

**UserJoy Technology Co., Ltd. and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2023 and 2022 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

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

Introduction

We have reviewed the accompanying consolidated balance sheets of UserJoy Technology Co., Ltd. and its subsidiaries (the "Group") as of March 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China". Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 11 to the consolidated financial statements, the carrying amounts of the Group's investments accounted for the using the equity method of NT\$6,570 thousand as of March 31, 2023, and the comprehensive loss from the investments of NT\$268 thousand for the three months ended March 31, 2023, were based on these investees' unreviewed financial statements.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the equity-method investees as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 11, 2023

Notice to Readers

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

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

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 299,089	16	\$ 406,129	21	\$ 480,730	26
Financial assets at fair value through other comprehensive income - current (Note 7)	273,175	14	259,566	13	266,632	14
Financial assets at amortized cost - current (Notes 6 and 8)	915,413	48	851,051	44	647,800	35
Notes receivable (Note 9)	9	-	10	-	-	-
Trade receivables (Note 9)	152,047	8	166,039	9	215,387	12
Current tax assets (Note 4)	11,546	1	10,607	1	-	-
Other current assets	49,974	3	57,341	3	66,116	3
Total current assets	1,701,253	90	1,750,743	91	1,676,665	90
NON-CURRENT ASSETS						
Financial assets at amortized cost - non-current (Notes 6 and 8)	18,000	1	-	-	18,000	1
Investments accounted for using the equity method (Note 11)	6,570	-	6,838	1	-	-
Property, plant and equipment (Note 12)	102,229	6	100,980	5	97,414	5
Right-of-use assets (Note 13)	11,208	1	9,417	1	13,202	1
Other intangible assets (Note 14)	39,565	2	43,025	2	36,213	2
Deferred tax assets (Note 4)	2,100	-	2,840	-	7,550	-
Other non-current assets	3,497	-	3,526	-	8,061	1
Total non-current assets	183,169	10	166,626	9	180,440	10
TOTAL	<u>\$ 1,884,422</u>	<u>100</u>	<u>\$ 1,917,369</u>	<u>100</u>	<u>\$ 1,857,105</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Trade payables	\$ 52,366	3	\$ 52,362	3	\$ 75,335	4
Trade payables to related parties (Note 25)	73	-	234	-	2,442	-
Other payables (Note 15)	150,502	8	262,387	14	203,899	11
Current tax liabilities (Note 4)	19,592	1	12,250	-	20,755	1
Lease liabilities - current (Note 13)	8,749	-	7,222	-	10,443	1
Other current liabilities	57,097	3	55,677	3	52,822	3
Total current liabilities	288,379	15	390,132	20	365,696	20
NON-CURRENT LIABILITIES						
Deferred tax liabilities (Note 4)	10,660	1	11,410	1	2,810	-
Lease liabilities - non-current (Note 13)	2,503	-	2,197	-	2,921	-
Net defined benefit liabilities non-current (Note 4)	1,552	-	596	-	3,174	-
Total non-current liabilities	14,715	1	14,203	1	8,905	-
Total liabilities	303,094	16	404,335	21	374,601	20
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 17)						
Share capital						
Ordinary shares	481,777	26	481,777	25	481,777	26
Capital surplus						
Capital surplus - additional paid-in capital in excess of par - common stock	290,991	16	290,991	15	290,991	16
Capital surplus - treasury stock transactions	6,119	-	6,119	-	6,119	-
Capital surplus - other	186	-	186	-	186	-
Retained earnings						
Legal reserve	264,005	14	264,005	14	234,898	13
Special reserve	5,452	-	5,452	-	7,787	-
Unappropriated earnings	507,571	27	453,527	24	439,519	24
Other equity						
Exchange differences on translation of the financial statement of foreign operations	(23,951)	(1)	(23,919)	(1)	(25,691)	(1)
Unrealized gain on financial assets at fair value through other comprehensive income	49,178	2	34,896	2	46,918	2
Total equity	1,581,328	84	1,513,034	79	1,482,504	80
TOTAL	<u>\$ 1,884,422</u>	<u>100</u>	<u>\$ 1,917,369</u>	<u>100</u>	<u>\$ 1,857,105</u>	<u>100</u>

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

(With Deloitte & Touche review report dated May 11, 2023)

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Note 18)	\$ 381,277	100	\$ 408,456	100
OPERATING COSTS (Note 25)	<u>11,092</u>	<u>3</u>	<u>15,960</u>	<u>4</u>
GROSS PROFIT	<u>370,185</u>	<u>97</u>	<u>392,496</u>	<u>96</u>
OPERATING EXPENSES				
Selling and marketing expenses	172,770	45	238,846	58
General and administrative expenses	22,478	6	23,623	6
Research and development expenses	107,274	28	105,352	26
Expected credit loss (gain) (Note 9)	<u>494</u>	<u>-</u>	<u>(9,149)</u>	<u>(2)</u>
Total operating expenses	<u>303,016</u>	<u>79</u>	<u>358,672</u>	<u>88</u>
PROFIT FROM OPERATIONS	<u>67,169</u>	<u>18</u>	<u>33,824</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit of associates accounted for using the equity method (Note 11)	(268)	-	(176)	-
Interest income	6,205	1	1,620	-
Other income	436	-	843	-
Loss on disposal of property, plant and equipment	-	-	(191)	-
Foreign exchange (loss) gain, net	(4,393)	(1)	22,152	6
Other expenses	-	-	(1,157)	-
Interest expense	<u>(82)</u>	<u>-</u>	<u>(68)</u>	<u>-</u>
Total non-operating income and expenses	<u>1,898</u>	<u>-</u>	<u>23,023</u>	<u>6</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	69,067	18	56,847	14
INCOME TAX EXPENSE (Notes 4 and 20)	<u>15,023</u>	<u>4</u>	<u>13,110</u>	<u>3</u>
NET PROFIT FOR THE PERIOD	<u>54,044</u>	<u>14</u>	<u>43,737</u>	<u>11</u>

(Continued)

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Note 17)	\$ 12,762	3	\$ (13,873)	(4)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations (Note 17)	(32)	-	1,088	-
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income (Note 17)	1,520	1	(5,433)	(1)
Share of the other comprehensive income of associates accounted for using the equity method (Note 11)	<u>-</u>	<u>-</u>	<u>665</u>	<u>-</u>
Other comprehensive income for the period, net of income tax	<u>14,250</u>	<u>4</u>	<u>(17,553)</u>	<u>(5)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 68,294</u>	<u>18</u>	<u>\$ 26,184</u>	<u>6</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 54,044	14	\$ 43,737	11
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 54,044</u>	<u>14</u>	<u>\$ 43,737</u>	<u>11</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 68,294	18	\$ 26,184	6
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 68,294</u>	<u>18</u>	<u>\$ 26,184</u>	<u>6</u>
EARNINGS PER SHARE (Note 21)				
Basic	<u>\$ 1.12</u>		<u>\$ 0.91</u>	
Diluted	<u>\$ 1.11</u>		<u>\$ 0.90</u>	

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

(With Deloitte & Touche review report dated May 11, 2023)

(Concluded)

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Equity Attributable to Owners of the Company							Other Equity		Total Equity
	Share Capital	Capital Surplus			Retained Earnings			Exchange Differences on Translation the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	
		Additional Paid-in Capital in Excess of Par - Common Stock	Treasury Stock Transactions	Other	Legal Reserve	Special Reserve	Unappropriated Earnings			
BALANCE AT JANUARY 1, 2022	\$ 481,777	\$ 290,991	\$ 6,119	\$ 186	\$ 234,898	\$ 7,787	\$ 395,782	\$ (27,444)	\$ 66,224	\$ 1,456,320
Net profit for the three months ended March 31, 2022	-	-	-	-	-	-	43,737	-	-	43,737
Other comprehensive (loss) income for the three months ended March 31, 2022, net of income tax	-	-	-	-	-	-	-	1,753	(19,306)	(17,553)
Total comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	-	-	43,737	1,753	(19,306)	26,184
BALANCE AT MARCH 31, 2022	<u>\$ 481,777</u>	<u>\$ 290,991</u>	<u>\$ 6,119</u>	<u>\$ 186</u>	<u>\$ 234,898</u>	<u>\$ 7,787</u>	<u>\$ 439,519</u>	<u>\$ (25,691)</u>	<u>\$ 46,918</u>	<u>\$ 1,482,504</u>
BALANCE AT JANUARY 1, 2023	\$ 481,777	\$ 290,991	\$ 6,119	\$ 186	\$ 264,005	\$ 5,452	\$ 453,527	\$ (23,919)	\$ 34,896	\$ 1,513,034
Net profit for the three months ended March 31, 2023	-	-	-	-	-	-	54,044	-	-	54,044
Other comprehensive (loss) income for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	-	-	(32)	14,282	14,250
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	-	54,044	(32)	14,282	68,294
BALANCE AT MARCH 31, 2023	<u>\$ 481,777</u>	<u>\$ 290,991</u>	<u>\$ 6,119</u>	<u>\$ 186</u>	<u>\$ 264,005</u>	<u>\$ 5,452</u>	<u>\$ 507,571</u>	<u>\$ (23,951)</u>	<u>\$ 49,178</u>	<u>\$ 1,581,328</u>

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

(With Deloitte & Touche review report dated May 11, 2023)

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 69,067	\$ 56,847
Adjustments for:		
Depreciation expenses	4,318	3,890
Amortization expenses	4,647	4,021
Expected credit loss recognized (reversed) on trade receivables	494	(9,149)
Interest expenses	82	68
Interest income	(6,205)	(1,620)
Net loss (gain) on foreign currency exchange	673	(2,570)
Share of profit of associates and joint ventures accounted for using the equity method	268	176
Loss on disposal of property, plant and equipment	-	191
Changes in operating assets and liabilities		
Notes receivable	1	66
Trade receivables	13,498	64,049
Other current assets	4,930	(2,948)
Other non-current assets	24	(220)
Trade payable	4	30,415
Trade payable to related parties	(161)	2,442
Other payables	(111,885)	(121,220)
Other current liabilities	1,420	(9,376)
Net defined benefit liabilities	956	638
Cash generated from (used in) operations	(17,869)	15,700
Income tax paid	(8,630)	(7,983)
Net cash generated from (used in) operating activities	(26,499)	7,717
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(116,236)	(161,400)
Proceeds from sale of financial assets at amortized cost	33,874	9,000
Payments for property, plant and equipment	(2,687)	(2,662)
Decrease in refundable deposits	5	12
Payments for intangible assets	(1,211)	(4,904)
Interest received	8,642	2,754
Net cash used in investing activities	(77,613)	(157,200)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(3,044)	(2,788)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	116	1,663

(Continued)

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	2022
NET DECREASE IN CASH AND CASH EQUIVALENTS	\$ (107,040)	\$ (150,608)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>406,129</u>	<u>631,338</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 299,089</u>	<u>\$ 480,730</u>

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

(With Deloitte & Touche review report dated May 11, 2023)

(Concluded)

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

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

The Company’s stocks have been trading on the Taipei Exchange (TPEx) since April 18, 2008.

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

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 11, 2023.

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

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

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

- b. The IFRSs in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basic of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

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

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

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

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

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 10, Tables 3 and 4 the detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2022.

1) Retirement benefits

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

2) Other long-term employee benefits

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

3) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Regarding developing material accounting estimates, please refer to the critical accounting judgments and key sources of estimation uncertainty of the consolidated financial statements for the year ended December 31, 2022.

6. CASH AND CASH EQUIVALENTS

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	\$ 268	\$ 193	\$ 164
Checking accounts and cash in banks	172,813	243,706	321,080
Cash equivalents			
Investment with original maturities of 3 months or less	<u>126,008</u>	<u>162,230</u>	<u>159,486</u>
	<u>\$ 299,089</u>	<u>\$ 406,129</u>	<u>\$ 480,730</u>

As of March 31, 2023, December 31, 2022 and March 31, 2022, time deposits with original maturities of more than 3 months, which are classified as financial assets measured at amortized cost, were \$933,413 thousand, \$851,051 thousand and \$665,800 thousand respectively. Please refer to Note 8.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	\$ 194,375	\$ 181,613	\$ 189,343
Investments in debt instruments at FVTOCI	<u>78,800</u>	<u>77,953</u>	<u>77,289</u>
	<u>\$ 273,175</u>	<u>\$ 259,566</u>	<u>\$ 266,632</u>

a. Investments in equity instruments at FVTOCI

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Domestic investments			
Listed shares and emerging market shares			
Ordinary shares - Taiwan Mobile Co., Ltd.	\$ 30,300	\$ 28,410	\$ 31,500
Ordinary shares - Fullerton Technology Co., Ltd.	5,154	4,937	5,195
Ordinary shares - WPG Holdings Limited.	18,474	17,701	20,608
Ordinary shares - Fun Yours Technology Co., Ltd.	102,371	93,821	78,951
Ordinary shares - Chunghwa Telecom Co., Ltd.	23,900	22,600	25,400
Preference shares - Bank of Kaohsiung Co., Ltd.	14,176	14,144	15,552
Unlisted shares			
Ordinary shares - 9SPlay Entertainment Technology Co., Ltd.	<u>-</u>	<u>-</u>	<u>12,137</u>
	<u>\$ 194,375</u>	<u>\$ 181,613</u>	<u>\$ 189,343</u>

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

b. Investments in debt instruments at FVTOCI

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Foreign investments			
Corporate bonds - AT&T Corporate Bonds Denominated in U.S. Dollars	\$ 38,086	\$ 37,403	\$ 37,389
Corporate bonds - Ford Motor Corporate Bonds Denominated in U.S. Dollars	<u>40,714</u>	<u>40,550</u>	<u>39,900</u>
	<u>\$ 78,800</u>	<u>\$ 77,953</u>	<u>\$ 77,289</u>

- 1) In December 2020, the Group bought 10-year corporate bonds issued by Company AT&T with a coupon rate of 4.25% and an effective interest rate range of 0.92%-1.31%.
- 2) In December 2020, the Group bought 10-year corporate bonds issued by Company Ford with a coupon rate of 4.346% and an effective interest rate range of 2.75%-2.85%.

8. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Domestic investments			
Time deposits with original maturities of more than 3 months	<u>\$ 915,413</u>	<u>\$ 851,051</u>	<u>\$ 647,800</u>
<u>Non-current</u>			
Domestic investments			
Time deposits with original maturities of more than 3 months	<u>\$ 18,000</u>	<u>\$ -</u>	<u>\$ 18,000</u>

As of March 31, 2023, December 31, 2022 and March 31, 2022, the interest rate ranges of time deposits with original maturities of more than 3 months were 1.04%-4.99%, 0.765%-4.90% and 0.39%-1.04%, respectively.

9. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Notes receivable</u>			
Notes receivable	\$ 9	\$ 10	\$ -
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 9</u>	<u>\$ 10</u>	<u>\$ -</u>
<u>Accounts receivable</u>			
Accounts receivable	\$ 162,220	\$ 175,718	\$ 253,447
Less: Allowance for impairment loss	<u>(10,173)</u>	<u>(9,679)</u>	<u>(38,060)</u>
	<u>\$ 152,047</u>	<u>\$ 166,039</u>	<u>\$ 215,387</u>

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

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

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

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

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

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

March 31, 2023

Group A

	0 to 180 Days	181 to 360 Days	Over 361 Days	Total
Expected credit loss rate	-	25%	100%	
Gross carrying amount	\$ 118,474	\$ 139	\$ 440	\$ 119,053
Loss allowance (lifetime ECLs)	-	(35)	(439)	(474)
Loss allowance (individual customer ECLs)	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
Amortized cost	<u>\$ 118,474</u>	<u>\$ 104</u>	<u>\$ -</u>	<u>\$ 118,578</u>

Group B

	0 to 180 Days	181 to 270 Days	271 to 360 Days	Over 361 Days	Total
Expected credit loss rate	-	5%	20%	50%-100%	
Gross carrying amount	\$ 29,506	\$ 3,475	\$ 840	\$ 9,355	\$ 43,176
Loss allowance (lifetime ECLs)	-	(175)	(168)	-	(343)
Loss allowance (individual customer ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,355)</u>	<u>(9,355)</u>
Amortized cost	<u>\$ 29,506</u>	<u>\$ 3,300</u>	<u>\$ 672</u>	<u>\$ -</u>	<u>\$ 33,478</u>

December 31, 2022

Group A

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

Group B

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

March 31, 2022Group A

	0 to 180 Days	181 to 360 Days	Over 361 Days	Total
Expected credit loss rate	-	25%	100%	
Gross carrying amount	\$ 150,948	\$ 462	\$ 1,066	\$ 152,476
Loss allowance (lifetime ECLs)	-	(115)	(840)	(955)
Loss allowance (individual customer ECLs)	<u>-</u>	<u>(5)</u>	<u>(226)</u>	<u>(231)</u>
Amortized cost	<u>\$ 150,948</u>	<u>\$ 342</u>	<u>\$ -</u>	<u>\$ 151,290</u>

Group B

	0 to 180 Days	181 to 270 Days	271 to 360 Days	Over 361 Days	Total
Expected credit loss rate	-	5%	20%	50%-100%	
Gross carrying amount	\$ 10,490	\$ 18,413	\$ 15,864	\$ 56,204	\$ 100,971
Loss allowance (lifetime ECLs)	-	(921)	(3,173)	(23,425)	(27,519)
Loss allowance (individual customer ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,355)</u>	<u>(9,355)</u>
Amortized cost	<u>\$ 10,490</u>	<u>\$ 17,492</u>	<u>\$ 12,691</u>	<u>\$ 23,424</u>	<u>\$ 64,097</u>

The above aging analysis is based on the original credit.

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

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 9,679	\$ 48,588
Add: Net remeasurement of loss allowance	494	(9,149)
Less: Amounts written off	<u>-</u>	<u>(1,379)</u>
Balance at March 31	<u>\$ 10,173</u>	<u>\$ 38,060</u>

Compared to January 1, 2023 and 2022, the decrease in new trade receivables amounted to \$13,498 thousand and \$65,494 thousand on March 31, 2023 and 2022, respectively. Changes in the amounts of the overdue accounts receivable resulted in an increase in the loss allowance of \$494 thousand and a decrease in the loss allowance of \$9,149 thousand on March 31, 2023 and 2022, respectively.

10. SUBSIDIARIES

Investor	Investee	Main Business	Percentage of Ownership (%)		
			March 31, 2023	December 31, 2022	March 31, 2022
UserJoy Technology Co., Ltd.	UserJoy Technology Co., Ltd. (Samoa)	Investment holding	100.00	100.00	100.00
UserJoy Technology Co., Ltd.	Richland Investments Limited	Investment holding	11.49	11.49	11.49
UserJoy Technology Co., Ltd.	Userjoy Japan Co., Ltd.	Sale of game software	100.00	100.00	100.00
UserJoy Technology Co., Ltd.	Userjoy Hong Kong Co., Ltd.	Sale of game software	100.00	100.00	100.00
UserJoy Technology Co., Ltd.	Richland Investments Limited	Investment holding	88.51	88.51	88.51
Richland Investments Limited	Beijing Airship Software Co., Ltd.	Game software research and development and production	100.00	100.00	100.00

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name of Associate	March 31, 2023		December 31, 2022		March 31, 2022	
	Carrying Amount	Ownership Percentage (%)	Carrying Amount	Ownership Percentage (%)	Carrying Amount	Ownership Percentage (%)
<u>Associates that are not individually material</u>						
PT. Userjoy Technology	\$ -	-	\$ -	-	\$ -	-
Mojoy Corporation	<u>6,570</u>	40	<u>6,838</u>	40	<u>-</u>	-
	<u>\$ 6,570</u>		<u>\$ 6,838</u>		<u>\$ -</u>	

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

PT. Userjoy Technology is still in the process of liquidation. The liquidation has not been completed as of March 31, 2023.

Summary of the information about associates that are not individually material

	For the Three Months Ended March 31	
	2023	2022
Share of the subsidiaries		
Net losses from continuing operations	\$ (268)	\$ (176)
Other comprehensive income	<u>-</u>	<u>665</u>
Total comprehensive (loss) income	<u>\$ (268)</u>	<u>\$ 489</u>

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and Improvements	Office Equipment	Total
<u>Cost</u>				
Balance at January 1, 2023	\$ 58,914	\$ 40,098	\$ 35,680	\$ 134,692
Additions	-	-	2,687	2,687
Effects of foreign currency exchange differences	<u>-</u>	<u>-</u>	<u>(129)</u>	<u>(129)</u>
Balance at March 31, 2023	<u>\$ 58,914</u>	<u>\$ 40,098</u>	<u>\$ 38,238</u>	<u>\$ 137,250</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2023	\$ -	\$ 14,363	\$ 19,349	\$ 33,712
Depreciation expenses	-	190	1,229	1,419
Effects of foreign currency exchange differences	<u>-</u>	<u>1</u>	<u>(111)</u>	<u>(110)</u>
Balance at March 31, 2023	<u>\$ -</u>	<u>\$ 14,554</u>	<u>\$ 20,467</u>	<u>\$ 35,021</u>
Carrying amount at March 31, 2023	<u>\$ 58,914</u>	<u>\$ 25,554</u>	<u>\$ 17,771</u>	<u>\$ 102,229</u>
Carrying amount at January 1, 2023	<u>\$ 58,914</u>	<u>\$ 25,735</u>	<u>\$ 16,331</u>	<u>\$ 100,980</u>
<u>Cost</u>				
Balance at January 1, 2022	\$ 58,914	\$ 40,098	\$ 26,849	\$ 125,861
Additions	-	-	2,662	2,662
Disposals	-	-	(711)	(711)
Effects of foreign currency exchange differences	<u>-</u>	<u>-</u>	<u>(154)</u>	<u>(154)</u>
Balance at March 31, 2022	<u>\$ 58,914</u>	<u>\$ 40,098</u>	<u>\$ 28,646</u>	<u>\$ 127,658</u>

(Continued)

	Land	Buildings and Improvements	Office Equipment	Total
Accumulated depreciation and impairment				
Balance at January 1, 2022	\$ -	\$ 13,603	\$ 16,232	\$ 29,835
Depreciation expenses	-	190	892	1,082
Disposals	-	-	(520)	(520)
Effects of foreign currency exchange differences	-	-	(153)	(153)
Balance at March 31, 2022	<u>\$ -</u>	<u>\$ 13,793</u>	<u>\$ 16,451</u>	<u>\$ 30,244</u>
Carrying amount at March 31, 2022	<u>\$ 58,914</u>	<u>\$ 26,305</u>	<u>\$ 12,195</u>	<u>\$ 97,414</u> (Concluded)

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

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

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Carrying amount</u>			
Buildings	<u>\$ 11,208</u>	<u>\$ 9,417</u>	<u>\$ 13,202</u>
		For the Three Months Ended March 31	
		2023	2022
Additions to right-of-use assets		<u>\$ 4,719</u>	<u>\$ 5,134</u>
Depreciation charge for right-of-use assets			
Buildings		<u>\$ 2,899</u>	<u>\$ 2,808</u>

b. Lease liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Carrying amounts</u>			
Current	<u>\$ 8,749</u>	<u>\$ 7,222</u>	<u>\$ 10,443</u>
Non-current	<u>\$ 2,503</u>	<u>\$ 2,197</u>	<u>\$ 2,921</u>

Range of discount rate for lease liabilities were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Buildings	1.47%-2.70%	1.47%-2.59%	1.47%-2.39%

c. Other lease information

	For the Three Months Ended March 31	
	2023	2022
Expenses relating to short-term leases	\$ 314	\$ 596
Expenses relating to low-value asset leases	\$ 15	\$ 15
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 4	\$ 1
Total cash outflow for leases	\$ (3,377)	\$ (3,400)

14. OTHER INTANGIBLE ASSETS

	Trademark Right	Computer Software Costs	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ 296	\$ 192,730	\$ 193,026
Additions	-	1,211	1,211
Disposals	-	(4,095)	(4,095)
Effects of foreign currency exchange differences	(5)	(448)	(453)
Balance at March 31, 2023	\$ 291	\$ 189,398	\$ 189,689

Accumulated depreciation and impairment

Balance at January 1, 2023	\$ 296	\$ 149,705	\$ 150,001
Depreciation expenses	-	4,647	4,647
Disposals	-	(4,095)	(4,095)
Effects of foreign currency exchange differences	(5)	(424)	(429)
Balance at March 31, 2023	\$ 291	\$ 149,833	\$ 150,124
Carrying amount at March 31, 2023	\$ -	\$ 39,565	\$ 39,565
Carrying amount at January 1, 2023	\$ -	\$ 43,025	\$ 43,025

Cost

Balance at January 1, 2022	\$ 342	\$ 165,644	\$ 165,986
Additions	-	4,904	4,904
Effects of foreign currency exchange differences	(7)	(618)	(625)
Balance at March 31, 2022	\$ 335	\$ 169,930	\$ 170,265

(Continued)

	Trademark Right	Computer Software Costs	Total
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2022	\$ 306	\$ 130,309	\$ 130,615
Depreciation expenses	-	4,021	4,021
Effects of foreign currency exchange differences	<u>(7)</u>	<u>(577)</u>	<u>(584)</u>
Balance at March 31, 2022	<u>\$ 299</u>	<u>\$ 133,753</u>	<u>\$ 134,052</u>
Carrying amount at March 31, 2022	<u>\$ 36</u>	<u>\$ 36,177</u>	<u>\$ 36,213</u> (Concluded)

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

Trademark right	10 years
Computer software	1-10 years

15. OTHER PAYABLES

	March 31, 2023	December 31, 2022	March 31, 2022
Payable for salaries	\$ 15,781	\$ 87,813	\$ 24,689
Payable for compensation of employees	25,467	21,034	21,177
Payable for value added tax	3,123	5,494	2,137
Payable for remuneration of directors and supervisors	4,946	4,207	4,235
Payable for advertisements	32,626	34,877	34,460
Payable for commissions	9,939	25,750	35,583
Others	<u>58,620</u>	<u>83,212</u>	<u>81,618</u>
	<u>\$ 150,502</u>	<u>\$ 262,387</u>	<u>\$ 203,899</u>

16. RETIREMENT BENEFIT PLANS

The pension expenses of defined benefit plans were calculated based on the actuarially determined pension cost rates on December 31, 2022 and 2021 respectively, and were listed by the following categories as follow:

	For the Three Months Ended March 31	
	2023	2022
Marketing expenses	\$ (2)	\$ -
General and administrative expenses	-	-
Research and development expenses	<u>(9)</u>	<u>(2)</u>
	<u>\$ (11)</u>	<u>\$ (2)</u>

17. EQUITY

a. Share capital

Ordinary shares

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

As of March 31, 2023, December 31, 2022 and March 31, 2022, the Company's paid-in capital was \$481,777 thousand, consisting of 48,177 thousand shares of ordinary shares with a par value of \$10. The holder of each share has the right to dividends and to vote.

b. Capital surplus

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

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 19-c.

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

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

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

The appropriations of earnings for 2022 and 2021 that had been resolved by the board of directors on March 23, 2023 and the shareholders in their meeting on June 29, 2022, were as follows:

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

The appropriation of earnings for 2022 is subject to the resolution of the shareholders in the shareholders' meeting to be held on June 28, 2023.

d. Special reserve

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	<u>\$ 5,452</u>	<u>\$ 7,787</u>
Balance at March 31	<u>\$ 5,452</u>	<u>\$ 7,787</u>

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

e. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ (23,919)	\$ (27,444)
Recognized for the year		
Exchange differences on the translation of foreign operations	(32)	1,088
Share from associates accounted for using the equity method	<u>-</u>	<u>665</u>
Balance at March 31	<u>\$ (23,951)</u>	<u>\$ (25,691)</u>

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 34,896	\$ 66,224
Recognized for the year		
Unrealized gain (loss) - equity instruments	12,762	(13,873)
Unrealized gain (loss) - debt instruments	<u>1,520</u>	<u>(5,433)</u>
Balance at March 31	<u>\$ 49,178</u>	<u>\$ 46,918</u>

18. OPERATING REVENUE

	For the Three Months Ended March 31	
	2023	2022
Online games revenue	\$ 340,072	\$ 387,543
Royalty revenue	32,629	19,467
Other revenue	<u>8,576</u>	<u>1,446</u>
	<u>\$ 381,277</u>	<u>\$ 408,456</u>

19. NET PROFIT FROM CONTINUING OPERATIONS

a. Depreciation and amortization

	For the Three Months Ended March 31	
	2023	2022
Property, plant and equipment	\$ 1,419	\$ 1,082
Right-of-use assets	2,899	2,808
Investment properties	<u>4,647</u>	<u>4,021</u>
	<u>\$ 8,965</u>	<u>\$ 7,911</u>
An analysis of depreciation by function		
Operating costs	\$ -	\$ -
Operating expenses	<u>4,318</u>	<u>3,890</u>
	<u>\$ 4,318</u>	<u>\$ 3,890</u>
An analysis of amortization by function		
Operating costs	\$ 517	\$ 1,071
Operating expenses	<u>4,130</u>	<u>2,950</u>
	<u>\$ 4,647</u>	<u>\$ 4,021</u>

b. Employee benefits expense

	For the Three Months Ended March 31	
	2023	2022
Short-term employment benefits	\$ 132,188	\$ 114,001
Post-employment benefits		
Defined contribution plan	4,962	4,600
Defined benefit plans	(11)	(2)
Other long term employee benefits	<u>749</u>	<u>725</u>
Total employee benefits expense	<u>\$ 137,888</u>	<u>\$ 119,324</u>
An analysis of employee benefits expense by function		
Operating costs	\$ -	\$ -
Operating expenses	<u>137,888</u>	<u>119,324</u>
	<u>\$ 137,888</u>	<u>\$ 119,324</u>

c. Compensation of employees and remuneration of directors and supervisors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors and supervisors at rates of no less than 3% and no higher than 15%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors. The compensation of employees and the remuneration of directors and supervisors for the three months ended March 31, 2023 and 2022 are as follows:

Accrual rate

	For the Three Months Ended March 31	
	2023	2022
Compensation of employees	6%	5%
Remuneration of directors and supervisors	1%	1%

Amount

	For the Three Months Ended March 31	
	2023	2022
Compensation of employees	\$ 4,433	\$ 2,942
Remuneration of directors and supervisors	<u>\$ 739</u>	<u>\$ 588</u>

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

The appropriations of employees' compensation and remuneration of directors and supervisors for 2022 and 2021 that were resolved by the board of directors on March 23, 2023 and March 24, 2022, respectively, are as shown below:

	For the Three Months Ended March 31	
	2023	2022
	Cash	Cash
Compensation of employees	\$ 21,034	\$ 18,235
Remuneration of directors and supervisors	4,207	3,647

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Company's board of directors for 2023 and 2022 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

d. Gains or losses on foreign currency exchange

	For the Three Months Ended March 31	
	2023	2022
Foreign exchange gains	\$ (4,393)	\$ 22,160
Foreign exchange losses	<u>-</u>	<u>(8)</u>
Net gains or losses	<u>\$ (4,393)</u>	<u>\$ 22,152</u>

20. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended March 31	
	2023	2022
Current tax		
In respect of the current period	\$ 15,033	\$ 6,509
Adjustments for prior period	-	321
Deferred tax		
In respect of the current period	<u>(10)</u>	<u>6,280</u>
Income tax expense recognized in profit or loss	<u>\$ 15,023</u>	<u>\$ 13,110</u>

b. Income tax assessments

The income tax returns through 2021 have been assessed by the tax authorities.

21. EARNINGS PER SHARE

	For the Three Months Ended March 31	
	2023	2022
<u>Net profit for the period (in thousands)</u>		
Earnings used in the computation of basic earnings per share	<u>\$ 54,044</u>	<u>\$ 43,737</u>
<u>Shares (in thousands)</u>		
Weighted average number of ordinary shares used in the computation of basic earnings per share	48,177	48,177
Effect of potentially dilutive ordinary shares compensation of employees	<u>305</u>	<u>231</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>48,482</u>	<u>48,408</u>
<u>Earnings per share (in dollars)</u>		
Basic earnings per share	<u>\$ 1.12</u>	<u>\$ 0.91</u>
Diluted earnings per share	<u>\$ 1.11</u>	<u>\$ 0.90</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

22. NON-CASH TRANSACTIONS

In addition to those disclosed in other notes, the Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statements of cash flows for the three months ended March 31, 2023 and 2022:

	For the Three Months Ended March 31	
	2023	2022
Unaffected cash flows from investing and financing activities		
Exchange differences on translation of the financial statements of foreign operations	<u>\$ (32)</u>	<u>\$ 1,753</u>
Unrealized valuation gain/(loss) on financial assets at fair value through other comprehensive income	<u>\$ 14,282</u>	<u>\$ (19,306)</u>

23. CAPITAL MANAGEMENT

The Group's capital management objective is to ensure that it has the necessary financial resources and operational plan to meet the requirements for working capital, capital expenditures, research and development expenses, debt repayments and dividends spending in the next 12 months.

24. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

March 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed securities in the ROC	\$ 194,375	\$ -	\$ -	\$ 194,375
Investments in debt instruments				
Foreign corporate bonds	<u>78,800</u>	<u>-</u>	<u>-</u>	<u>78,800</u>
	<u>\$ 273,175</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 273,175</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed securities in the ROC	\$ 181,613	\$ -	\$ -	\$ 181,613
Investments in debt instruments				
Foreign corporate bonds	<u>77,953</u>	<u>-</u>	<u>-</u>	<u>77,953</u>
	<u>\$ 259,566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 259,566</u>

March 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed securities in the ROC	\$ 177,206	\$ -	\$ -	\$ 177,206
Unlisted shares	12,137			12,137
Investments in debt instruments				
Foreign corporate bonds	<u>77,289</u>	<u>-</u>	<u>-</u>	<u>77,289</u>
	<u>\$ 266,632</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266,632</u>

- 2) There were no transfers between Levels 1 and 2 for the three months ended March 31, 2023 and 2022.

b. Categories of financial instruments

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets</u>			
Financial assets at FVTOCI - current			
Equity instruments	\$ 194,375	\$ 181,613	\$ 189,343
Debt instruments	78,800	77,953	77,289
Financial assets at amortized cost (1)	1,369,966	1,426,643	1,366,601
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	202,941	314,983	281,676

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable and trade receivables, and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise trade payables to related and unrelated parties and other payables.

c. Financial risk management objectives and policies

The Group's major financial instruments included equity and debt investments, notes receivable and trade receivables, and trade and other payables. The Group's corporate treasury function provides services to the business, and monitors and manages the financial risks relating to the operations of the Group. These risks include market risk, credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

a) Foreign currency risk

The Group has foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

Sensitivity analysis

The Group is mainly exposed to the Renminbi, Japanese yen and U.S. dollar.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e. functional currency) against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates.

	U.S. Dollar Impact	
	For the Three Months Ended	
	March 31	
	2023	2022
Profit or loss	\$ 4,956	\$ 5,244
	Renminbi Impact	
	For the Three Months Ended	
	March 31	
	2023	2022
Profit or loss	\$ 1,688	\$ 1,291
	Japanese Yen Impact	
	For the Three Months Ended	
	March 31	
	2023	2022
Profit or loss	\$ 628	\$ 748

b) Interest rate risk

The Group is exposed to interest rate risk because of time deposits at both fixed and floating interest rates.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the management believes the Group's credit risk was significantly reduced.

3) Liquidity risk

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

March 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Non-derivative financial liabilities</u>				
Lease liabilities	\$ <u>757</u>	\$ <u>1,602</u>	\$ <u>6,390</u>	\$ <u>2,503</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 8,985</u>	<u>\$ 2,825</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2022</u>						

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative financial liabilities				
Lease liabilities	<u>\$ 646</u>	<u>\$ 1,405</u>	<u>\$ 5,171</u>	<u>\$ 2,197</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 7,643</u>	<u>\$ 2,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>March 31, 2022</u>						

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative financial liabilities				
Lease liabilities	<u>\$ 874</u>	<u>\$ 1,842</u>	<u>\$ 7,727</u>	<u>\$ 2,921</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 10,554</u>	<u>\$ 2,934</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

25. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed as follows:

- a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Fun Yours Technology Co., Ltd.	Substantive related party

- b. Details of transactions between the Company and other related parties are disclosed as follows:

- 1) Operating costs

	<u>For the Three Months Ended March 31</u>	
	<u>2023</u>	<u>2022</u>
Fun Yours Technology Co., Ltd.	\$ <u>382</u>	\$ <u>1,193</u>

- 2) Payables to related parties

<u>Line Item</u>	<u>Related Party Category/Name</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Trade payables	Fun Yours Technology Co., Ltd.	\$ <u>73</u>	\$ <u>234</u>	\$ <u>2,442</u>

- c. Remuneration of key management personnel

	<u>For the Three Months Ended March 31</u>	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ <u>2,833</u>	\$ <u>2,223</u>

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

26. OTHER ITEMS

The Group's operations have not been affected by the COVID-19 pandemic.

27. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities dominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

March 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
U.S. dollar	\$ 19,220	30.45	\$ 585,249
Renminbi	40,252	4.4310	178,357
Japanese yen	287,065	0.2288	65,680
<u>Financial liabilities</u>			
Monetary items			
U.S. dollar	2,944	30.45	89,645
Renminbi	2,147	4.4310	9,513

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
U.S. dollar	\$ 18,871	30.71	\$ 579,528
Renminbi	43,316	4.408	190,937
Japanese yen	162,838	0.2324	37,844
<u>Financial liabilities</u>			
Monetary items			
U.S. dollar	1,126	30.71	34,579
Renminbi	1,308	4.408	5,766

March 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
U.S. dollar	\$ 19,931	28.625	\$ 570,525
Renminbi	30,758	4.506	138,596
Japanese yen	342,589	0.2353	80,611
<u>Financial liabilities</u>			
Monetary items			
U.S. dollar	1,611	28.625	46,115
Renminbi	2,106	4.506	9,490

28. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. information on investees:

- 1) Financing provided to others (None)
- 2) Endorsements/guarantees provided (None)
- 3) Marketable securities held (Table 1)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
- 9) Trading in derivative instrument (None)
- 10) Intercompany relationships and significant intercompany transactions (Table 2)
- 11) Information on investees (Table 3)

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 4)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 4):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

- e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 5)

29. SEGMENT INFORMATION

The Group only has a single operating segment, which is mainly engaged in the design, research and development and sales of game software. Therefore, no other segments were required to be disclosed.

The Group evaluates segment performance based on its operating profit. Please refer to the consolidated statements of comprehensive income for the relevant figures.

TABLE 1

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2023
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Issuer of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2023				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
UserJoy Technology Co., Ltd.	<u>Shares</u>							
	Fullerton Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	272,000	\$ 5,154	0.24	\$ 5,154	
	WPG Holdings Limited.	-	"	368,000	18,474	0.02	18,474	
	Taiwan Mobile Co., Ltd.	-	"	300,000	30,300	0.01	30,300	
	Fun Yours Technology Co., Ltd.	Substantive related party	"	2,249,902	102,371	11.93	102,371	
	Chunghwa Telecom Co., Ltd.	-	"	200,000	23,900	-	23,900	
	9SPlay Entertainment Technology Co., Ltd.	-	"	602,031	-	2.22	-	
	Bank Of Kaohsiung Co., Ltd.	-	"	640,000	14,176	0.05	14,176	
	<u>Bonds</u>							
	AT&T Corporate Bonds Denominated in U.S. Dollars	-	Financial assets at fair value through profit or loss - current	1,252,000	38,086	-	38,086	
	Ford Motor Corporate Bonds Denominated in U.S. Dollars	-	"	1,386,000	40,714	-	40,714	

Note: Amounts stated are the original investment amounts.

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars, U.S. Dollars and Renminbi)

No. (Note 1)	Company Name	Counterparty	Nature of Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	Percentage of Consolidated Total Gross Sales or Total Assets (Note 3)
0	<u>For the three months ended March 31, 2023</u>						
	UserJoy Technology Co., Ltd.	UserJoy Japan Co., Ltd.	Transactions between parent company and subsidiaries	Sales	\$ 3,727	Based on the terms of contract	1%
				Trade receivables	29,349		2%
				Prepayment for purchases	4,382		-
				Intangible assets	2,851		-
				Other receivables	5		-
				Other payables	2,884		-
				Royalty expenses	297		-
				Entrust research expenses	223		-
				Cost of goods sold	1,353		-
				Trade receivables	3,704		-
	Userjoy Hong Kong Co., Ltd.	Transactions between parent company and subsidiaries	Sales	6,013	2%		
			Other receivables	160	-		
	Beijing Airship Software Co., Ltd.	Transactions between parent company and subsidiaries	Other operating revenue	160	-		

Note 1: The No. column is indicated as follows:

- a. Userjoy: 0.
- b. Subsidiaries are numbered sequentially starting from 1.

Note 2: There are three types of relationships with related parties, just mark the type.

- a. Userjoy to subsidiaries.
- b. Subsidiaries to Userjoy.
- c. Subsidiaries to subsidiaries.

Note 3: Calculation of the ratio of the transaction amount to the consolidated total revenue or total assets: If it is an asset and liability account, it is calculated by the balance at the end of the period as a percentage of the consolidated total assets; if it is a profit and loss account, it is calculated by the cumulative amount in the period as a percentage of the consolidated total revenue.

TABLE 3

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEs OVER WHICH THE GROUP EXERCISES SIGNIFICANT INFLUENCE
FOR THE THREE MONTHS ENDED MARCH 31, 2023

Information of investees that UserJoy Technology Co., Ltd. has controlling power or significant influence was as follows (in thousands of New Taiwan dollars, U.S. dollars and Hong Kong dollars):

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 31, 2023	December 31, 2022	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
UserJoy Technology Co., Ltd.	UserJoy Technology Co., Ltd. (Samoa)	Samoa Islands	Investment holding	\$ 51,060 (US\$ 1,569,900)	\$ 51,060 (US\$ 1,569,900)	US\$ 1,569,900 (Note 1)	100.00	\$ 4,890	\$ (84)	\$ (84)	
	Richland Investments Limited	"	"	6,404 (US\$ 193,800)	6,404 (US\$ 193,800)	US\$ 193,800 (Note 1)	11.49	635	(95)	(11)	
	Userjoy Japan Co., Ltd.	Japan	Sales of computer games software	51,656 (JPY 177,773,806)	51,656 (JPY 177,773,806)	19,177	100.00	(14,278)	(4,480)	(4,480)	
	Userjoy Hong Kong Co., Ltd.	Hong Kong	"	26,496 (HK\$ 6,240,000)	26,496 (HK\$ 6,240,000)	HK\$ 6,240,000 (Note 1)	100.00	29,975	1,838	1,838	
	PT. Userjoy Technology	Indonesia	"	1,566 (IDR 573,300,000)	1,566 (IDR 573,300,000)	IDR 573,300,000 (Note 1)	49.00	-	-	-	
	Mojoy Corporation	Taiwan	The platform of NFT	8,000	8,000	800,000	40.00	6,570	(670)	(268)	
UserJoy Technology Co., Ltd. (Samoa)	Richland Investments Limited	Samoa Islands	Investment holding	48,726 (US\$ 1,492,200)	48,726 (US\$ 1,492,200)	US\$ 1,492,200 (Note 1)	88.51	4,887 (US\$ 160,505)	(95) (US\$ 3,126)	(84) (US\$ 2,767)	

Note 1: Amounts stated are the original investment amounts.

Note 2: For information on investments in mainland China, please see Table 4.

Note 3: PT. Userjoy Technology is still in the process of liquidation. The liquidation has not been completed as of March 31, 2023.

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of U.S. Dollars and Renminbi)

1. The names of investee companies in mainland China, main businesses and products, total amount of paid-in capital, investment type, investment flows, percentage of ownership in investment, investment gain or loss, carrying amount, accumulated inward remittance of earnings and upper limit on investment in mainland China were as follows:

(In Thousands of U.S. Dollars and Renminbi)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2023	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 1)	Carrying Amount as of March 31, 2023	Accumulated Repatriation of Investment Income as of March 31, 2023
					Outward	Inward						
Beijing Airship Software Co., Ltd.	Design, research and development of the game software	US\$ 1,640,000	Investing in companies in mainland China through Richland	\$ 53,115 (US\$ 1,640,000)	\$ -	\$ -	\$ 53,115 (US\$ 1,640,000)	\$ (95) (US\$ 3,126)	100.00	\$ (95) (US\$ 3,126)	\$ 5,513 (US\$ 181,062)	\$ -

2. The upper limit on investment in mainland China

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022 (NT\$ and US\$ in Thousands)	Investment Amounts Authorized by the Investment Commission, MOEA (NT\$ and US\$ in Thousands)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Note 2)
\$53,115 (US\$1,640,000)	\$85,977 (US\$2,621,250)	\$948,797

Note 1: Investment gains and losses in the current period are recognized based on the financial statements reviewed by the attestation Certified Public Accountant of UserJoy Technology Co., Ltd. in Taiwan.

Note 2: Upper limit on the amount of investments is based on (90) the Taiwan ministry of finance regulation (1) of the number 006130.

TABLE 5**USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****MARCH 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership
Cyun Wei Investment Co Ltd.	2,864,386	5.94%

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (included treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers their shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Securities and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System.