Stock Code: 8201

INVENTEC BESTA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS

With Independent Auditors' Review Report

For the three months ended March 31, 2023 and 2022

Address: 6F-1, No. 56, Lane 258, Rui Guang Road, Nei Hu Dist., Taipei, Taiwan, R.O.C.
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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Inventec Besta Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Inventec Besta Co., Ltd. and its subsidiaries as of March 31, 2023 and 2022, and the related consolidated statements of comprehensive income as well as changes in equity and cash flows for the three months ended March 31, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 Standards ("IASs") 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 review.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the 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 conducted in accordance with the generally accepted auditing standards 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 stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to $20,751 thousand and $25,522 thousand, constituting 2.74% and 3.13% of consolidated total assets as of March 31, 2023 and 2022, respectively, total liabilities amounting to $4,632 thousand and $7,683 thousand, constituting 2.51% and 4.74% of consolidated total liabilities as of March 31, 2023 and 2022, respectively; and total comprehensive income (loss) amounting to $993 thousand, and $1,760 thousand, constituting (5.00)% and (9.64)% of consolidated total comprehensive income (loss) for the three months ended March 31, 2023 and 2022, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Inventec Besta Co., Ltd. and its subsidiaries as of March 31, 2023 and 2022, and of 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 IASs 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 Shu-Ling Lien and Rou-Lan Kuo.

KPMG
Taipei, Taiwan (Republic of China)
May 11, 2023

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the 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 accepted and applied in the Republic of China.

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Reviewed only, not audited in accordance with generally accepted auditing standards as of March 31, 2023 and 2022

INVENTEC BESTA CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

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

(Expressed in Thousands of New Taiwan Dollars)

			March 31, 2023		December 31, 2022		March 31, 2022	
	Assets		**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current Assets:							
1100	Cash and cash equivalents	(Note 6(a))	$ 321,329	42	390,986	49	407,910	50
1140	Current contract assets	(Note 6(o))	623	-	687	-	2,233	-
1150	Notes receivable, net	(Note 6(c))	3,647	-	-	-	5,185	1
1170	Accounts receivable, net	(Notes 6(c) and 7)	85,425	11	60,957	8	83,559	10
1200	Other receivables	(Notes 6(d) and 7)	26,626	4	27,465	3	26,851	3
1220	Current tax assets		44	-	40	-	50	-
130X	Inventories	(Note 6(e))	93,210	13	91,592	12	50,566	7
1476	Other current financial assets	(Notes 6(i) and 8)	39,144	5	38,361	5	37,401	5
1479	Other current assets, others		14,523	2	8,976	1	27,153	3
			584,571	77	619,064	78	640,908	79
	Non-currect Assets:							
1517	Non-current financial assets at fair value through other comprehensive income	(Note 6(b))	7,454	1	5,871	1	5,100	1
1600	Property, plant and equipment	(Note 6(f))	126,499	17	128,958	16	127,547	15
1755	Right-of-use assets	(Note 6(g))	12,508	2	13,624	2	13,289	2
1780	Intangible assets	(Note 6(h))	9,235	1	9,905	1	9,698	1
1840	Deferred tax assets		3,189	-	3,189	-	3,189	-
1980	Other non-current financial assets	(Notes 6(i) and 8)	13,046	2	14,571	2	14,805	2
			171,931	23	176,118	22	173,628	21
	Total assets		**$ 756,502**	**100**	**795,182**	**100**	**814,536**	**100**

			March 31, 2023		December 31, 2022		March 31, 2022	
	Liabilities and Equity		**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current Liabilities:							
2130	Current contract liabilities	(Note 6(o))	$ 13,173	2	12,063	1	7,928	1
2170	Notes and accounts payable	(Note 7)	92,152	12	92,945	12	50,987	7
2200	Other payables	(Note 7)	24,286	3	39,480	5	29,523	4
2280	Current lease liabilities	(Notes 6(j), (u) and 7)	3,736	-	3,851	-	3,272	-
2300	Other current liabilities		5,813	1	7,708	1	10,092	1
			139,160	18	156,047	19	101,802	13
	Non-current Liabilites:							
2570	Deferred tax liabilities		13,156	2	13,156	2	13,156	2
2580	Non-current lease liabilities	(Notes 6(j), (u) and 7)	7,305	1	8,293	1	9,768	1
2640	Net defined benefit liability, non-current		19,028	2	23,208	3	35,017	4
2670	Other non-current liabilities, others		5,737	1	2,514	-	2,277	-
			45,226	6	47,171	6	60,218	7
	Total liabilites		184,386	24	203,218	25	162,020	20
	Equity attributable to owners of parent:	(Note 6(m))						
3100	Capital stock		623,663	83	623,663	78	623,663	77
3200	Capital surplus		100,180	13	100,180	13	100,180	12
3300	Retained earnings		(40,036)	(5)	(18,021)	(2)	41,510	5
3400	Other equity		(111,691)	(15)	(113,858)	(14)	(112,837)	(14)
	Total equity		572,116	76	591,964	75	652,516	80
	Total liabilities and equity		**$ 756,502**	**100**	**795,182**	**100**	**814,536**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Reviewed only, not audited in accordance with generally accepted auditing standards

INVENTEC BESTA CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

			For the three months ended March 31,			
			2023		2022	
			Amount	%	Amount	%
4000	**Operating revenue**	(Notes 6(o) and 7)	$ 152,502	100	174,814	100
5000	**Operating costs**	(Note 6(e))	(133,143)	(87)	(154,265)	(88)
	Gross profit from operations		19,359	13	20,549	12
	Operating expenses:					
6100	Selling expenses		(15,622)	(10)	(20,017)	(11)
6200	Administrative expenses		(10,815)	(7)	(10,937)	(6)
6300	Research and development expenses		(16,341)	(11)	(15,400)	(9)
6450	Expected credit gain (loss)		(1,050)	(1)	697	-
	Total operating expenses		(43,828)	(29)	(45,657)	(26)
	Net operating loss		(24,469)	(16)	(25,108)	(14)
	Non-operating income and expenses:	(Note 6(q))				
7100	Interest income		1,183	1	483	-
7010	Other income		2,030	1	1,981	1
7020	Other gains and losses		(563)	-	3,353	2
7050	Finance costs		(196)	-	(96)	-
	Total non-operating income and expenses		2,454	2	5,721	3
7900	**Loss from continuing operations before tax**		(22,015)	(14)	(19,387)	(11)
7950	**Less: Income tax expenses**	(Note 6(l))	-	-	-	-
	Loss		(22,015)	(14)	(19,387)	(11)
	Other comprehensive income (loss):					
8310	**Items that may not be reclassified subsequently to profit or loss**					
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		1,486	1	(2,082)	(1)
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		-	-	-	-
	Total items that may not be reclassified subsequently to profit or loss		1,486	1	(2,082)	(1)
8360	**Items that may be reclassified subsequently to profit or loss**					
8361	Exchange differences on translation of foreign financial statements		681	-	3,207	2
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss		-	-	-	-
	Total items that may be reclassified subsequently to profit or loss		681	-	3,207	2
	Other comprehensive income (loss), net of income tax		2,167	1	1,125	1
8500	**Total comprehensive income (loss)**		**$ (19,848)**	**(13)**	**(18,262)**	**(10)**
	Earnings per share	(Note 6(n))				
9750	**Basic/ Diluted earnings (losses) per share (NT dollars)**		**$**	**(0.35)**		**(0.31)**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Reviewed only, not audited in accordance with generally accepted auditing standards

INVENTEC BESTA CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of Parent							
	Capital Stock		Retained Earnings			Other Equity		
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings (Accumulated Deficit)	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) from Financial Assets measured at fair value through Other Comprehensive Income	Total Equity
Balance at January 1, 2022	$ 623,663	100,180	-	-	60,897	47,738	(161,700)	670,778
Net loss for the period	-	-	-	-	(19,387)	-	-	(19,387)
Other comprehensive income (loss) for the period	-	-	-	-	-	3,207	(2,082)	1,125
Total comprehensive income (loss) for the period	-	-	-	-	(19,387)	3,207	(2,082)	(18,262)
Balance at March 31, 2022	**$ 623,663**	**100,180**	**-**	**-**	**41,510**	**50,945**	**(163,782)**	**652,516**
Balance at January 1, 2023	$ 623,663	100,180	6,090	54,807	(78,918)	48,864	(162,722)	591,964
Net loss for the period	-	-	-	-	(22,015)	-	-	(22,015)
Other comprehensive income (loss) for the period	-	-	-	-	-	681	1,486	2,167
Total comprehensive income (loss) for the period	-	-	-	-	(22,015)	681	1,486	(19,848)
Balance at March 31, 2023	**$ 623,663**	**100,180**	**6,090**	**54,807**	**(100,933)**	**49,545**	**(161,236)**	**572,116**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Reviewed only, not audited in accordance with generally accepted auditing standards

INVENTEC BESTA CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31,	
	2023	**2022**
Cash flows from (used in) operating activities:		
Loss before income tax	$ (22,015)	(19,387)
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	3,800	3,535
Amortization expense	1,237	1,683
Expected credit loss (gain)	1,050	(697)
Interest expense	196	96
Interest income	(1,183)	(483)
Total adjustments to reconcile profit (loss)	5,100	4,134
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	80	388
Notes receivable	(3,738)	(1,358)
Accounts receivable	(25,905)	38,653
Other receivables	1,294	2,713
Inventories	(1,610)	20,595
Other current assets	(5,547)	(2,434)
Total changes in operating assets	(35,426)	58,557
Changes in operating liabilities:		
Contract liabilities	1,110	4,672
Notes payable	-	(12,934)
Accounts payable	(819)	(44,822)
Other payables	(15,256)	(15,974)
Other current liabilities	(1,900)	(1,575)
Net defined benefit liability	(4,180)	(2,248)
Total changes in operating liabilities	(21,045)	(72,881)
Total changes in operating assets and liabilities	(56,471)	(14,324)
Total adjustments	(51,371)	(10,190)
Cash outflow generated used in operations	(73,386)	(29,577)
Interest received	1,235	538
Interest paid	(196)	(117)
Income taxes received (paid)	(4)	64
Net cash flows used in operating activities	(72,351)	(29,092)
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(30)	(2,745)
Acquisition of intangible assets	(660)	(1,053)
Decrease (Increase) in other financial assets	984	(670)
Decrease in other non-current assets	-	154
Net cash flows from (used in) investing activities	294	(4,314)
Cash flows from (used in) financing activities:		
Payment of lease liabilities	(1,114)	(1,363)
Increase in other non-current liabilities	3,219	27
Net cash flows from (used in) financing activities	2,105	(1,336)
Effect of exchange rate changes on cash and cash equivalents	295	1,560
Net (decrease) in cash and cash equivalents	(69,657)	(33,182)
Cash and cash equivalents at beginning of period	390,986	441,092
Cash and cash equivalents at end of period	**$ 321,329**	**407,910**

See accompanying notes to consolidated financial statements.

INVENTEC BESTA CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Overview

Inventec Besta Co., Ltd. ("the Company") was incorporated on February 17, 1989 and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is 6F 1, No. 56, Lane 258, Rui Guang Road, Nei Hu Dist., Taipei, Taiwan, R.O.C. The Company and its subsidiaries ("the Group") were engaged primarily in the design, research, development, and sale of electronic dictionaries, digital products, etc. and cloud service business. On August 21, 2007, the Taiwan Stock Exchange Corporation (TWSE) approved the IPO of the Company, and the Company's first trading began on October 29 of the same year.

(2) Financial Statements Authorization Date and Authorization Process

The consolidated financial statements were authorized for issuance by the Board of Directors on May 11, 2023.

(3) New Standards, Amendments and Interpretations Adopted

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023.

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

(b) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non- current”	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments have removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g., convertible debt.	January 1, 2024

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Non- current Liabilities with Covenants”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(4) Summary of Significant Accounting Policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2022. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2022.

(b) Basis of consolidation

1.List of subsidiaries in the consolidated financial statements

List of subsidiaries in the consolidated financial statements, were as follow:

			Shareholding Ratio			
Investor	**Name of Subsidiary**	**Primary Business**	**March 31, 2023**	**December 31, 2022**	**March 31, 2022**	**Note**
The Company	Inventec Besta (BVI) Co., Ltd.	Investment management	100%	100%	100%	
〃	Besta (Cayman) Co., Ltd.	Investment management	100%	100%	100%	
Inventec Besta (BVI) Co., Ltd.	Inventec Besta (XiAn) Co., Ltd.	Design, research, and sale of electronic products	100%	100%	100%	(Note 1)
Besta (Cayman) Co., Ltd.	Besta (Kunshan) Co., Ltd.	Sale of consumer electronics and related products	100%	100%	100%	(Note 1 and 3)
〃	Besta Digital Technology Co., Ltd.	Sale of electronic dictionaries and PDA-related products	100%	100%	100%	
Besta (Kunshan) Co., Ltd.	Kunshan Besta Electronics Limited	Sale of electronic dictionaries and PDA-related products	- %	- %	- %	(Note 1 and 2)

Note 1: The financial statements of the non-significant subsidiaries have not been reviewed.

Note 2: The boards of directors resolved to dissolve Kunshan Besta Electronics Limited on September 27, 2021, and the liquidation process was completed on March 14, 2022.

Note 3: The boards of directors resolved to dissolve Besta (Kunshan) Co., Ltd. on June 27, 2022, and the liquidation process is still in progress.

2.Subsidiaries excluded from the consolidated financial statements: None.

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled and be recognized directly in equity or other comprehensive income as tax expense.

(d) Employee benefits

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

(5) Significant Accounting Judgments, Estimation, Assumptions, and Sources of Estimation Uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 "Interim Financial Reporting" and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The principles of preparation of the consolidated interim financial statements and the related significant estimates and underlying assumptions are consistent with Note 5 of the consolidated financial statements for the year ended December 31, 2022.

(6) Explanation to Significant Accounts

(a) Cash and cash equivalents

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	$ 286	299	502
Demand deposits	33,867	86,251	56,929
Foreign currency deposits	40,936	33,042	33,259
Cash equivalents -Time deposits	226,108	241,298	237,176
Cash equivalents -Bond	20,132	30,096	80,044
Total	**$ 321,329**	**390,986**	**407,910**

Please refer to Note 6(r) for the interest rate risk, and sensitivity analysis of the financial assets of the Group.The aforesaid financial assets were not pledged as collateral.

(b) Non-current financial assets at fair value through other comprehensive income

	March 31, 2023	December 31, 2022	March 31, 2022
Equity instruments at fair value through other comprehensive income:			
Stocks not listed on markets	**$ 7,454**	**5,871**	**5,100**

As of March 31, 2023, the balance of accumulate unrealized evaluation losses amounted to $155,400.

The Group holds 9% of common shares of Anhui Raise Victa Technology Co., Ltd, and investing the amount of CNY 3,000. The main operating activities of Anhui Raise Victa Technology Co., Ltd, are intelligent voice product development. As of March 31, 2023, the balance of accumulate unrealized evaluation losses amounted to $5,836.

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the three months ended March 31, 2023 and 2022.

Please refer to Note 6(r) for fair value of financial instrument.

The aforesaid financial assets were not pledged as collateral.

(c) Notes and accounts receivable

	March 31, 2023	December 31, 2022	March 31, 2022
Notes receivable	$ 3,738	-	5,255
Accounts receivable	92,864	66,917	89,319
Less: Loss allowance	(7,530)	(5,960)	(5,830)
	$ 89,072	60,957	88,744

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables on March 31, 2023, December 31, 2022 and March 31, 2022. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision was determined as follows:

	March 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not past due	$ 81,705	0.00%~3.01%	2,037
Less than 30 days past due	7,122	4.73%~16.02%	297
31 to 90 days past due	2,026	21.64%~44.27%	440
More than 91 days past due	5,749	47.26%~100.00%	4,756
	$ 96,602		7,530

	December 31, 2022		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not past due	$ 58,141	0.00%~2.49%	1,111
Less than 30 days past due	3,399	2.30%~15.90%	108
31 to 90 days past due	607	2.30%~38.45%	67
More than 91 days past due	4,770	39.14%~100.00%	4,674
	$ 66,917		**5,960**

	March 31, 2022		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not past due	$ 65,956	0.00%~1.34%	784
Less than 30 days past due	13,546	1.33%~1.92%	180
31 to 90 days past due	7,050	1.33%~20.54%	94
91 to 180 days past due	6,500	1.33%~50.00%	3,250
More than 181 days past due	1,522	1.33%~100.00%	1,522
	$ 94,574		**5,830**

The movement in the allowance for notes and accounts receivable was as follows:

	For the three months ended March 31,	
	2023	**2022**
Balance at January 1	$ 5,960	6,702
(Reversal of) impairment losses recognized	1,570	(872)
Balance at March 31	**$ 7,530**	**5,830**

(d) Other receivables

	March 31, 2023	**December 31, 2022**	**March 31, 2022**
Other receivables	$ 33,968	35,311	31,329
Less: Loss allowance	(7,342)	(7,846)	(4,478)
	$ 26,626	**27,465**	**26,851**

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for other receivables on March 31, 2023, December 31, 2022 and March 31, 2022. To measure the expected credit losses, other receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowance provision as of March 31, 2023, December 31, 2022 and March 31, 2022 were determined as follows:

	March 31, 2023		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not past due	$ 17,595	0.00%~6.71%	1,029
Less than 30 days past due	5,008	35.23%	1,764
31 to 90 days past due	6,932	35.34%~35.45%	2,452
More than 91 days past due	4,433	44.80%~100%	2,097
	$ 33,968		**7,342**

	December 31, 2022		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not past due	$ 17,059	0.00%~6.22%	862
Less than 30 days past due	5,713	35.12%	2,006
31 to 90 days past due	6,923	35.19%~35.27%	2,437
More than 91 days past due	5,616	45.25%~100%	2,541
	$ 35,311		**7,846**

	March 31, 2022		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not past due	$ 13,778	0.00%~1.47%	204
Less than 30 days past due	6,256	0.00%~2.76%	172
31 to 90 days past due	6,181	2.77%~10.00%	370
More than 91 days past due	5,114	2.98%~70.00%	3,732
	$ 31,329		**4,478**

The movement in the allowance for other receivables was as follows:

	For the three months ended March 31,	
	2023	**2022**
Balance at January 1	$ 7,846	4,329
(Reversal of) impairment losses recognized	(504)	149
Balance at March 31	**$ 7,342**	**4,478**

(e) Inventories

		March 31, 2023	December 31, 2022	March 31, 2022
Raw materials and consumables	$	32,187	41,358	11,968
Work in process		4,076	6,739	2,919
Finished goods		11,200	16,449	11,702
Merchandise		45,747	27,046	23,977
	$	**93,210**	**91,592**	**50,566**

For the three months ended March 31, 2023 and 2022, the components of cost of goods sold were as follows:

		For the three months ended March 31,	
		2023	**2022**
Cost of goods sold	$	132,990	154,462
Loss (reversal of) on inventory valuation and obsolescence		153	(197)
Total	**$**	**133,143**	**154,265**

The allowance for inventory valuation and obsolescence loss was due to the decline of inventory to net realizable value or obsolescence, which was recognized as cost of goods sold. However, its reversal was due to the disappearance of the inventories abandoned that resulted in net realizable value which was lower than the costs, and the increase in net realizable value was due to the decrease of the operation costs.

As of March 31, 2023, December 31, 2022 and March 31, 2022 the inventories were not pledged as collateral.

(f) Property, plant, and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group were as follows:

	Land	Building and construction	Machinery and equipment	Other facilities	Total
Cost or deemed cost:					
Balance at January 1, 2023	$ 60,950	68,633	22,033	64,056	215,672
Additions	-	-	20	146	166
Effect of movements in exchange rates	-	106	46	12	164
Balance at March 31, 2023	**$ 60,950**	**68,739**	**22,099**	**64,214**	**216,002**
Balance at January 1, 2022	$ 60,950	68,457	25,942	55,040	210,389
Additions	-	-	-	638	638
Disposals	-	-	-	(224)	(224)
Effect of movements in exchange rates	-	494	318	54	866
Balance at March 31, 2022	**$ 60,950**	**68,951**	**26,260**	**55,508**	**211,669**
Depreciation and impairment losses:					
Balance at January 1, 2023	$ -	20,565	21,488	44,661	86,714
Depreciation for the period	-	338	78	2,258	2,674
Effect of movements in exchange rates	-	59	46	10	115
Balance at March 31, 2023	**$ -**	**20,962**	**21,612**	**46,929**	**89,503**
Balance at January 1, 2022	$ -	19,120	24,874	37,108	81,102
Depreciation for the period	-	338	100	2,181	2,619
Disposals	-	-	-	(224)	(224)
Effect of movements in exchange rates	-	263	312	50	625
Balance at March 31, 2022	**$ -**	**19,721**	**25,286**	**39,115**	**84,122**

		Land	Building and construction	Machinery and equipment	Other facilities	Total
Carrying amounts:						
Balance at January 1, 2023	$	60,950	48,068	545	19,395	128,958
Balance at March 31, 2023	$	60,950	47,777	487	17,285	126,499
Balance at January 1, 2022	$	60,950	49,337	1,068	17,932	129,287
Balance at March 31, 2022	$	60,950	49,230	974	16,393	127,547

(g) Right-of-use assets

		Building	Machinery and equipment	Total
Carrying amounts:				
Balance at January 1, 2023	$	12,031	1,593	13,624
Balance at March 31, 2023	$	11,060	1,448	12,508
Balance at January 1, 2022	$	12,943	-	12,943
Balance at March 31, 2022	$	13,289	-	13,289

There were no significant additions, disposal, or impairment in right-of-use assets for the three months ended March 31, 2023 and 2022. For other information, please refer to Note 6(g) of the consolidated financial statements for the year ended December 31, 2022.

(h) Intangible assets

		Trademark	Royalties	Other intangible assets	Total
Carrying amounts:					
Balance at January 1, 2023	$	6,312	2,707	886	9,905
Balance at March 31, 2023	$	6,312	2,237	686	9,235
Balance at January 1, 2022	$	6,312	3,507	1,224	11,043
Balance at March 31, 2022	$	6,312	2,549	837	9,698

There were no significant additions, disposal, or impairment in Intangible assets for the three months ended March 31, 2023 and 2022. For other information, please refer to Note 6(h) of the consolidated financial statements for the year ended December 31, 2022.

The Group performs the impairment test where there are indications of impairment of intangible assets and the recoverable amount is determined by the value in use.

The accumulated impairment losses on other royalties amounted to $47,865 as of March 31, 2023, December 31, 2022 and March 31, 2022.

(i) Other financial assets

The Group other financial assets were as follows:

		March 31, 2023	December 31, 2022	March 31, 2022
Time deposits over three months	$	32,925	32,455	32,762
Refundable deposits		17,265	18,477	17,444
Pledged time deposits		2,000	2,000	2,000
Total	$	52,190	52,932	52,206

As of March 31, 2023, December 31, 2022 and March 31, 2022, the details of other financial assets were pledged as collateral, please refer to Note 8.

(j) Lease liabilities

The carrying amounts of lease liabilities of the Group were as follows:

		March 31, 2023	December 31, 2022	March 31, 2022
Current	$	3,736	3,851	3,272
Non-current	$	7,305	8,293	9,768

For the maturity analysis, please refers to Note 6(r) of financial instruments.

The amounts recognized in profit or losses were as follows:

		For the three months ended March 31, 2023	2022
Interest on lease liabilities	$	72	68
Expenses relating to short-term leases	$	53	66

The amounts recognized in the statement of cash flows for the Group were as follows:

		For the three months ended March 31, 2023	2022
Total cash outflow for leases	$	1,239	1,497

1.Real estate leases

The Group leases buildings for its office space. The leases of office space typically run for 1 to 5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

2.Other leases

The Group also leases office equipment, which are short-term or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(k) Employee benefits

1.Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim consolidated financial statements was measured and disclosed according to the actuarial results as of December 31, 2022 and 2021. The details of the Group's expenses were as follows:

	For the three months ended March 31,	
	2023	**2022**
Operating costs	$ 6	7
Selling expenses	34	31
Administrative expenses	43	33
Research and development expenses	15	15
Total	**$ 98**	**86**

2.Defined contribution plans

	For the three months ended March 31,	
	2023	**2022**
Operating costs	$ 59	75
Selling expenses	990	776
Administrative expenses	212	205
Research and development expenses	341	359
Total	**$ 1,602**	**1,415**

The pension expenses contributed by the foreign entities following the local regulations amounted to $448 and $465 for the three months ended March 31, 2023 and 2022, respectively.

(l) Income taxes

1.Income tax expense

The details of the Group's income tax expenses were as follows:

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Current income tax expense		
Current period	$ -	-
Income tax expense from continuing operations	$ -	-

The Group had not recognized the income tax in other comprehensive income (loss) for the three months ended March 31, 2023 and 2022.

2.Assessment of tax

The Company's tax returns for the years through 2020 were assessed by the Tax Authority.

(m) Capital and other equity

Except for the following disclosures, there was no significant change for capital and other equity for the three months ended March 31, 2023 and 2022. For the related information, please refer to Note 6(m) of the consolidated financial statements for the year ended December 31, 2022.

1.Capital surplus

The components of the capital surplus were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Share premium from issuance of share capital	$ 100,180	100,180	100,180

In accordance with the ROC company Act, realized capital reserves can only be reclassified as share capital or distributed as cash dividends after offsetting a deficit. The aforementioned realized capital surplus includes share premiums and donation gains. In accordance with the securities offering and Issuance Guidelines, the amount of capital reserve that can be capitalized shall not exceed 10% of the total actual share capital amount.

2.Retained earnings

If there is any surplus in the Company's annual final accounts, the Company shall first pay taxes and make up for accumulated losses over the years, and then set aside 10% as the legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. The special capital reserve shall be allocated or converted according to laws or regulation or as requested by business. Any remaining surplus shall be added to the accumulated undistributed earnings of the previous years.

The Board of Directors may prepare a proposal for its distribution, and if new shares are to be issued as the form of distribution, the proposal shall be submitted to the shareholders meeting for resolution before the distribution. The Company authorizes the distributable dividends and bonuses, or legal reserve and capital reserve (reserve which exceeds 25 percent of the paid-in capital) as stipulated in Company Act, in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition, there to a report of such distribution shall be submitted to the shareholders’ meeting.

3.Earnings distribution

On March 13, 2023, the Company's Board of Directors resolved to offset the 2022 accumulated deficits. On June 15, 2022, the Company's shareholder's meeting resolved to distribute the 2021 earning.

The information on prior year’s distribution of the Company’s earnings were announced through the Market Observation Post System on the internet.

4.Other equity (net of taxes)

		Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income
Balance at January 1, 2023	$	48,864	(162,722)
Exchange differences on foreign operations		681	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		-	1,486
Balance at March 31, 2023	$	49,545	(161,236)
Balance at January 1, 2022	$	47,738	(161,700)
Exchange differences on foreign operations		3,207	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		-	(2,082)
Balance at March 31, 2022	$	50,945	(163,782)

(n) Earnings per share

The following are the calculation of basic earnings per share and diluted earnings per share:

		For the three months ended March 31, 2023	2022
Basic and Diluted (losses) earnings per share			
Losses attributable of the Company	$	(22,015)	(19,387)
Weighted average number of outstanding ordinary shares (Basic) (thousands share)		62,366	62,366
Basic (losses) earnings per share (dollars)	$	(0.35)	(0.31)

The Group did not list the diluted (losses) earnings per share, because the Group incurred net loss after tax for the three months ended March 31, 2023 and 2022, which will lead to anti-dilutive effect while calculating potential items form diluted earnings per share.

(o) Revenue from contracts with customers

1.Disaggregation of revenue

		For the three months ended March 31, 2023	2022
Primary geographical markets:			
Taiwan	$	78,947	108,952
Japan		41,597	34,597
Czech Republic		13,491	8,326
Singapore and Malaysia		6,098	3,832
America and Canada		5,187	13,002
Other countries		7,182	6,105
	$	152,502	174,814
Major products:			
Sales of products	$	139,861	167,754
Rendering of services		12,641	7,060
	$	152,502	174,814

2.Contract balances

	March 31, 2023	December 31, 2022	March 31, 2022
Notes and accounts receivable	$ 96,602	66,917	94,574
Less: Loss allowance	(7,530)	(5,960)	(5,830)
Total	**$ 89,072**	**60,957**	**88,744**
Contract assets	$ 623	703	2,263
Less: Loss allowance	-	(16)	(30)
Total	**$ 623**	**687**	**2,233**
Contract liabilities	**$ 13,173**	**12,063**	**7,928**

Please refer to Note 6(c) for details on notes and accounts receivable and allowance for impairment. The amounts of revenue recognized for the three months ended March 31, 2023 and 2022, that were included in the contract liability balance at the beginning of the period were $8,723 and $ 268, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation that the Group derived from the transfer of a good or service to the customer to be satisfied and the payment to be received.

(p) Remuneration of employees and directors

In accordance with Articles of Incorporation, if the Company has a profit of the year shall distribute not less than 3% of the balance as remuneration to Employees and not more than 3% to Directors of the Corporation. However, require that earnings shall first be offset against any deficit. In the preceding paragraphs distributed in the form of cash or in shares; the qualification requirements including the employees of subsidiaries of the company. The conditions and measures set by the Board of Directors.

The Group incurred losses before tax for the three months ended March 31, 2023 and 2022, and thus, the Group was not accrued any remuneration to its employees and directors.

(q) Non-operating income and expenses

1.Interest income

The details of interest income were as follows:

	For the three months ended March 31,	
	2023	**2022**
Interest income		
Bank deposits	$ 1,152	444
Others	31	39
	$ 1,183	**483**

2.Other income

The details of other income were as follows:

	For the three months ended March 31,		
		2023	2022
Rental income	$	1,990	1,965
Others		40	16
	$	2,030	1,981

3.Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended March 31,		
		2023	2022
Foreign exchange gains (losses)	$	(429)	3,364
Others		(134)	(11)
	$	(563)	3,353

4.Finance costs

The details of finance cost were as follows:

	For the three months ended March 31,		
		2023	2022
Interest expenses			
Bank borrowings	$	124	28
Others		72	68
	$	196	96

(r) Financial instruments

Except as described in the following paragraph, there were no significant changes in the Group’s fair value of financial instruments exposed to credit risk, liquidity risk and market risk. For other related information, please refer to Note 6(r) of the consolidated financial statements for the year ended December 31, 2022.

1.Credit risk

1)Receivables and equity securities of credit risk

Please refer to Note 6(c) for notes and accounts receivable of credit risk exposure. Please refer to Note 6(d) for impairment of financial assets at amortized cost including other receivables, etc.

Please refer to Note 6(b) of details on investments and financial instruments at fair value through other comprehensive income including private stock, etc.

2.Liquidity risk

The following are the contractual maturities of financial liabilities of the Group, including the impact of netting arrangements:

		Carrying amount	Contractual cash flows	Within 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Balance at March 31, 2023								
Non-derivative financial liabilities								
Accounts payable	$	92,152	92,152	92,152	-	-	-	-
Other payables		24,286	24,286	24,286	-	-	-	-
Lease liabilities		11,041	11,383	1,837	2,067	3,505	3,854	120
Receipts under custody (reported as other current liabilities)		1,710	1,710	1,710	-	-	-	-
Guarantee deposits received (reported as other non-current liabilities)		5,737	5,737	4,041	605	10	1,081	-
	$	**134,926**	**135,268**	**124,026**	**2,672**	**3,515**	**4,935**	**120**
Balance at December 31, 2022								
Non-derivative financial liabilities								
Accounts payable	$	92,945	92,945	92,945	-	-	-	-
Other payables		39,480	39,480	39,480	-	-	-	-
Lease liabilities		12,144	12,557	1,988	2,064	4,127	4,138	240
Receipts under custody (reported as other current liabilities)		1,971	1,971	1,971	-	-	-	-
Guarantee deposits received (reported as other non-current liabilities)		2,514	2,514	513	913	-	1,088	-
	$	**149,054**	**149,467**	**136,897**	**2,977**	**4,127**	**5,226**	**240**

Balance at March 31, 2022								
Non-derivative financial liabilities								
Notes payable	$	125	125	125	-	-	-	-
Accounts payable		50,862	50,862	50,862	-	-	-	-
Other payables		29,523	29,523	29,523	-	-	-	-
Lease liabilities		13,040	13,654	1,600	1,889	3,888	5,969	308
Receipts under custody (reported as other current liabilities)		1,733	1,733	1,733	-	-	-	-
Guarantee deposits received (reported as other non-current liabilities)		2,277	2,277	338	198	898	843	-
	$	**97,560**	**98,174**	**84,181**	**2,087**	**4,786**	**6,812**	**308**

The Group is not expecting that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

3.Market risk

1)Currency risk

The Group's exposures to significant currency risk were those from its foreign currency denominated financial assets and liabilities as follows:

	March 31, 2023			
		Foreign currency (In thousand)	**Exchange rate**	**TWD**
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	$	4,806	USD：TWD 30.4400	146,295
		6	USD：CNY 6.8713	183
CNY		11	CNY：TWD 4.4300	49
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD		1,264	USD：TWD 30.4400	38,476

	December 31, 2022			
	Foreign currency (In thousand)		Exchange rate	TWD
Financial assets				
Monetary items				
USD	$	4,042	USD：TWD 30.6750	123,988
		64	USD：CNY 6.9748	1,963
CNY		19	CNY：TWD 4.3980	84
Financial liabilities				
Monetary items				
USD		1,355	USD：TWD 30.6750	41,565

	March 31, 2022			
	Foreign currency (In thousand)		Exchange rate	TWD
Financial assets				
Monetary items				
USD	$	4,782	USD：TWD 28.5750	136,646
		44	USD：CNY 6.3585	1,257
CNY		28	CNY：TWD 4.4940	126
Financial liabilities				
Monetary items				
USD		842	USD：TWD 28.5750	24,060

The Group’s exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, accounts payable and other payables that are denominated in foreign currency. A 0.5% depreciation or appreciation of the NTD against the USD and CNY as of March 31, 2023 and 2022, and assumes all other variables factors that remain constant, would have increased or decreased the net loss after tax for the three months ended March 31, 2023 and 2022 by $540 and $570, respectively. The analysis is performed on the same basis for both periods.

2)Foreign exchange gain and loss on monetary items

The exchange gains (losses) of Group’s monetary items (included realized and unrealized) converted into the functional currency amount, and converted to the parent company’s functional currency Taiwan Dollar exchange rate information were as follow:

	For the three months ended March 31,			
	2023		2022	
	Foreign exchange gains (losses)	Average exchange rate	Foreign exchange gains (losses)	Average exchange rate
TWD	$ (204)	1.000	3,403	1.000
CNY	(225)	4.4140	(39)	4.4195

4.Interest risk

The interest rate exposure of the Group's financial assets and liabilities is described in Note on liquidity risk management.

The following sensitivity analysis is based on the risk exposure to the interest rate. The assets and liabilities with variable rates on the reporting date are access with the assumption that the amount of assets and liabilities outstanding at the maturity date.

If the interest rate increases or decreases by 0.5%, the Group's net loss will decrease or increase by $56 and $66 for the three months ended March 31, 2023 and 2022, assuming all other variable factors that remain constant. This is mainly due to the Group's time deposits in variable rate.

5.Fair value information

1)Fair value hierarchy

The Group's financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	March 31, 2023				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Unquoted equity instruments measured at fair value	$ 7,454	-	-	7,454	7,454
Financial assets at amortized cost					
Cash and cash equivalents	321,329	-	-	-	-
Notes receivable, accounts receivable and other receivables	115,698	-	-	-	-
Other financial assets	52,190	-	-	-	-
Subtotal	489,217	-	-	-	-
Total	**$ 496,671**	**-**	**-**	**7,454**	**7,454**
Financial liabilities at amortized cost					
Notes payable, accounts payable and other payables	$ 116,438	-	-	-	-
Lease liabilities	11,041	-	-	-	-
Receipts under custody (reported as other current liabilities)	1,710	-	-	-	-
Guarantee deposits received (reported as other non-current liabilities)	5,737	-	-	-	-
Total	**$ 134,926**	**-**	**-**	**-**	**-**

	December 31, 2022				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income					
Unquoted equity instruments measured at fair value	$ 5,871	-	-	5,871	5,871
Financial assets at amortized cost					
Cash and cash equivalents	390,986	-	-	-	-
Notes receivable, accounts receivable and other receivables	88,422	-	-	-	-
Other financial assets	52,932	-	-	-	-
Subtotal	532,340	-	-	-	-
Total	**$ 538,211**	**-**	**-**	**5,871**	**5,871**
Financial liabilities at amortized cost					
Notes payable, accounts payable and other payables	$ 132,425	-	-	-	-
Lease liabilities	12,144	-	-	-	-
Receipts under custody (reported as other current liabilities)	1,971	-	-	-	-
Guarantee deposits received (reported as other non-current liabilities)	2,514	-	-	-	-
Total	**$ 149,054**	**-**	**-**	**-**	**-**

	March 31, 2022				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Unquoted equity instruments measured at fair value	$ 5,100	-	-	5,100	5,100
Financial assets at amortized cost					
Cash and cash equivalents	407,910	-	-	-	-
Notes receivable, accounts receivable and other receivables	115,595	-	-	-	-
Other financial assets	52,206	-	-	-	-
Subtotal	575,711	-	-	-	-
Total	**$ 580,811**	**-**	**-**	**5,100**	**5,100**
Financial liabilities at amortized cost					
Notes payable, accounts payable and other payables	$ 80,510	-	-	-	-
Lease liabilities	13,040	-	-	-	-
Receipts under custody (reported as other current liabilities)	1,733	-	-	-	-
Guarantee deposits received (reported as other non-current liabilities)	2,277	-	-	-	-
Total	**$ 97,560**	**-**	**-**	**-**	**-**

2)Valuation techniques for financial instruments measured at fair value

2.1)Non-derivative financial instruments

The fair value of financial instruments is evaluated by using the valuation technique or prices of financial instruments of comparable peers that are publicly traded. The fair value acquired through valuation technique may refer to other financial instruments with substantially similar conditions and characteristics, discounted cash flow analysis or other valuation technique, including the market information can be obtained on the consolidated balance sheet date and calculated using the model.

The stocks, drafts and bonds of listed companies are financial assets and liabilities with standard terms and conditions which are traded in the active markets. Their fair values are based on the quoted market prices.

For equity instruments that have no quoted prices, the comparable listed companies' method is used to estimate their fair values. The main assumption for the model is the earnings before interests, taxes, depreciation and amortization, and the earnings multiplier derived from comparable listed companies. The estimate has adjusted the impact of the lack of market liquidity of the equity securities.

Fair value is a quoted price in an active market if the markets for financial instruments have quoted price. The fair values of equity instrument listed companies and debt instruments quoted price in active market are based on published price in the mainly active securities exchange and Central Government Bonds (CGBs) in the OTC market. If quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have quoted price in active market. If a financial instrument does not accord with the definition aforementioned, then it is considered to be without quoted price in active market. In general, market with low trading volume or high bid-ask spreads is an indication of non-active market.

3)Reconciliation of level 3 fair value

	Fair value through other comprehensive income	
	Unquoted equity instruments	
Balance at January 1, 2023	$	5,871
Total gains and losses recognized in		
Other comprehensive income		1,486
Effect of movements in exchange rate		97
Balance at March 31, 2023	**$**	**7,454**
Balance at January 1, 2022	$	6,735
Total gains and losses recognized in		
Other comprehensive income		(2,082)
Effect of movements in exchange rate		447
Balance at March 31, 2022	**$**	**5,100**

For the three months ended March 31,2023 and 2022, total gains and losses included in "unrealized gains and losses from equity securities at fair value through other comprehensive income" were as follows:

	For the three months ended March 31,	
	2023	**2022**
Total gains and losses recognized:		
In other comprehensive income, and presented in "unrealized gains and losses from equity securities at fair value through other comprehensive income"	$ 1,486	(2,082)

4)The quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "financial assets measured at fair value through other comprehensive income – equity securities".

The Group's financial assets at fair value through other comprehensive income-equity securities without an active market have more than one significant unobservable inputs. The significant unobservable inputs of financial assets at fair value through other comprehensive income-equity securities without an active market are individually independent, and there is no correlation between them.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation Technique	Significant Non- observable Input	The Relationship between Significant Non-observable Input and Fair Value
Financial assets at fair value through other comprehensive income - equity securities without an active market	Comparable listed companies' method	• Multiplier of price-to-book ratio (As of March 31, 2023, December 31, 2022 and March 31, 2022 were 3.17~5.82、2.84~4.36 and 3.75~5.22) • Market illiquidity discount (As of March 31, 2023, December 31, 2022 and March 31, 2022 were all 15%~20%)	• The higher the PB, the higher the fair value. • The higher the illiquidity discount rate, the lower the fair value.

5)Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's fair value measurement on financial instruments is reasonable. The measurement would differ if different valuation models or valuation parameters are used. For financial instruments using level 3 inputs, if the valuation parameters are changed, the impact on net income or loss and other comprehensive income or loss were as follows:

	Input	Variation	Impact of Fair Value Change on Other Comprehensive income or loss	
			Favorable Change	**Unfavorable Change**
March 31, 2023				
Financial assets at fair value through other comprehensive income				
Equity securities without an active market	Multiplier of price-to-book ratio	5%	$ 372	(372)
Equity securities without an active market	Market illiquidity discount	5%	465	(465)
			$ 837	**(837)**
December 31, 2022				
Financial assets at fair value through other comprehensive income				
Equity securities without an active market	Multiplier of price-to-book ratio	5%	$ 294	(294)
Equity securities without an active market	Market illiquidity discount	5%	367	(367)
			$ 661	**(661)**
March 31, 2022				
Financial assets at fair value through other comprehensive income				
Equity securities without an active market	Multiplier of price-to-book ratio	5%	$ 256	(256)
Equity securities without an active market	Market illiquidity discount	5%	319	(319)
			$ 575	**(575)**

The favorable change and unfavorable change refer to the fluctuation of fair value. The fair value is calculated based on the different levels of unobservable inputs. The table above shows the impact on single input. Therefore, the relations and variations between inputs are not considered.

(s) Financial risk management

There were no significant changes in the Group's objectives and policies applied in the financial risk management as compared to Note 6(s) of the consolidated financial statements for the year ended December 31, 2022.

(t) Capital management

The Group's objectives, policies, and processes for capital management were consistent with the consolidated financial statements for the year ended December 31, 2022. There were no significant changes in the quantified factors of capital management as compared to the consolidated financial statements for the year ended December 31, 2022. For other information about the capital management, please refer to Note 6(t) of the consolidated financial statements for the year ended December 31, 2022.

(u) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flows for the three months ended March 31, 2023 and 2022, were as follow:

Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	January 1,2023	**Cash flows**	**Other**	**Foreign exchange movement**	**March 31, 2023**
Lease liabilities	$ 12,144	(1,114)	-	11	11,041
Total liabilities from financing activities	**$ 12,144**	**(1,114)**	**-**	**11**	**11,041**

			Non-cash changes		
	January 1,2022	**Cash flows**	**Other**	**Foreign exchange movement**	**March 31, 2022**
Lease liabilities	$ 13,152	(1,363)	1,159	92	13,040
Total liabilities from financing activities	**$ 13,152**	**(1,363)**	**1,159**	**92**	**13,040**

(7) Related Party Transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Inventec Corporation	The entity with significant influence over the Group
Inventec Appliances Corp.	Other related party of the Group
Inventec (Pudong) Technology Corp.	〃
SQ Technology (Shanghai) Corporation	〃
AIMobile Co., Ltd.	〃
Inventec Appliances (XI'AN) Corporation	〃
Anhui Raise Victa Technology Co., Ltd.	〃

(b) Significant transactions with related parties

1.Sales revenue

The amounts of significant sales by the Group to related parties were as follows:

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Associates	$ 8,790	1,761
Other related parties	297	3,118
	$ 9,087	**4,879**

Prices for the sales above were negotiated, the sales prices and collection terms aren't the same as those with other customers. The collection terms are within 30 and 90 days after arrival.

2.Purchases

The amounts of purchases by the Group from related parties were as follows:

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Associates	$ -	300
Others related parties	-	270
	$ -	**570**

Prices for the purchases above were negotiated, there is no other vendor as comparison for the above purchases, and the payment term is under conditions of purchase.

3.Receivables from related parties

The receivables by the Group from related parties were as follows:

Financial statement account	Related party categories	March 31, 2023	December 31, 2022	March 31, 2022
Accounts receivable	Associates	$ 4,249	2,392	1,758
〃	Others related parties	1,689	5,250	3,265
Other receivables	Associates	-	1,309	-
〃	Others related parties	37	-	-
		$ 5,975	8,951	5,023

4.Payables to related parties

The payables by the Group to related parties were as follows:

Financial statement account	Related party categories	March 31, 2023	December 31, 2022	March 31, 2022
Accounts payable	Others related parties	$ 2	-	-
Other payables	Associates	134	2	-
		$ 136	2	-

5.Other expense and income

Financial statement account	Related party categories	For the three months ended March 31, 2023	2022
Other expenses	Associates	$ 143	61
Other income	Others related parties	$ 35	-

6.Others

1)The Group receive $46 and $429 from its associates and other related parties for advance payment on March 31, 2023 and December 31, 2022.

2)The Group paid $79、$269 and $79 to its other related parties for the refundable deposits on March 31, 2023, December 31, 2022 and March 31, 2022.

3)The Group paid $237、$237 and $240 to its associates for the guaranteed notes in deposit on March 31, 2023, December 31, 2022 and March 31, 2022.

7.Leases

The Group rented an office building from Inventec Corporation in April 2016 and October 2017, and extended lease period in December 2020. The rental fee is determined based on nearby office rental rates. The total value of the contract was $19,956. The Group terminated the lease contract in September 2020 and decrease lease liabilities amount of $1,975. For the three months ended March 31, 2023 and 2022, the Group recognized the amount of $8 and $12 as interest expense. As of March 31, 2023, December 31, 2022 and March 31, 2022, the balance of lease liabilities amounted to $1,933、$2,205 and $3,015.

The Group rented an IDC from Inventec Corporation in March 2018 and signed the addendum to lease agreement in 2019 to 2021. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term. The total value of the contract was $18,318. For the three months ended March 31,2023 and 2022, the Group recognized the amount of $4 and $8 as interest expense. As of March 31, 2023, December 31, 2022 and March 31, 2022, the balance of lease liabilities amounted to $821、$936 and $1,280.

In January 2019, the Group rented an office building from Inventec Appliances (XI'AN) Corporation. The rental fee is determined based on nearby office rental rates. The total value of the contract was RMB 1,027 thousand. For the three months ended March 31, 2023 and 2022, the Group recognized the amount of $33 and $29 as interest expense. As of March 31, 2023, December 31, 2022 and March 31, 2022, the balance of lease liabilities amounted to $1,324、$1,663 and $2,186.

(c) Key management personnel compensation

Key management personnel compensation including:

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Short-term employee benefits	$ 3,893	4,496
Post-employment benefits	54	81
	$ 3,947	**4,577**

(8) Pledged Assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	March 31, 2023	December 31, 2022	March 31, 2022
Other current financial assets	Performance bond	$ 6,219	5,906	4,639
Other non-current financial assets	Customs duty guarantee, performance bond etc.	13,046	14,571	14,805
		$ 19,265	**20,477**	**19,444**

(9) Significant Commitments and Contingencies

(a) Major Commitments:

1.Promissory notes issued for bank credit and lease, were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Notes issued as guarantee	$ 359,059	359,059	390,362

2.For part of the material royalty contracts, the Group paid based on sales volume and minimum guaranteed payment, were as follow:

	March 31, 2023	December 31, 2022	March 31, 2022
TWD	$ 1,412	520	1,507
USD	$ 53	53	40

3.Amount of sales contract that has been promised and undelivered, were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Amounts of promised sales with undelivered goods	$ 48,461	51,305	71,364

4.Amount of purchase contract that has been signed and undelivered, were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Amounts of promised purchase with unreceived goods	$ 15,381	48,710	53,904

5.For the March 31, 2023, December 31, 2022 and March 31, 2022 , the guarantee notes received for stock up and engineering projects amounted to $5,500 、$1,000 and $0, respectively.

(b) Contingencies: None.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Others

(a) The employee benefits, depreciation, depletion, and amortization expenses categorized by function were as follows:

By function / By item	For the three months ended March 31,					
	2023			2022		
	Operating Cost	Operation Expenses	Total	Operating Cost	Operation Expenses	Total
Employee benefits						
Salary	1,045	25,547	26,592	1,376	28,966	30,342
Labor and health insurance	112	2,385	2,497	126	2,798	2,924
Pension	65	2,083	2,148	82	1,884	1,966
Others	11	1,394	1,405	15	1,335	1,350
Depreciation	2,500	1,300	3,800	2,145	1,390	3,535
Amortization	146	1,091	1,237	125	1,558	1,683

(13) Other Disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31,2023:

1.Loans to other parties: None.

2.Guarantees and endorsements for other parties: None.

3.Securities held as balance sheet data (excluding investment in subsidiaries, associates, and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Notes
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Inventec Solar Energy Corporation	Other related parties	Non-current financial assets at fair value through other comprehensive income	15,450,000	-	4.78%	-	
Besta Digital Technology Co., Ltd.	Anhui Raise Victa Technology Co., Ltd.	-	〃	494,506	7,454	9.00%	7,454	

4.Individual securities acquired or disposed of with accumulated amount exceeding the lower of TWD300 million or 20% of the capital stock: None.

5.Acquisition of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: None.

6.Disposal of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: None.

7.Related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 million or 20% of the capital stock: None.

8.Receivables from related parties with amounts exceeding the lower of TWD100 million or 20% of capital stock: None.

9.Trading in derivative instruments: None.

10.Business relationships and significant intercompany transactions: None.

(b) Information on investees:

For the three months ended March 31,2023, the following was the information on investees (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of the investor	Name of investee	Location	Main businesses and products	Initial investment amount		Ending balance			Net income (loss) of the investee	Investment income (losses)	Notes
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value			
The Company	Inventec Besta (BVI) Co., Ltd.	B.V.I.	Investment management	318,993	318,993	10,258,000	100.00%	38,898	980	(229)	Subsidiary (The difference was unrealized the gross profit of sales)
〃	Besta (Cayman) Co., Ltd.	Cayman	〃	1,137,242	1,137,242	35,502,000	100.00%	121,634	131	131	〃

Note 1: The aforementioned intercompany transactions have been eliminated in the consolidated financial statements.
Note 2: If aforementioned amount is related to foreign currency, it would be expressed in New Taiwan Dollar at exchange rate of reporting date. The amount of foreign currency of investment income (loss) is expressed in New Taiwan Dollar at average exchange rate.

(c) Information on investment in Mainland China:

1.The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main business and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2023	Net income (loss) of the investee	Percentage of ownership	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period
					Out-flow	Inflow						
Inventec Besta (XiAn) Co., Ltd.	Design and research of consumer electronic products	197,860	(二)	187,206	-	-	187,206	993	100.00%	993	10,779	-
Besta Digital Technology Co., Ltd.	Sale of electronic dictionaries and PDA-related products	365,280	(二)	365,280	-	-	365,280	154	100.00%	154	72,910	-
Besta (Kunshan) Co., Ltd. (note 7)	Sale of consumer electronics and related products	273,960	(二)	273,960	-	-	273,960	-	100.00%	-	5,340	-

2.Limitation on investment in Mainland China:

Name of Company	Accumulated Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by investment Commission, MOEA	Upper Limit on Investment
Inventec Besta Co., Ltd.	1,541,786	1,541,786	343,270

Note 1: There are three modes of investments as following:
(a) Directly invest in China Company.
(b) Invest in China Company by the company which set up in third area by the Company.
(c) Others.

Note 2: The base of recognition of investment income (loss) is the financial statement reviewed by CPA or prepared by company of the investee company.

Note 3: If aforementioned amount is related to foreign currency, it would be expressed in New Taiwan Dollar at exchange rate of reporting date. The amount of foreign currency of investment income (loss) is expressed in New Taiwan Dollar at average exchange rate.

Note 4: The accumulated investment in Mainland China and investment amounts authorized by Investment Commission, MOEA, in accordance with the regulation of amended limitation calculation of Investment Commission on August 29, 2008, MOEA (IDB) committed the Company were in the scope of operating headquarter; therefore, there is no need to calculate the limitation. If the Company has additional investments in the mainland China in the future, pursuant to the Regulations Governing Permission for Investment and Technical Cooperation in the Mainland area, the upper limit on investment is higher of 60% of net value or consolidated net value, and the accumulated investment was recalculated to determine whether the investment exceeds the limit. The originally approved investment in Mainland China shall not be recalculated.

Note 5: Golden Electronics China Co., Ltd. and iSing Music Technology (Beijing) Co., Ltd. were liquidated in 2004 and 2018, respectively, wherein both liquidation procedures had been approved by the Investment Commission, MOEA. Since both companies have no capital to be remitted back to their parent companies in Taiwan after the liquidation process, the initial investment of both companies amounting to $304,400 and $410,940 respectively, have already been included in the Accumulated Investment in Mainland China.

Note 6: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 7: The boards of directors resolved to dissolve Besta (Kunshan) Co., Ltd. on June 27, 2022, and the liquidation process is still in progress.

3.Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China for the three months ended March 31, 2023, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

(d) Major shareholders:

Unit: share

Shareholding / Shareholder’s Name	Shares	Percentage
Inventec Corporation	23,404,962	37.52%

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 (includes treasury shares) by the Company as of the last business day of the current quarter. The share capital in the financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

2) Regarding the above matter, if the shareholders deliver the shares to the trust company, those shares will be disclosed by the trustee who opened the trust account separately. As for the shareholders conducting an insider equity declaration in

accordance with the Securities Exchange Act, the number of shares held by shareholders include the number of shares held by themselves, plus, the number of shares delivered by the shareholders to the trust which has discretion over the use of the trust assets. The information of insider trading would be available at the Market Observation Post System.

(14) Segment Information

(a) General information

The Group's reportable segments are Taiwan department. Taiwan department leads the development of the Group's products and is responsible for sales in Taiwan.

(b) Information about reportable segments and their measurement and reconciliations

The classification of the Group's reportable segments is based on sales regions and the function. There was no material difference between the accounting policies of the operating segment and the accounting policies described in Note 4. The Group's regional financial information were as follows:

	For the three months ended March 31,2023			
	Taiwan department	**Others department**	**Adjustment and elimination**	**Total**
Revenue:				
External customers	$ 148,637	5,524	(1,659)	152,502
Inter-company revenue	-	2,248	(2,248)	-
Total revenue	**$ 148,637**	**7,772**	**(3,907)**	**152,502**
Reportable segment profit (loss)	**$ (22,015)**	**1,111**	**(1,111)**	**(22,015)**

	For the three months ended March 31,2022			
	Taiwan department	**Others department**	**Adjustment and elimination**	**Total**
Revenue:				
External customers	$ 172,536	7,993	(5,715)	174,814
Total revenue	**$ 172,536**	**7,993**	**(5,715)**	**174,814**
Reportable segment profit (loss)	**$ (19,387)**	**5,406**	**(5,406)**	**(19,387)**