517
Subtotal		577,646	976,747
Profit before income tax		684,721	1,018,655
Income tax expense	4, 5 and 6	(60,235)	(278,002)
Net income		624,486	740,653
Other comprehensive income (loss)	4 and 6		
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans		2,029	1,994
Unrealized gains or losses from financial assets at fair value through other comprehensive income (loss)		(6,146)	27,858
Share of other comprehensive income (loss) of subsidiaries, associates, and joint ventures accounted for using equity method		(9,563)	(9)
Tax of items that will not be reclassified subsequently to profit or loss		(216)	183
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income (loss) of subsidiaries, associates, and joint ventures accounted for using equity method		7,057	15,334
Total other comprehensive income (loss), net of tax		(6,839)	45,360
Total comprehensive income		$617,647	$786,013
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 Company had completed the purchase price allocation of Uniplus Electronics Co., Ltd. on the control acquisition date, thus the parent company only statement of comprehenisive income for the year ended December 31, 2021 was adjusted, resulting in a decrease in net income by NT$2,930 thousand .

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

SOFTSTAR ENTERTAINMENT INC.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

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

(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**
Balance as of January 1, 2021	$630,643	$112,360	$47,123	$281,771	$98,402	$(15,345)	$(275,740)	$(6,540)	$-	$872,674
Appropriation and distribution of 2020 retained earnings										
Legal reserve	-	-	5,632	-	(5,632)	-	-	-	-	-
Special reserve	-	-	-	9,314	(9,314)	-	-	-	-	-
Cash dividends	-	-	-	-	(12,613)	-	-	-	-	(12,613)
Stock dividends	25,226	-	-	-	(25,226)	-	-	-	-	-
Net income in 2021(adjusted) (Note)	-	-	-	-	740,653	-	-	-	-	740,653
Other comprehensive income (loss) in 2021	-	-	-	-	2,218	15,334	27,808	-	-	45,360
Total comprehensive income (loss) in 2021	-	-	-	-	742,871	15,334	27,808	-	-	786,013
Difference between consideration and carrying amount of subsidiaries acquired	-	131	-	-	11,728	-	-	-	-	11,859
Changes in ownership interests in subsidiaries (adjusted) (Note)	-	-	-	-	(917)	-	-	-	-	(917)
Share-based payment transactions	-	-	-	-	-	-	-	6,540	-	6,540
Balance as of December 31, 2021 (adjusted) (Note)	$655,869	$112,491	$52,755	$291,085	$799,299	$(11)	$(247,932)	$-	$-	$1,663,556
Balance as of January 1, 2022 (adjusted) (Note)	$655,869	$112,491	$52,755	$291,085	$799,299	$(11)	$(247,932)	$-	$-	$1,663,556
Appropriation and distribution of 2021 retained earnings										
Legal reserve	-	-	75,662	-	(75,662)	-	-	-	-	-
Cash dividends	-	-	-	-	(196,761)	-	-	-	-	(196,761)
Stock dividends	196,761	-	-	-	(196,761)	-	-	-	-	-
Reversal of special reserve	-	-	-	(43,142)	43,142	-	-	-	-	-
Net income in 2022	-	-	-	-	624,486	-	-	-	-	624,486
Other comprehensive income (loss) in 2022	-	-	-	-	2,138	7,057	(16,034)	-	-	(6,839)
Total comprehensive income (loss) in 2022	-	-	-	-	626,624	7,057	(16,034)	-	-	617,647
Repurchase of treasury shares	-	-	-	-	-	-	-	-	(6,943)	(6,943)
Acquisition of company's stocks by subsidiaries recognized as treasury shares	-	-	-	-	-	-	-	-	(94,904)	(94,904)
Parent company's cash dividends received by subsidiaries	-	4,227	-	-	-	-	-	-	-	4,227
Difference between consideration and carrying amount of subsidiaries acquired	-	2,411	-	-	(36,359)	11	(8)	-	-	(33,945)
Changes in ownership interests in subsidiaries	-	39,211	-	-	(5,989)	-	-	-	-	33,222
Disposal of investments in equity instruments measured at fair value through other comprehensive income(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

Note: The Company had completed the purchase price allocation of Uniplus Electronics Co., Ltd. on the control acquisition date, thus the parent company only statement of changes in equity for the year ended December 31, 2021 and the balance as of January 1, 2022 were adjusted.

The accompanying notes are an integral part of the parent company only financial statements

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

SOFTSTAR ENTERTAINMENT INC.

PARENT COMPANY ONLY 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	$684,721	$1,018,655
Adjustments for:		
Depreciation	15,441	15,661
Amortization	2,462	3,293
Expectedcreditimpairmentlosses(gains)	13,148	2,730
Loss on financial assets and liabilities at fair value through profit or loss	16,207	4,971
Interest expense	3,560	3,560
Interest income	(2,663)	(135)
Share-based payments expense	-	6,540
Shareofgainofassociatesandjointventuresaccountedforusingequitymethod	(512,870)	(987,517)
Loss on disposal of property, plant and equipment	1,558	3,276
(Gain)lossondisposalofinvestment	(706)	505
Impairmentlossofnon-financialassets	-	2,688
Others	(100)	609
Changesinoperatingassetsandliabilities:		
Contractassets	20,057	49,370
Accounts receivable, net	(3,343)	115,844
Accounts receivable-related parties, net	(14,129)	19,329
Other receivables	(639)	1
Other receivables-relatedparties	(29,162)	1,972
Prepayment	(22,141)	(11,248)
Contract liabilities	(95,530)	129,663
Accounts payable	(4,090)	(52,196)
Accounts payable-related parties	3,383	(479)
Other payables	(9,635)	33,689
Other payables-related parties	298	(256)
Other current liabilities	1,772	25
Net defined benefit liabilities	(7,711)	(163)
Cash provided by operations	59,888	360,387
Interest received	2,663	135
Interest paid	(2,886)	(2,982)
Income tax paid	(294,108)	(26,825)
Net cash provided by/ (used in) operating activities	(234,443)	330,715
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	$-	$(872)
Proceeds from disposal of financial assets at fair value through other comprehensive income	67,397	12
Acquisition of financial assets at fair value through profit or loss	(6,000)	(42,865)
Acquisition of investments accounted for using equity method	(817,087)	(749,872)
Decrease in prepayments for investments	-	1,296
Capital reduction by cash on investments accounted for using the equity method	803,232	842,467
Disposal of subsidiaries	-	405
Acquisition of property, plant and equipment	(3,687)	(3,599)
Proceeds from disposal of property, plant and equipment	141	150
(Increase) decrease in guarantee deposits paid	(3,203)	2,767
Acquisition of intangible assets	(2,701)	(2,409)
(Increase) decrease in other financial assets	(75,575)	579
Dividends received	184,260	-
Net cash provided by activities	146,777	48,059
Cash flows from financing activities:		
Increase in short-term borrowings	193,000	-
Proceeds from long-term borrowings	-	110,000
Repayment of long-term borrowings	(76,021)	(91,167)
Repayment of the principal portion of lease liabilities	(13,098)	(13,136)
Cash dividends	(196,761)	(12,613)
Treasury stock transactions	(6,943)	-
Net cash used in financing activities	(99,823)	(6,916)
Net (decrease) increase in cash and cash equivalents	(187,489)	371,858
Cash and cash equivalents at beginning of year	539,398	167,540
Cash and cash equivalents at end of year	$351,909	$539,398

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

The accompanying notes are an integral part of the parent company only 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 it changed its name to Softstar Entertainment Inc. the same year. The Company main business include online games, game software; instructional software; and research, design, sales of computer peripherals. 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, Taipei, Republic of China (R.O.C.).

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

The parent company only financial statements of the Company 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 Company 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 nature and impact of the new standard and amendment had no material impact on the Company.

(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 amendments that are applicable for annual periods beginning on or after 1 January 2023 have no material impact on the Company.

(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 Company’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Company is still currently determining the potential impact of the standards and interpretations listed under except (b) IFRS 17 “Insurance Contracts”, which has no material effect on the Company after the estimation, the related effects would be disclosed after the estimation.

4. Summary of significant accounting policies

(1) Statement of compliance

The parent company only financial statements of the Company 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).

(2) Basis of preparation

According to article 21 of the Regulations, the profit or loss and other comprehensive income presented in the parent company only financial reports will be the same as the allocations of profit or loss and of other comprehensive income attributable to owners of the parent presented in the financial reports prepared on a consolidated basis, and the owners' equity presented in the parent company only financial reports will be the same as the equity attributable to owners of the parent presented in the financial reports prepared on a consolidated basis. Therefore, the investments in subsidiaries will be disclosed under “Investments accounted for using the equity method” in the parent company only financial report and change in value will be adjusted.

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

(3) Foreign currency transactions

The Company's parent company only financial statements are presented in NT$, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company 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.

(4) 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.

(5) Current and non-current distinction

An asset is classified as current when:

(A) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
(B) The Company holds the asset primarily for the purpose of trading.
(C) The Company 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 Company expects to settle the liability in its normal operating cycle.
(B) The Company 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 Company 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.

(6) 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 twelve months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial instruments

Financial assets and financial liabilities are recognized when the Company 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 Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company 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 Company’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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(c) The Company 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 Company 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 Company evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Company 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 Company 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 Company 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.

(8) 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 Company.

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 Company 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.

(9) Investments accounted for using the equity method

According to Art. 21 of Regulation Governing the Preparation of Financial Reports by Securities Issuers, the Company's investments in its subsidiaries are presented as Investments accounted for using equity method with necessary adjustments so that the net income and other comprehensive income of individual financial report equal the net income and other comprehensive income attributed to the parent of consolidated financial report, and that the shareholder's equity of individual financial report equals the shareholder's equity attributed to the parent of consolidated financial report. Considering the accounting treatment for investment in subsidiaries specified in IFRS 10 "Consolidated Financial Reports", and the different accounting treatments for different level of investees, necessary adjustments are made by debiting or crediting "Investments accounted for using equity method", "Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method", and "Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method".

The Company'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 Company has significant influence. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangements have rights to the net assets of the arrangement.

Under the equity method, the investment in the associate is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company'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 Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the Company's related interest in the associate or joint venture.

When changes in the net assets of an associate or joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company's percentage of ownership interests in the associate or joint venture, the Company 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 pro rata basis.

When the associate or joint venture issues new stock, and the Company's interest in an associate is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional paid in capital and investments accounted for using the equity method. 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 Company disposes the associate or joint venture.

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

The Company 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 Company 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 Company 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 or joint venture 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 or joint venture 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 Company 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 Company continues to apply the equity method and does not remeasure the retained interest.

(10) 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 Company 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:

Machinery and equipment	1~5 years
Office equipment	3~5 years
Right-of-use assets	3~4 years
Leasehold improvements	3 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.

(11) Leases

The Company 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 Company 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 Company 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 Company 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 Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

Company as a lessee

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

At the commencement date, the Company 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 Company 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 Company 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 Company 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 Company 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 Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company 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 Company 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 Company accounted for as short-term leases or leases of low-value assets, the Company 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 Company 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.

Company as a lessor

At inception of a contract, the Company 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.

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

The Company 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.

(12) 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.

Trademark and licenses

Trademark and licenses acquired separately are measured on initial recognition at cost. Trademark and licenses are intangible assets with finite useful lives and are amortized over 3 to 20 years.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life (3 to 5 years).

A summary of the policies applied to the Company’s intangible assets is as follows:

	Computer software
Useful lives	Finite
Amortization method used	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired

(13) Impairment of non-financial assets

The Company 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 Company 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 Company 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.

(14) 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.

(15) Revenue recognition

The Company'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 Company 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 Company are game software and related peripherals and revenue is recognized based on the consideration stated in the contract.

The credit period of the Company's sale of goods is from 30 to 90 days. For most of the contracts, when the Company 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 Company 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 Company provides services related to game licensing. The Company identifies performance obligations and determines whether the licensing provides a customer with a right to access the Company's IP over time or with a right to use the Company's IP at a point in time. Based on experience, the Company 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 Company 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 Company owns the obligation to provide the services subsequently, these contracts should be recognized as contract liabilities.

(B) The Company provides services related to online games. The Company 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.

The Company usually fulfills its obligation and reclasses the contract liabilities to revenue within an year, thus, no significant financing component arose.

(C) The Company 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 Company 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.

The Company usually fulfills its obligation and reclasses the contract liabilities to revenue within an year, thus, no significant financing component arose.

Costs to fulfill a contract

The Company determines fulfillment costs should be capitalized if all the following criteria are met:

(A) costs relate directly to a contract or to an anticipated contract the entity can specifically identify (e.g., costs relating to services to be provided under renewal of an existing contract or costs of designing an asset to be transferred under a specific contract not yet approved);
(B) costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future;
(C) costs are expected to be recovered.

(16) 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.

(17) 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.

(18) Post-employment benefits

All regular employees of the Company is 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. Therefore fund assets are not included in the Company's parent company only 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 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.

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 Company recognizes restructuring-related costs or termination benefits

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.

(19) Share-based payment transactions

The cost of equity-settled transactions between the Company 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 Company'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 Company 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.

(20) 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.

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 Company 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.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Company's parent company only financial statements requires the management to make judgments, 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 Company'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 Company identifies performance obligations and determine whether the licensing provides a customer with a right to access the Company's IP over time or with a right to use the Company's IP at a point in time and recognizes royalty revenue when performance obligations have been satisfied.

(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 Company's business practices, the Company 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 Company 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 Company 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. 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 Company 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.

E. 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 Company 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 company's domicile.

Deferred tax assets are recognized for all carryforward 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	$250	$237
Checking and saving accounts	351,659	539,161
Total	$351,909	$539,398

(2) Accounts receivable and Accounts receivable-related parties

	As of December 31,	
	2022	2021
Accounts receivable	$29,529	$26,186
Less: loss allowance	(4,599)	(381)
Subtotal	24,930	25,805
Accounts receivable from related parties	26,077	11,948
Less: loss allowance	-	-
Subtotal	26,077	11,948
Total	$51,007	$37,753

Accounts receivable were not pledged.

Accounts receivable are generally on 30-90 day terms. The total carrying amount as of December 31, 2022 and 2021 are NT$55,606 thousand and NT$38,134 thousand, respectively. Please refer to Note 6 (16) 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.

(3) Other financial assets

	As of December 31,	
	2022	2021
Reserve account-time deposits	$54,581	$-
Reserve account-demand deposits	61,420	40,435
Total	$116,001	$40,435
Current	$96,431	$11,429
Non-current	$19,570	$29,006

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

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

	As of December 31,	
	2022	2021
Financial assets designated at fair value through profit or loss, noncurrent:		
Cathy Private Equity Ecology Limited Partnership	$12,263	$23,097
Cathy Private Equity Smart Technology Limited Partnership	12,424	14,797
Film investment agreement (Note)	3,000	-
Total	$27,687	$37,894

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

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

(5) 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:		
Emerging market stock		
SNSplus, Inc.	$3,386	4,134
Private company stocks		
Taiwan Smart Card Co.	6,160	3,084
Auer Media & Entertainment Corp.	-	67,397
Double Edge Entertainment Corp.	-	3,043
Funfia Inc.	-	-
Total	$9,546	$77,658

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

(5) Investments accounted for using the equity method

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

	As of December 31,				
	2022		2021 (Adjusted)		
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)	Note
Investments in subsidiaries:					
Time Vision International Limited	$369,947	100%	$453,188	100%	
Lanjing Ltd.	355,482	100%	20,038	100%	Note 5
Uniplus Electronics Co., Ltd.	285,701	34.39%	362,059	34.39%	Note 1
Jiwei Technology Ltd.	192,241	100%	17,325	100%	Note 5,6
Red Sunrise Co., Ltd.	190,447	50.72%	-	-%	Note 2
Gamebase Digital Media Corporation	123,071	100%	137,147	100%	Note 7
Chander Electronics Corp.	119,609	11.26%	89,121	6.89%	Note 3,5
JFN Investment Holding Corp.	85,279	100%	71,362	100%	Note 5
New Profit Holding Limited	27,216	100%	24,282	100%	Note 5
Softstar Animation Limited	6,807	100%	5,621	100%	
Activision Entertainment Ltd.	943	100%	1,801	100%	
Loftstar Interactive Entertainment Inc.	-	-%	20,843	100%	
Subtotal	1,756,743		1,202,787		
Investments in associates:					
Double Edge Entertainment Corp.	12,597	30.31%	-	-%	Note 4
A.R.T. Games Co., Ltd.	1,635	49%	3,423	49%	
Chia-e International Inc.	-	28.21%	-	28.21%	
Subtotal	14,232		3,423		
Net amount of investments accounted for using the equity method	$1,770,975		$1,206,210		
Carrying amount of investments accounted for using the equity method	$1,770,975		$1,206,210		
Less: credit balance of investments accounted for using the equity method (Note 8)	(33,809)		-		
Total	$1,737,166		$1,206,210		

Note1: The Company had completed the purchase price allocation of Uniplus Electronics Co., Ltd. on the control acquisition date, thus the amount of investments accounted for using the equity method as of December 31, 2021 was decreased by NT$2,930 thousand.

Note2: 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%.

Note3: The Company sold 100 thousand and 250 thousand 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, respectively. The Company subscribed 2,627 newly issued shares amounted to NT$57,791 thousand from Chander Electronics Corp.'s capital increase in August 2022. The Company acquired 1,269 thousand and 822 thousand common stocks of Chander Electronics Corp. in October and November, 2022, totaling NT$30,555 thousand and NT$19,800 thousand, respectively.

Note4: The Company increased Double Edge Entertainment Corp.'s capital by NT$10,000 thousand on April 29, 2022 to acquire 1,000 thousand shares. As the Company'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 Company acquired 25 thousand shares of Double Edge Entertainment Corp. amounted to NT$500 thousand and its shareholdings increased to 30.31%.

Note5: The Company directly and through its subsidiaries, Lanjing Ltd., Jiwei Technology Ltd., JFN Investment Holding Corp. and New Profit Holding Limited indirectly held 40.73% and 17.14% of Chander Electronics Corp.'s shares. The financial statements of Chander Electronics Corp. were audited by other auditors.

Note6: The Company through its subsidiary, Jiwei Technology Ltd., indirectly held 41.42% of shareholdings of Array Inc. on December 31, 2022. The financial statements of Array Inc. were audited by other auditors.

Note7: The Company through the subsidiary, Gamebase Digital Media Corporation, indirectly held 34.25% shareholdings of Niusnews Co., Ltd.. The financial statements of Niusnews Co., Ltd. were audited by other auditors.

Note8: Investments accounted for equity method in credit balance.

A. Investment in subsidiaries

The investments in subsidiaries were represented as “investments accounted for using the equity method” and adjusted for valuation if necessary.

B. Investment in associates

The Company assessed the recoverable amounts of its investments and recognized an impairment loss of NT$0 and NT$2,688 thousand in 2022 and 2021.

The Company’s investments in Double Edge Entertainment Corp., A.R.T. Games Co., Ltd., and Chia-e International Inc. are not individually material. The aggregate carrying amount of the Company’s interests in Double Edge Entertainment Corp., A.R.T. Games Co., Ltd., and Chia-e International Inc. is NT$14,233 thousand and NT$3,423 thousand as of December 31, 2022 and 2021. The aggregate financial information of the Company’s investments is as follows:

	For the years ended December, 31	
	2022	2021
Profit or loss from continuing operations	$(9,960)	$(29,168)
Other comprehensive income (net of tax)	2	2,871
Total comprehensive loss	$(9,958)	$(26,297)

C. The Company 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:

	Gain (loss) on investment	
	For the years ended December 31	
	2022	2021
Double Edge Entertainment Corp.	$(705)	$-
A.R.T. Games Co., Ltd.	(1,788)	4,969
Chia-e International Inc.	-	-
Total	$(2,493)	$4,969

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

E. On July 1, 2021, 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) 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 made 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$32,092 thousand, approximately NT$115,627 thousand.

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. As of December 31, 2022, the Company has received all the considerations amounted to NT$2,327,270 thousand, approximately HK$641,184 million.

(7) Property, plant and equipment

	As of December 31, 2022	As of December 31, 2021
Owner occupied property, plant and equipment	$4,605	$4,429

	Machinery and equipment	Office equipment	Leasehold improvements	Total
Cost:				
As of January 1, 2022	$6,045	$11,860	$2,814	$20,719
Additions	269	611	2,807	3,687
Disposals	(16)	(1,018)	(2,814)	(3,848)
Transfers	125	(125)	-	-
As of December 31, 2022	$6,423	$11,328	$2,807	$20,558
As of January 1, 2021	$9,970	$8,091	$13,671	$31,732
Additions	85	700	2,814	3,599
Disposals	-	(941)	(13,671)	(14,612)
Transfers	(4,010)	4,010	-	-
As of December 31, 2021	$6,045	$11,860	$2,814	$20,719
Depreciation and impairment:				
As of January 1, 2022	$5,337	$10,027	$926	$16,290
Depreciation	607	892	853	2,352
Disposals	(16)	(893)	(1,240)	(2,149)
Transfers	5	(5)	-	-
As of December 31, 2022	$5,933	$10,021	$539	$16,493
As of January 1, 2021	$7,642	$6,281	$10,344	$24,267
Depreciation	957	1,326	926	3,209
Disposals	-	(842)	(10,344)	(11,186)
Transfers	(3,262)	3,262	-	-
As of December 31, 2021	$5,337	$10,027	$926	$16,290
Net carrying amounts as of:				
December 31, 2022	$490	$1,307	$2,268	$4,065
December 31, 2021	$708	$1,833	$1,888	$4,429

Property, plant and equipment were not pledged.

(8) Intangible assets

	Copyright	Computer software	Total
Cost:			
As of January 1, 2022	$-	$17,451	$17,451
Addition-acquired separately	-	2,701	2,701
Deduction-derecognized	-	(3,518)	(3,518)
As of December 31, 2022	$-	$16,634	$16,634
As of January 1, 2021	$5,429	$30,088	$35,517
Addition-acquired separately	-	2,409	2,409
Deduction-derecognized	(5,429)	(15,046)	(20,475)
As of December 31, 2021	$-	$17,451	$17,451
Amortization and impairment:			
As of January 1, 2022	$-	$16,194	$16,194
Amortization	-	2,462	2,462
Deduction-derecognized	-	(3,518)	(3,518)
As of December 31, 2022	$-	$15,138	$15,138
As of January 1, 2021	$5,429	$27,947	$33,376
Amortization	-	3,293	3,293
Deduction-derecognized	(5,429)	(15,046)	(20,475)
As of December 31, 2021	$-	$16,194	$16,194
Net carrying amount as of:			
December 31, 2022	$-	$1,496	$1,496
December 31, 2021	$-	$1,257	$1,257

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

	For the years ended December, 31	
	2022	2021
Operating costs	$-	$-
Sales and marketing expenses	$-	$12
General and administrative expenses	$201	176
Research and development expenses	$2,261	$3,105

(9) Other payables

	As of December 31,	
	2021	2020
Salary payable	$50,498	$61,231
Professional service fees payable	2,911	3,420
VAT payable	2,161	3,135
Insurance payable	1,997	1,812
Other accrued expenses	4,185	1,789
Total	$61,752	$71,387

(10) Short-term borrowings

	As of December 31, 2022		
	Interest Rate	Expiration date	Amount
Secured loan	2.06%~2.51%	December 27, 2023	$193,000

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

The Company's unused short-term line of credit amounted to NT$45,000 thousand as of December 31, 2022.

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

(11) Long-term borrowings

Details of long-term loans are as follows:

Lenders	As of December 31, 2022	Interest Rate (%)	Maturity date and terms of repayment
Bank of Panhsin secured loan	$26,798	2.60%	Repayable monthly from July 26, 2021 to July 26, 2024 and interest paid monthly.
Taiwan Cooperative Bank secured loan	21,437	2.39%	Repayable monthly from December 24, 2020 to December 24, 2025 and interest is paid monthly.
The Shanghai Commercial & Savings Bank secured loan	12,732	2.48%	Repayable monthly from March 8, 2021 to March 8, 2024 and interest is paid monthly.
Cathy United Bank secured loan	8,884	2.52%	Repayable monthly from July 30, 2021 to July 30, 2023 and interest is paid monthly.
First Bank unsecured loan	4,279	2.52%	Repayable monthly from June 12, 2020 to June 12, 2023 and interest is paid monthly.
Subtotal	74,130		
Less: current portion	(47,089)		
Total	$27,041		

Lenders	As of December 31, 2021	Interest Rate (%)	Maturity date and terms of repayment
Taiwan Business Bank secured loan	$1,000	1.95%	Repayable quarterly from March 16, 2017 to March 16, 2022 and interest is paid monthly.
The Shanghai Commercial & Savings Bank secured loan	22,666	1.98%	Repayable monthly from March 8, 2021 to March 8, 2024 and interest is paid monthly.
Cathy United Bank secured loan	23,848	1.95%	Repayable monthly from July 30, 2021 to July 30, 2023 and interest is paid monthly.
Bank of Panhsin secured loan	43,238	2.02%	Repayable monthly from July 26, 2021 to July 26, 2024 and interest is paid monthly.
Hua Nan Bank secured loan	3,333	2.02%	Repayable monthly from August 5, 2019 to August 5, 2022 and interest is paid monthly.
Chang Hwa Bank secured loan	5,000	2.01%	Repayable quarterly from September 20, 2019 to September 20, 2022 and interest is paid monthly.
First Bank unsecured loan	12,689	2.02%	Repayable monthly from June 12, 2020 to June 12, 2023 and interest is paid monthly.
Shin Kong Bank secured loan	10,100	1.99%	Repayable monthly from December 19, 2020 to December 19, 2022 and interest is paid monthly.
Taiwan Cooperative Bank secured loan	28,277	2.00%	Repayable monthly from December 24, 2020 to December 24, 2025 and interest is paid monthly.
Subtotal	150,151		
Less: current portion	(76,103)		
Total	$74,048		

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

(12) Post-employment benefits

Defined contribution plan

The Company adopts a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, and the Company will make monthly contributions of no less than 6% of the employee’s monthly wages to the employees’ individual pension accounts. The Company has made monthly contributions of 6% of each individual employee’s salaries or wages to employees’ pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2022 and 2021 are NT$5,225 thousand and NT$5,133 thousand, respectively.

Defined benefits plan

The Company adopts 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 contributes 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 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 Company expects to contribute NT$433 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	131	84
Total	$170	$297

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	$24,797	$26,002	$32,946
Fair value of plan assets	(15,807)	(7,236)	(12,049)
Net defined benefit liabilities, noncurrent	$8,990	$18,739	$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/ (assets)
As of January 1, 2021	$32,946	$(12,049)	$20,897
Current period service costs	213	-	213
Net interest expense (income)	132	(48)	84
Subtotal	345	(48)	297
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	(874)	-	(874)
Experience adjustments	(970)	(177)	(1,147)
Subtotal	(1,817)	(177)	(1,994)
Payments from the plan	(5,473)	5,473	-
Contributions by employer	-	(461)	(461)
As of December 31, 2021	26,001	(7,262)	18,739
Current period service costs	39	-	39
Net interest expense (income)	182	(51)	131
Subtotal	221	(51)	170
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	(1,495)	-	(1,495)
Experience adjustments	69	(603)	(534)
Subtotal	(1,426)	(603)	(2,029)
Payments from the plan	-	-	-
Contributions by employer	-	(7,890)	(7,890)
As of December 31, 2022	$24,796	$(15,806)	$8,990

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	1.30%	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%	$-	$(590)	$-	(680)
Discount rate decrease by 0.25%	609	-	704	-
Future salary increase by 0.25%	541	-	628	-
Future salary decrease by 0.25%	-	(528)	-	(611)

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.

(13) Equities

(A) Common stock

The Company’s authorized capital was NT$1,300,000 thousand as of December 31, 2022 and 2021. The Company has issued capital amounted to NT$852,630 thousand and NT$655,869 thousand, with 85,263 thousand shares and 65,587 thousand shares, 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 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 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,	
	2022	2021
Additional Paid-in Capital	$112,360	$112,360
Share of changes in net assets of associates and joint ventures accounted for using equity method	39,221	10
Difference between consideration and carrying amount of subsidiaries acquired	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 from 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 Company sets aside and reverses special reserves.

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

	Appropriation of earnings	Dividend per share (NTD)
	2022	2022
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 (18) for details on employees' compensation and remuneration to directors and supervisors.

(14) Share-based payment plans

Certain employees of the Company are entitled to share-based payment as part of their remunerations. The company 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 applied for an additional issuance of restricted employee stock in 2018 and issued on January 5, 2019 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 was 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 rights issued by the Company 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 without the need to return the dividends obtained.

Note 2: A portion of the restricted employee stock would be vested at the end of four months, sixteen months, and twenty-eight months 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 periods.

The detailed information of upon share-based payment agreement is as follow:

	As of December 31,	
	2022	2021
	numbers (Thousand shares)	numbers (Thousand shares)
As of January 1	-	447
Issued	-	-
Cancelled	-	-
Less: vested	-	(447)
As of December 31	-	-

(B) 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	$-	$6,540

(15) Operating revenue

	For the years ended December 31,	
	2022	2021
Revenue from contracts with customers		
Rendering of service	$445,715	$366,290

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

(A) Disaggregation of revenue

	For the years ended December 31,	
	2022	2021
Timing of revenue recognition:		
At a point in time	$156,302	$136,310
Over time	289,413	229,980
Total	$445,715	$366,290

(B) Contract balances

Net contract assets (liabilities) are as follows:

	Ending balance	Beginning balance	Difference	%
Contract assets, current	$2,421	$-	$2,421	-
Contract assets, noncurrent	3,638	35,046	(31,408)	(89.62%)
Contract liabilities, current	(14,232)	(107,176)	92,944	(86.72%)
Contract liabilities, noncurrent	(25,940)	(28,526)	2,586	(9.07%)

Contract assets decreased by NT$28,987 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 decreased by NT$95,530 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.

(C) Transaction price allocated to unsatisfied performance obligations

The Company's transaction price allocated to unsatisfied performance obligations amounted to NT$40,172 thousand as of December 31, 2022. Management expects that the transaction price allocated to unsatisfied performance obligations will be recognized as revenue within one year.

The Company's transaction price allocated to unsatisfied performance obligations amounted to NT$135,702 thousand as of December 31, 2021. Management expects that the transaction price allocated to unsatisfied performance obligations will be recognized as revenue within one year.

(16) Expected credit losses/ (gains)

	For the years ended December 31,	
	2022	2021
Operating expenses – Expected credit losses/(gains)		
Contract assets	$8,930	$3,999
Accounts receivable	4,218	(1,269)
Total	$13,148	$2,730

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

The Company 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 Company's loss allowance as of December 31, 2022 and 2021 are as follows:

(A) The gross carrying amount of contract assets are NT$6,059 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 Company 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	31-120 days	121-365 days	>=365 days	Total
Gross carrying amount	$34,809	$1,716	$19,081	$-	$-	$55,606
Loss ratio	-%	-%	24.10%	-%	-%	
Lifetime expected credit losses	-	-	(4,599)	-	-	(4,599)
Subtotal	$34,809	$1,716	$14,482	$-	$-	$51,007

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	$36,304	$1,294	$108	$428	$-	$38,134
Loss ratio	0.18%	4.56%	13.27%	56.71%	-%	
Lifetime expected credit losses	(65)	(59)	(14)	(243)	-	(381)
Subtotal	$36,239	$1,235	$94	$185	$-	$37,753

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

(C) The Company measures the loss allowance of its other receivable at an amount equal to lifetime expected credit losses. The Company recognized NT$0 thousand allowance loss as of December 31, 2022 and 2021.

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

	Contract Assets	Accounts Receivable
As of January 1, 2022	$-	$381
Addition/(reversal) for the current period	8,930	4,218
Write off due to inability to receive	(8,930)	-
As of December 31, 2022	$-	$4,599
As of January 1, 2021	$-	$1,650
Addition/(reversal) for the current period	3,999	(1,269)
Write off due to inability to receive	(3,999)	-
As of December 31, 2021	$-	$381

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

(17) Operating leases

A. Company as a lessee

The Company 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 Company'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	$24,990	$21,549
Vehicles	6,338	3,092
Total	$31,328	$24,641

The Company's right-of-use assets increased by NT$26,502 thousand and NT$34,020 thousand as from January 1 to December 31, 2022 and 2021.

(b) Lease liabilities

	As of December 31,	
	2022	2021
Lease liabilities	$32,131	$24,879
Current	$17,996	$9,568
Non-current	$14,135	$15,311

Please refer to Note 6 (19) (D) for the interest on lease liabilities recognized during the years ended December 31, 2022 and 2021 and 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

	As of December 31,	
	2022	2021
Buildings	$12,137	$11,263
Vehicles	952	1,189
Total	$13,089	$12,452

(C) Income and costs relating to leasing activities

	For the year ended December 31,	
	2022	2021
The expenses relating to short-term leases	$2,006	$90
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	109	228

(D) Cash outflow relating to leasing activities

During the years ended December 31, 2022 and 2021, the Company's total cash outflows for leases amounting to NT$15,213 thousand and NT$13,454 thousand, respectively.

(16) 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	$-	$133,759	$133,759	$-	$141,308	$141,308
Labor and health insurance	-	11,616	11,616	-	10,506	10,506
Pension	-	5,395	5,395	-	5,430	5,430
Directors' remuneration	-	8,783	8,783	-	12,582	12,582
Other employee benefits expense	-	6,227	6,227	-	5,798	5,798
Depreciation	-	15,441	15,441	-	15,661	15,661
Amortization	-	2,462	2,462	-	3,293	3,293

The number of employees for the Company as of December 31, 2022 and 2021 was138 and 129, respectively, of which the number of directors were not concurrent employees was 6 and 5, respectively.

The average number of employees for the Company in 2022 and 2021 was 129 and 128 respectively.

The Company's average employee benefit expenses for the years ended December 31, 2022 and 2021 were NT$1,224 thousand and NT$1,274 thousand, respectively.

The Company's average salary expenses for the years ended December 31, 2022 and 2021 were NT$1,045 thousand and NT$1,104 thousand, respectively. The Company's average salary expenses adjustment for the year ended December 31, 2022 changed by (5.34%).

There is no compensation to supervisors for the years ended December 31, 2022 and 2021, as the company set up an audit committee instead of appointing supervisors.

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$7,133 thousand, respectively, and the Board of Directors meeting resolved the distribution on March 24, 2023.

The shareholder's 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.

The Company set the compensation policy for directors and employees, the amount of distributed compensation was determined by the salary price level of the industry 、the responsibilities and authority of the position and the individual contribution to the operating goal. The determination of compensation to directors and executive officers is based on the operation results and contributions, domestic and foreign industry trends was considered also. The distribution of directors' and executive officers' compensations were approved through the compensation committee, and resolved by the meeting of the Board of Directors.

(19) Non-operating income and expenses

(A) Interest income

	For the years ended December 31,	
	2022	2021
Financial assets measured at amortized cost	$2,663	$136

(B) Other income

	For the years ended December 31,	
	2022	2021
Rental income	$3,374	$1,972
Tax refund	17	18
Other income	1,517	13,178
Total	$4,908	$15,168

(C) Other gains and losses

	For the years ended December 31,	
	2022	2021
Foreign exchange gain (losses), net	$78,144	$(9,168)
Gains (losses) on disposal of investments	706	(505)
Gain (losses) on lease modification	98	(609)
Losses on disposal of property, plant and equipment	(1,558)	(3,276)
Losses from financial assets at fair value through profit or loss	(16,207)	(4,971)
Impairment loss from non-financial assets	-	(2,688)
Other	-	(1,297)
Total	$61,183	$(22,514)

(D) Finance costs

	For the years ended December 31,	
	2022	2021
Interest on borrowings from bank	$3,304	$2,982
Interest on lease liabilities	674	578
Total	$3,978	$3,560

(20) Components of other comprehensive 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	$2,029	$-	$2,029	$(216)	$1,813
Unrealized gains or losses from financial assets at fair value through other comprehensive income	(6,145)	-	(6,145)	-	(6,145)
Share of other comprehensive loss of associates and joint ventures accounted for using the equity method	(9,563)	-	(9,563)	-	(9,563)
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	7,057	-	7,057	-	7,057
Total of other comprehensive loss	$(6,622)	$-	$(6,622)	$(216)	$(6,838)

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	$1,994	$-	$1,994	$183	$2,177
Unrealized gains or losses from financial assets at fair value through other comprehensive income	27,858	-	27,858	-	27,858
Share of other comprehensive loss of associates and joint ventures accounted for using the equity method	(9)	-	(9)	-	(9)
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive loss of associates and joint ventures accounted for using the equity method	15,334	-	15,334	-	15,334
Total of other comprehensive loss	$45,177	$-	$45,177	$183	$45,360

(21) 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
Current income tax expense:		
Current income tax charge	$64,310	$265,808
Tax adjustments on prior years	(7,086)	-
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	3,011	12,194
Total income tax (income) expense	$60,235	$278,002

(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	$216	$(190)

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 (Adjusted)
Accounting profit before tax from continuing operations	$684,721	$1,018,655
Tax at the domestic rates applicable to profits in the country concerned	$136,944	$203,731
Tax effect of revenues exempt from taxation		
Investment income (loss)	(118,943)	103,664
Dividend income	36,852	-
Evaluation gain (loss) from financial assets	3,242	994
Non-deductible expenses from taxation	2,996	1,120
Tax adjustments on prior years	(7,086)	-
Tax effect of deferred tax assets/liabilities	(32,369)	(58,301)
Overseas withholding tax	22,070	26,824
Additional income tax on unappropriated earnings	16,529	-
Total income tax expense recognized in profit or loss	$60,235	$278,032

(C) Deferred tax assets (liabilities) relate to the following

For the year ended December 31, 2022

	Beginning balance as of January 1, 2022	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as of December 31, 2022
Temporary differences				
Unrealized bad debt expenses	$-	$809	$-	$809
Unrealized foreign exchange losses	978	(978)	-	-
Unrealized foreign exchange gains	(5)	(895)	-	(900)
Defined benefit liability, non-current	3,749	(1,735)	(216)	1,798
Others	1,280	(213)	-	1,067
Deferred tax income/ (expense)		$(3,012)	$(216)	
Net deferred tax assets/(liabilities)	6,002			$2,774
Reflected in balance sheet as follows:				
Deferred tax assets	$6,007			$3,674
Deferred tax liabilities	$5			$900

For the year ended December 31, 2021

	Beginning balance as of January 1, 2021	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as of December 31, 2021
Temporary differences				
Unrealized foreign exchange losses	$534	$444	$-	$978
Unrealized foreign exchange gains	(40)	35	-	(5)
Defined benefit liability, non-current	3,591	(32)	190	3,749
Others	1,449	(169)	-	1,280
Unused tax losses	12,472	(12,472)	-	-
Deferred tax income/ (expense)		$(12,194)	$190	
Net deferred tax assets/(liabilities)	$18,006			$6,002
Reflected in balance sheet as follows:				
Deferred tax assets	$18,046			$6,007
Deferred tax liabilities	$40			$5

The assessment of income tax returns

As of December 31, 2022, the income tax returns of the Company have been assessed and approved up to 2020.

(22) 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	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	$740,653
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	83,480	85,110
Effect of dilution:		
Employee compensation-stock (in thousands)	406	77
Restricted employee stock (in thousands)	-	153
Weighted average number of ordinary shares outstanding after dilution (in thousands)	83,886	85,340
Diluted earnings per share (NT$)	$7.44	$8.86

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.

7. Related party transactions

Information of the related parties that had transactions with the Company 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 personnel is the chairman of this company
Global Angel Investments Limited	The chairman of the Company is the chairman of this company
Bacchus Wine Group Co., Ltd.	The chairman of the Company is the chairman of this company
Care & Love Wine Co., Ltd.	The chairman of the Company is the chairman of this company
Loftstar Interactive Entertainment Inc.	Subsidiary
Gamebase Digital Media Corporation	Subsidiary
Time Vision International Limited	Subsidiary
Uniplus Electronics Co., Ltd.	Subsidiary
Activision Entertainment Ltd.	Subsidiary
Red Sunrise Co., Ltd.	Subsidiary
Chander Electronics Corp.	Subsidiary
Green Bless Co., Ltd.	Subsidiary
Array Taiwan Inc.	Subsidiary
Array Inc.	Subsidiary
Jiwei Technology Ltd.	Subsidiary
Lanjing Ltd.	Subsidiary
A.R.T. Games Co., Ltd.	Associate
Double Edge Entertainment Corp.	Associate

Significant transactions with the related parties

(1) Rendering of services

	For the years ended December 31,	
	2022	2021
Subsidiary		
Loftstar Interactive Entertainment Inc.	$42,476	$48,513
Time Vision International Limited	2,421	-
Gamebase Digital Media Corporation	1,660	4,980
Green Bless Co., Ltd.	600	-
Other related parties		
Bacchus Wine Group Co., Ltd.	1,307	1,714
Galaxy Power Holdings Limited	480	686
Care & Love Wine Co., Ltd.	450	570
Total	$49,394	$56,463

The sales price to 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 third party customers.

(2) Operating costs

	For the years ended December 31,	
	2022	2021
Subsidiary		
Loftstar Interactive Entertainment Inc.	$11,178	$10,297
Other related parties		
Double Edge Entertainment Corp.	444	-
Total	$11,622	$10,297

Operating costs relate to subsidiary database fees and royalty costs.

(3) Accounts receivable-related parties

	As of December 31,	
	2022	2021
Subsidiary		
Loftstar Interactive Entertainment Inc.	$25,920	$11,649
Green Bless Co., Ltd.	53	-
Other related parties		
Bacchus Wine Group Co., Ltd.	78	150
Care & Love Wine Co., Ltd.	26	74
Galaxy Power Holdings Limited	-	75
Total	$26,077	$11,948

(4) Contract assets

	As of December 31,	
	2022	2021
Subsidiary		
Time Vision International Limited	$2,421	$-

(5) Other receivables-related parties

	As of December 31,	
	2022	2021
Subsidiary		
Loftstar Interactive Entertainment Inc.	$26,421	$1,154
Array Taiwan Inc.	1,783	-
Array Inc.	56	-
Time Vision International Limited	-	276,800
Chander Electronics Corp.	-	44
Total	$28,260	$277,998

Other receivables-related parties mainly related to financings provided to the subsidiary, subsidiary assistance of daily operations, office rental, and sale of fixed asset.

(6) Prepayment

	As of December 31,	
	2022	2021
Subsidiary		
Gamebase Digital Media Corporation	$1,905	$-
Associate		
A.R.T. Games Co., Ltd.	7,619	-
Double Edge Entertainment Corp.	1,079	972
Other related parties		
Global Angel Investments Limited	165	165
Total	$10,768	$1,137

Prepayment-related parties mainly related to game outsourcing costs, licensing fees and rent prepayment.

(7) Refundable deposits

	As of December 31,	
	2022	2021
Other related parties		
Global Angel Investments Limited	$495	$495

(8) Accounts payable-related parties

	As of December 31,	
	2022	2021
Subsidiary		
Loftstar Interactive Entertainment Inc.	$5,590	$2,207

(9) Other payables-related parties

	As of December 31,	
	2022	2021
Subsidiary		
Loftstar Interactive Entertainment Inc.	$8	$-
Other related parties		
Bacchus Wine Group Co., Ltd.	129	-
Care & Love Wine Co., Ltd.	161	-
Total	$298	$-

(10) Property transactions

The Company sold property, plant and equipment to the related parties, the amount is as follows:

	As of December 31,	
	2022	2021
Subsidiary		
Loftstar Interactive Entertainment Inc.	$70	$-
Chander Electronics Corp.	-	44
Total	$70	$44

(11) The Company sold 350 thousand shares of Chander Electronics Corp. in a private placement amounted to NT$6,650 thousand to its subsidiary, JFN Investment Holding Corp., at the price of NT$19 per share in April and September 2022.

(12) Other

Other transactions between the Company and subsidiaries are shown below:

Item	For the years ended December 31, 2022	For the years ended December 31, 2021
Other income	$4,343	$4,620
Rental income	3,374	1,972
Interest income	223	-
Professional expenses	(8,362)	-
Advertisement expenses	(201)	-
Rental expenses	(115)	(114)
Purchase of miscellaneous items	(39)	-
Miscellaneous expenses	(4)	-
Total	$(781)	$6,478

Other transactions between the Company and associate are shown below:

Item	For the years ended December 31, 2022	For the years ended December 31, 2021
Professional expenses	$(20)	$-
Entertainment expenses	-	(106)
Total	$(20)	$(106)

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	$4	$4
Rental expenses	(1,886)	(4)
Entertainment expenses	(453)	(202)
Miscellaneous expenses	(129)	(44)
Postage fee	(29)	-
Advertisement expenses	(3)	-
Total	$(2,496)	$(246)

(13) Key management personnel compensation

	For the years ended December 31,	
	2022	2021
Short-term employee benefits	$29,626	$40,531
Post-employment benefits	465	365
Share-based payment	-	4,020
Other long-term benefits	1,161	299
Total	$31,252	$45,215

8. Assets pledged as security

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

	Carrying amount		
Items	December 31, 2022	December 31, 2021	Secured liabilities
Other financial assets, current (demand deposits)	$35,011	$11,429	Short - term borrowings and current portion of long - term borrowings
Other financial assets, current (time deposits)	61,420	-	Short - term borrowings
Other financial assets, non-current (demand deposits)	19,570	29,006	Long - term borrowings
Total	$116,001	$40,435	

9. Commitments and contingencies

None.

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 15,000 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, totaling NT$150,000 thousand.

12. Others

(1) Categories of financial instruments

Financial assets	As of December 31, 2022	As of December 31, 2021
Financial assets at fair value through profit or loss	$27,687	$37,894
Financial assets at fair value through other comprehensive income	9,546	77,658
Financial assets measured at amortized cost		
Cash and cash equivalents (except for cash on hand)	351,659	539,161
Accounts receivable, net	24,930	25,805
Accounts receivable-related parties, net	26,077	11,948
Other receivables	6,916	14,499
Other receivables-related parties	28,260	277,998
Other financial assets, current	96,431	11,448
Refundable deposits	7,492	4,289
Other financial assets, non-current	19,570	29,006
Total	$598,568	$1,029,706

Financial liabilities	As of December 31, 2022	As of December 31, 2021
Financial liabilities at amortized cost:		
Short-term borrowings	$193,000	$-
Accounts payable	81,083	91,127
Long-term borrowings (including current portion)	74,130	150,151
Lease liabilities	32,131	24,879
Total	$380,344	$266,157

(2) Financial risk management objectives and policies

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

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

The Company 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 Company.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency A and foreign currency B. 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$1,971 thousand and decreased/increased by NT$5,295 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$688 thousand and NT$911 thousand, respectively.

Interest rate risk

The interest rate risk is the risk that the fluctuation of fair value and future cash flow of financial instruments caused by the movement of the market interest rate. The Group's interest rate risk arises from the investments of floating rate debt instruments, fixed rate borrowings, and floating rate borrowings.

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 floating rate borrowings. 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$267 and NT$150 thousand, respectively.

Equity price risk

The fair value of the Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's listed and unlisted equity securities are classified under financial asset at fair value through other comprehensive income. The Company 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 Company's senior management on a regular basis. The Company'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 will be increase/decrease by NT$948 thousand and NT$413 thousand on the equity attributable to the Company 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 Company is exposed to credit risk from operating activities (primarily for accounts receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company'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 Company'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 33.08% and 46.36% of the total accounts receivables of the Company, respectively. The credit concentration risk of other accounts receivable and contract assets are relatively insignificant.

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

(5) Liquidity risk management

The Company'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 Company'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)	$81,083	$-	$-	$-	$81,083
Long-term borrowings (including estimated interest)	48,294	27,714	-	-	76,008
Short-term borrowings	193,000	-	-	-	193,000
Lease liabilities (Note)	18,545	13,413	967	-	32,925
As of December 31, 2021					
Accounts payable (including other payables)	$91,127	$-	$-	$-	$91,127
Long-term borrowings (including estimated interest)	77,627	48,039	27,492	-	153,158
Lease liabilities (Note)	10,048	15,561	-	-	25,609

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)	Lease liabilities	Total liabilities from financing activities
As of January 1, 2022	$-	$150,151	$24,879	$175,030
Cash flows	193,000	(76,021)	(13,098)	103,881
Non-cash changes	-	-	20,350	20,350
As of December 31, 2022	$193,000	$74,130	$32,131	$299,261

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 1, 2021	$-	$131,318	$18,371	$149,689
Cash flows	-	18,833	(13,136)	5,697
Non-cash changes	-	-	19,644	19,644
As of December 31, 2021	$-	$150,151	$24,879	$175,030

(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 Company 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 Company'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 Company.

(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 Company 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 Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company'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	$-	$-	$24,687	$24,687
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	-	6,160	9,546

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
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$4,134	-	73,524	$77,658

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		Assets
	Measured at fair value through profit or loss		Measured at fair value through other comprehensive income
	Fund	Movie investment agreement	Stocks
Beginning balances as of January 1, 2022	$37,894	$-	$73,524
Total gains and losses recognized for the year ended December 31, 2022			
Amount recognized in net income (presented in "Unrealized gains (losses) from financial asset at fair value through profit or loss)	(16,207)	-	-
Amount recognized in OCI (presented in "Unrealized gains (losses) from financial asset at fair value through other comprehensive income)	-	-	2,826
Acquired in 2022	3,000	3,000	-
Disposed in 2022	-	-	(67,397)
Reclassified to investments accounted for using the equity method	-	-	(2,793)
Ending balances as of December 31, 2022	$24,687	$3,000	$6,160

	Assets	
	Measured at fair value through other comprehensive income	Measured at fair value through other comprehensive income
	Fund	Stocks
Beginning balances as of January 1, 2021	$-	$46,369
Total gains and losses recognized for the year ended December 31, 2021		
Amount recognized in net income (presented in "Unrealized gains (losses) from financial asset at fair value through profit or loss)	(4,971)	-
Amount recognized in OCI (presented in "Unrealized gains (losses) from financial asset at fair value through other comprehensive income)	-	26,283
Acquired in 2021	42,865	872
Ending balances as of December 31, 2021	$37,894	$73,524

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					
Funds	Market approach	Discount for lack of marketability	20%	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 Company's equity by NT$2,469 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 Company's equity by NT$616 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 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 Company's equity by NT$7,352 thousand

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

The Company'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 Company'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	$8,465	30.71	$259,973
RMB	15,601	4.41	68,801
Financial liabilities			
Monetary items:			
USD	$49	30.71	$1,490

	December 31, 2021		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$19,224	27.68	$532,129
RMB	21,068	4.34	91,436
Financial liabilities			
Monetary items:			
USD	$94	27.68	$2,603
RMB	73	4.34	316

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

The Company 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 years ended December 31, 2022 and 2021, foreign exchange gain (loss) were net gain NT$78,144 thousand and net loss NT$9,168 thousand, respectively.

(10) Capital management

The primary objective of the Company'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 Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company 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 and information on investees:

(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) 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 5.
(G) Acquisition of individual real estate with amount exceeding the lower of NT$300 million and 20 percent of the capital stock: None.
(H) Disposal of individual real estate with amount exceeding the lower of NT$300 million and 20 percent of the capital stock: None.
(I) Receivables from related parties with amounts exceeding the lower of NT$100 million and 20 percent of capital stock: Please refer to Attachment 6.
(J) Financial instruments and derivative transactions: None.

(2) Information on investments in mainland China

(A) Basic information: Please refer to Attachment 7-1 and 7-2.
(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 8.

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	USD 4,500 $138,195	USD 3,300 $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.	-	Other receivables	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.

(Expressed in thousands of NTD unless otherwise stated)

ATTACHMENT 4: 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 (Note5)	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	- (Note3)	499,922	- (Note3)	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 (Note5)	(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	-	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 (Note4)	-	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) (Note5)	Indirect subsidiary

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			
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	-	5,100	100	50,945	(65)	(65)	Indirect subsidiary
Red Sunrise Co., Ltd.	Soundnet Tech Co., Ltd.	Taiwan	Third-party payment services	1,820	-	282	100	-	-	-	Indirect subsidiary
Red Sunrise Co., Ltd.	PayNow Inc.	Taiwan	Third-party payment services	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 (Note5)	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	12,356	450	450	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: f 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.

Attachment 5: 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)	
Hang Zheng Technology Co., Ltd.	Uniplus Electronics Co., Ltd.	Parent company	Purchases	$197,582	79.36	According to the agreement	The transaction price and payment terms are not materially different from the third party.	According to the agreement	Accounts payable $92,782	99.20	Note

Note: Eliminated in the consolidated financial statement.

Attachment 6: 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	Note
					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 7-1: 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 7-2: 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 (USD 2)	1	$43 (USD2)	22,127 (USD716)	-	22,170 (USD718)	(4,456)	100	(4,456)	17,249	-	Note5and6

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.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

Attachment 8: Major shareholder information

Name \ Shares	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

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

SOFTSTAR ENTERTAINMENT INC.

1. Statement of cash and cash equivalents

December 31, 2022

In Thousands of New Taiwan Dollars

Item	Description	Amount	
Cash on hand	Including USD $2,500.00 CNY $8,000.00	$250	1. None of these savings was pledged.
Checking accounts Demand deposits	Including USD $6,398,632.38 CNY $9,730,322.71	351,659	2. As of December 31, 2022 Exchange rate: USD1 = NTD 30.71 CNY1 = NTD 4.41
Total		$351,909	

SOFTSTAR ENTERTAINMENT INC.

2. Statement of contract assets

December 31, 2022

In Thousands of New Taiwan Dollars

Customer name	Description	Amount	Note
Current			
Related Parties		$2,421	
Total		$2,421	
Non-Current			
Third Parties			
Customer A		$3,638	

SOFTSTAR ENTERTAINMENT INC.

3. Statement of accounts receivable, net

December 31, 2022

In Thousands of New Taiwan Dollars

Customer name	Description	Amount	Note
Third Parties			
Customer B		$12,128	
Customer C		6,954	
Customer D		4,336	
Customer E		1,891	
Customer F		1,456	
Others	The amount of individual customer in others does not exceed 5% of the account balance.	2,764	
Total		29,529	

SOFTSTAR ENTERTAINMENT INC.

4. Statement of prepayment

December 31, 2022

In Thousands of New Taiwan Dollars

Customer name	Description	Amount	Note
Prepayment for purchases		$33,212	
Others	The amount of individual customer in others does not exceed 5% of the account balance.	5,534	
Total		38,746	

SOFTSTAR ENTERTAINMENT INC.

5. Statement of financial assets at fair value through profit or loss

For the Year Ended December 31, 2022

In Thousands of Shares/ New Taiwan Dollars

Item	Beginning Balance		Addition		Decrease		Valuation	Ending Balance		Collateral	Note
	Capital amount	Fair Value	Capital amount	Amount	Capital amount	Amount	Amount	Capital amount	Fair Value		
Cathy Private Equity Ecology Limited Partnership	$27,865	$23,097	$-	$-	$-	$-	$(10,834)	$27,865	$12,263	None	
Cathy Private Equity Smart Technology Limited Partnership	15,000	14,797	3,000	3,000	-	-	(5,373)	18,000	12,424	None	
Film Investment Agreement	-	-	3,000	3,000	-	-	-	3,000	3,000	None	
		$37,894		$6,000		$-	$(16,207)		$27,687		

SOFTSTAR ENTERTAINMENT INC.

6. Statement of financial assets at fair value through other comprehensive income, non-current

For the Year Ended December 31, 2022

In Thousands of Shares/ New Taiwan Dollars

Item	Beginning Balance		Addition		Decrease		Valuation	Ending Balance		Collateral	Note
	Shares	Fair Value	Shares	Amount	Shares	Amount	Amount	Shares	Fair Value		
Snsplus Inc.	266	$4,134	-	$-	-	$-	$(748)	266	$3,386	None	
Taiwan Smart Card Co.	2,552	3,084	-	-	-	-	3,075	2,552	6,159	None	
Auer Media & Entertainment Corp.	2,696	67,397	-	-	(2,696)	(67,397)	-	-	-	None	
Double Edge Entertainment Corp.	566	3,043	-	-	(566)	(2,793)	(250)	-	-	None	Note1
Funfia Inc.	600	-	-	-	-	-	-	600	-	None	
		$77,658		$-		$(70,190)	$2,077	Note2	$9,545		

Note1: The investment in Double Edge Entertainment Corp. was reclassified to investments accounted for using the equity method.

Note2: Not including the unrealized losses from the valuation of Newretail Co., Ltd.'s shares to be distributed to the Company, which is classified under other receivables to Kobe Co., Ltd. currently.

SOFTSTAR ENTERTAINMENT INC.

7. Statement of changes in investments accounted for using equity method

For the Year Ended December 31, 2022

In Thousands of Shares/ New Taiwan Dollars

Investee	Beginning balance		Additions		Disposals		Investment Income (Loss)	Ending balance			Fair value / Net assets value			Note
	Shares	Amount (Adjusted)	Shares	Amount	Shares	Amount	Amount	Shares	%	Amount	Unit Price (NTD)	Total amount	Collateral	
Loftstar Interactive Entertainment Inc.	5,850	$20,843	-	$-	-	$-	$(54,652)	5,850	100%	$(33,809)	$(5.78)	$(33,809)	None	Note
Activision Entertainment Ltd.	-	1,801	-	-	-	-	(858)	-	100%	943	-	943	None	
Gamebase Digital Media Corporation	14,200	137,147	1,300	13,000	-	(12,331)	(14,745)	15,500	100%	123,071	7.94	123,071	None	
Softstar Animation Limited	980	5,621	-	-	-	-	1,186	980	100%	6,807	6.95	6,807	None	
A.R.T. Games Co., Ltd.	1,225	3,423	-	-	-	-	(1,788)	1,225	49%	1,635	1.33	1,635	None	
Chia-e International Inc.	814	-	-	-	-	-	-	814	28.21%	-	-	-	None	
Time Vision International Limited	2	453,188	-	-	-	(708,593)	625,352	-	100%	369,947	-	369,947	None	
Uniplus Electronics Co., Ltd.	61,955	362,059	-	-	-	(74,622)	(1,736)	61,955	34.39%	285,701	4.61	285,701	None	
New Profit Holding Limited	1,610	24,282	-	3,148	-	-	(214)	1,610	100%	27,216	16.90	27,216	None	
JFN Investment Holding Corp.	12	71,362	1	14,249	-	-	(332)	13	100%	85,279	6,559.92	85,279	None	
Lanjing Ltd.	-	20,038	-	339,885	-	-	(4,441)	-	100%	355,482	-	355,482	None	
Jiwei Technology Ltd.	-	17,325	-	218,712	-	(5,770)	(38,026)	-	100%	192,241	-	192,241	None	
Chander Electronics Corp.	4,728	89,121	4,367	101,754	-	(68,830)	(2,436)	9,095	11.26%	119,609	13.15	119,609	None	
Red Sunrise Co., Ltd.	-	-	7,076	184,182	-	-	6,265	7,076	50.72%	190,447	26.91	190,447	None	
Double Edge Entertainment Corp.	-	-	1,591	13,317	-	(15)	(705)	1,591	30.31%	12,597	7.92	12,597	None	
Total		$1,206,210		$888,247		$(870,161)	$512,870			$1,737,166				

Note : Recognized under other liabilities, non-current.

SOFTSTAR ENTERTAINMENT INC.

8. Statement of changes in right-of-use assets

For the Year Ended December 31, 2022

In Thousands of New Taiwan Dollars

Item	Buildings	Note
As of January 1, 2022	$34,020	
Additions	26,502	
Disposals	(12,748)	
As of December 31, 2022	$47,774	

SOFTSTAR ENTERTAINMENT INC.

9. Statement of changes in accumulated depreciation and accumulated impairment of right-of-use assets

December 31, 2022

In Thousands of New Taiwan Dollars

Item	Buildings	Note
As of January 1, 2022	$9,379	
Depreciation expense	13,088	
Disposals	(6,021)	
As of December 31, 2022	$16,446	

SOFTSTAR ENTERTAINMENT INC.

10. Statement of accounts payable

December 31, 2022

In Thousands of New Taiwan Dollars

Vendor name	Description	Amount	Note
Third Parties			
Vendor A		$11,004	
Vendor B		1,277	
Others	The amount of individual item in others does not exceed 5% of the account balance.	1,162	
		$13,443	

SOFTSTAR ENTERTAINMENT INC.

11. Statement of lease liabilities

December 31, 2022

In Thousands of New Taiwan Dollars

Item	Description	Contract period	Discount rates applied	Amount	Note
Buildings	Office leases	2021.01~2024.12	1.99%	$10,737	
Buildings	Office leases	2022.04~2025.03	1.99%	11,451	
Buildings	Office leases	2022.04~2025.03	1.99%	4,238	
Vehicles	Company car	2022.08~2026.08	2.31%	5,705	
Less: Current portion				(17,996)	
Net amount				$14,135	

SOFTSTAR ENTERTAINMENT INC.

12. Statement of operating costs

For the Year Ended December 31, 2022

In Thousands of New Taiwan Dollars

Item	Amount		Note
	Description	Total	
Labor cost		$47,959	
Other operating costs		27,422	
Total		$75,381	

SOFTSTAR ENTERTAINMENT INC.

13. Statement of marketing expenses

For the Year Ended December 31, 2022

In Thousands of New Taiwan Dollars

Item	Description	Amount	Note
Salaries		$23,756	
Taxes		10,835	
Labor expense		4,572	
Other expenses	The amount of individual item in others does not exceed 5% of the account balance.	9,979	
Total		$49,142	

SOFTSTAR ENTERTAINMENT INC.

14. Statement of general and administrative expenses

For the Year Ended December 31, 2022

In Thousands of New Taiwan Dollars

Item	Description	Amount	Note
Salaries		$58,049	
Labor expense		24,494	
Depreciation		7,384	
Other expenses	The amount of individual item in others does not exceed 5% of the account balance.	20,501	
Total		$110,428	

SOFTSTAR ENTERTAINMENT INC.

15. Statement of research and development expenses

For the Year Ended December 31, 2022

In Thousands of New Taiwan Dollars

Item	Description	Amount	Note
Salaries		$66,131	
Insurance expense		5,961	
Depreciation		5,699	
Labor expense		5,056	
Other expenses	The amount of individual item in others does not exceed 5% of the account balance.	7,694	
Total		$90,541	