CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT

For the Six Months Ended June 30, 2023 and 2022

(Stock Code 5203)

Address: 15F., No.100, Minquan Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

CYBERLINK CORP. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT FOR THE SIX MONTHS ENDED JUNE 30, 2023 and 2022

Table of Contents

Independent Auditor's Review Report

(2023) Finance Review Report No. 23001135

To the Board of Directors and Stockholders of CyberLink Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of CyberLink Corp. and subsidiaries (the "Group") as of June 30, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and cash flows for the six months ended June 30, 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 the International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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 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 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.

Conclusion

Based on our reviews, 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 June 30, 2023 and 2022, as well as its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

PwC Taiwan

Huang, Chin-Lien

Certified Public Accountant

Lai, Chung-Hsi

July 26, 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China. The English version of the consolidated financial statements which used for translation are not reviewed by the CPA.

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

CYBERLINK CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

JUNE 30, 2023, DECEMBER 31, 2022 AND JUNE 30, 2022

(The balance sheets as of June 30, 2023 and 2022 are reviewed, not audited)

Unit: Amounts expressed in thousands of New Taiwan Dollars

			June 30, 2023 (Reviewed)		December 31, 2022 (Audited)		June 30, 2022 (Reviewed)	
	ASSETS	Notes	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 756,786	13	$ 1,743,889	30	$ 952,787	22
1110	Current financial assets at fair value through profit or loss	6(2)	20,309	-	20,193	1	80,082	2
1136	Current financial assets at amortized cost	6(3)	1,370,160	23	122,840	2	1,069,920	25
1140	Current contract assets	6(22)	13,733	-	13,154	-	-	-
1170	Accounts receivable, net	6(5)	89,093	2	119,289	2	76,096	2
1200	Other receivables		4,386	-	3,838	-	3,181	-
1210	Other receivables - related parties	7	2,156	-	2,577	-	2,139	-
1220	Current income tax assets		2,167	-	17,974	-	16,572	1
130X	Inventories		4,284	-	6,088	-	5,271	-
1470	Other current assets		21,806	-	13,834	-	12,873	-
11XX	**Total current assets**		2,284,880	38	2,063,676	35	2,218,921	52
	Non-current assets							
1510	Non-current financial assets at fair value through profit or loss	6(2)	290,370	5	280,625	5	323,379	8
1517	Non-current financial assets at fair value through other comprehensive income	6(4)	248	-	248	-	248	-
1550	Investment accounted for using the equity method	6(6) and 7	1,778,944	29	1,746,287	30	-	-
1600	Property, plant and equipment, net	6(7)	429,170	7	437,460	8	431,991	10
1755	Right-of-use assets	6(8) and 7	8,072	-	10,879	-	5,019	-
1760	Investment property, net	6(10)	1,221,095	20	1,226,913	21	1,232,732	29
1780	Intangible asset		589	-	2,250	-	963	-
1840	Deferred income tax assets		49,843	1	49,102	1	45,561	1
1900	Other non-current assets		20,244	-	6,801	-	6,790	-
15XX	**Total non-current assets**		3,798,575	62	3,760,565	65	2,046,683	48
1XXX	**Total assets**		$ 6,083,455	100	$ 5,824,241	100	$ 4,265,604	100

(Continue on next page)

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

CYBERLINK CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

JUNE 30, 2023, DECEMBER 31, 2022 AND JUNE 30, 2022

(The balance sheets as of June 30, 2023 and 2022 are reviewed, not audited)

Unit: Amounts expressed in thousands of New Taiwan Dollars

			June 30, 2023 (Reviewed)		December 31, 2022 (Audited)		June 30, 2022 (Reviewed)	
	Liabilities and Equity	Notes	Amount	%	Amount	%	Amount	%
	Current liabilities							
2130	Current contract liabilities	6(22)	$ 366,443	6	$ 258,117	4	$ 197,837	5
2170	Accounts payable	6(11)	64,748	1	54,967	1	61,900	2
2200	Other payables	6(12)	535,317	9	343,211	6	530,653	12
2220	Other payables - related parties	7	-	-	-	-	72	-
2230	Income tax payable		2,479	-	2,730	-	3,713	-
2280	Current lease liabilities	6(8) and 7	4,293	-	5,512	-	3,793	-
2300	Other current liabilities	6(13)	41,423	1	42,844	1	43,262	1
21XX	**Total current liabilities**		1,014,703	17	707,381	12	841,230	20
	Non-current liabilities							
2550	Non-current provisions	6(14)	372,612	6	389,716	7	523,102	12
2570	Deferred income tax liabilities		9,921	-	8,451	-	16,427	-
2580	Non-current lease liabilities	6(8) and 7	4,077	-	5,761	-	1,383	-
2600	Other non-current liabilities	6(15)	63,325	1	63,190	1	76,436	2
25XX	**Total non-current liabilities**		449,935	7	467,118	8	617,348	14
2XXX	**Total Liabilities**		1,464,638	24	1,174,499	20	1,458,578	34
	Equity							
	Equity attributable to shareholders of the parent							
	Capital Stock	6(18)						
3110	Common stock		789,418	13	789,418	13	788,308	19
	Capital surplus	6(19)						
3200	Capital surplus		2,488,941	40	2,468,920	43	717,658	16
	Retained earnings	6(20)						
3310	Legal reserve		1,092,794	18	1,092,794	19	1,092,794	26
3320	Special reserve		170,301	3	242,407	4	242,407	6
3350	Unappropriated earnings		233,240	4	226,504	4	180,800	4
	Other equity interest	6(21)						
3400	Other equity interest		(155,877)	(2)	(170,301)	(3)	(214,941)	(5)
31XX	**Equity attributable to shareholders of the parent**		4,618,817	76	4,649,742	80	2,807,026	66
3XXX	**Total equity**		4,618,817	76	4,649,742	80	2,807,026	66
	Significant Contingent Liabilities and Unrecognized Contract Commitments	6(8)(9) and 7						
3X2X	**Total liabilities and equity**		$ 6,083,455	100	$ 5,824,241	100	$ 4,265,604	100

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

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

CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Six Months Ended June 30, 2023 and 2022

(Reviewed, not audited)

Unit: Amounts expressed in thousands of New Taiwan Dollars
, except for Earnings per share

			Three Months Ended June 30				Six Months Ended June 30			
			2023		2022		2023		2022	
	Item	Notes	Amount	%	Amount	%	Amount	%	Amount	%
4000	Net revenue	6(22)	$ 445,663	100	$ 441,999	100	$ 876,353	100	$ 823,419	100
5000	Operating costs	6(23) (28)	(66,762)	(15)	(58,497)	(13)	(131,847)	(15)	(114,828)	(14)
5900	Gross profit		378,901	85	383,502	87	744,506	85	708,591	86
	Operating expenses	6(16) (28) (29) and 7								
6100	Sales and marketing expenses		(171,291)	(39)	(156,000)	(35)	(345,632)	(40)	(302,028)	(36)
6200	General and administrative expenses		(28,509)	(6)	(29,571)	(7)	(56,131)	(6)	(55,066)	(7)
6300	Research and development expenses		(139,260)	(31)	(135,253)	(31)	(269,394)	(31)	(269,930)	(33)
6000	Total operating expenses		(339,060)	(76)	(320,824)	(73)	(671,157)	(77)	(627,024)	(76)
6900	Operating income		39,841	9	62,678	14	73,349	8	81,567	10
	Non-operating income and expenses									
7100	Interest income	6(3) (24)	21,016	5	2,644	1	37,212	4	3,319	1
7010	Other income	6(9)(10) (25) and 7	15,783	4	17,820	4	34,159	4	35,435	4
7020	Other gains or losses	6(2) (26)	19,132	4	40,808	9	14,593	2	55,108	7
7050	Financial costs	6(8) (27) and 7	(39)	-	(18)	-	(81)	-	(33)	-
7000	Total non-operating income and expenses		55,892	13	61,254	14	85,883	10	93,829	12
7900	**Income before income tax**		95,733	22	123,932	28	159,232	18	175,396	22
7950	Income tax expenses	6(30)	(34,245)	(8)	(23,008)	(5)	(43,036)	(5)	(31,956)	(4)
8200	**Net income**		$ 61,488	14	$ 100,924	23	$ 116,196	13	$ 143,440	18
	Other comprehensive (loss) income									
	Components of other comprehensive income that will be reclassified to profit or loss subsequently									
8361	Exchange differences arising on translation of foreign operations	6(21)	$ 760	-	$ 9,293	2	($ 8,527)	(1)	$ 27,466	3
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method	6(6) (21)	37,713	8	-	-	22,951	3	-	-
8360	Components of other comprehensive income that will be reclassified to profit or loss subsequently		38,473	8	9,293	2	14,424	2	27,466	3
8300	**Other comprehensive income (net)**		$ 38,473	8	$ 9,293	2	$ 14,424	2	$ 27,466	3
8500	**Total comprehensive income**		$ 99,961	22	$ 110,217	25	$ 130,620	15	$ 170,906	21
	Net income, attributable to:									
8610	Shareholders of the parent		$ 61,488	14	$ 100,924	23	$ 116,196	13	$ 143,440	18
	Total comprehensive income, attributable to:									
8710	Shareholders of the parent		$ 99,961	22	$ 110,217	25	$ 130,620	15	$ 170,906	21
	Earnings per share (EPS)	6(31)								
9750	Basic earnings per share		$ 0.78		$ 1.28		$ 1.47		$ 1.83	
9850	Diluted earnings per share		$ 0.77		$ 1.28		$ 1.46		$ 1.83	

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Six Months Ended June 30, 2023 and 2022
(Reviewed, not audited)

Unit: Amounts expressed in thousands of New Taiwan Dollars

		Equity attributable to shareholders of the parent							
				Retained earnings			Other equity interest		
	Notes	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences arising on translation of foreign operations	Unrealized financial assets profit or loss measured at fair value through other comprehensive income	Total equity
Six Months Ended June 30, 2022									
Balance at January 1, 2022		$ 773,533	$ 703,016	$1,192,548	$ 185,920	$ 93,847	($ 230,112)	($ 12,295)	$2,706,457
Net income for the period		-	-	-	-	143,440	-	-	143,440
Other comprehensive income for the period	6(21)	-	-	-	-	-	27,466	-	27,466
Total comprehensive income for the period		-	-	-	-	143,440	27,466	-	170,906
Distribution of 2021 earnings:	6(20)								
Special reserve		-	-	-	56,487	(56,487)	-	-	-
Exercise of employee stock options	6(18)(19)	14,775	50,234	-	-	-	-	-	65,009
Distribution of cash dividend through legal reserve	6(20)	-	-	(99,754)	-	-	-	-	(99,754)
Distribution of cash dividend through capital surplus	6(20)	-	(35,592)	-	-	-	-	-	(35,592)
Balance at June 30, 2022		$ 788,308	$ 717,658	$1,092,794	$ 242,407	$ 180,800	($ 202,646)	($ 12,295)	$2,807,026
Six Months Ended June 30, 2023									
Balance at January 1, 2023		$ 789,418	$2,468,920	$1,092,794	$ 242,407	$ 226,504	($ 158,006)	($ 12,295)	$4,649,742
Net income for the period		-	-	-	-	116,196	-	-	116,196
Other comprehensive income for the period	6(21)	-	-	-	-	-	14,424	-	14,424
Total comprehensive income for the period		-	-	-	-	116,196	14,424	-	130,620
Distribution of 2022 earnings:	6(20)								
Special reserve		-	-	-	(72,106)	72,106	-	-	-
Cash dividends		-	-	-	-	(181,566)	-	-	(181,566)
Share-based payment transactions	6(19)	-	10,315	-	-	-	-	-	10,315
Change in net equity of associates accounted for using the equity method	6(19)	-	9,706	-	-	-	-	-	9,706
Balance at June 30, 2023		$ 789,418	$2,488,941	$1,092,794	$ 170,301	$ 233,240	($ 143,582)	($ 12,295)	$4,618,817

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

CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2023 and 2022
(Reviewed, not audited)

Unit: Amounts expressed in thousands of New Taiwan Dollars

	Notes	Six Months Ended June 30 2023	2022
Cash flows from operating activities			
Net income before income tax		$ 159,232	$ 175,396
Adjustments			
Adjustments to reconcile profit (loss)			
Gains on financial assets at fair value through profit or loss	6(2)(26)	(2,247)	(27,142)
Depreciation expense	6(7)(8)(10)	14,126	14,482
Amortization expense	6(28)	1,661	1,488
Interest income	6(24)	(37,212)	(3,319)
Interest expenses	6(8)(27)	81	33
Employees' stock option cost	6(17)(29)	10,314	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets mandatorily measured at fair value through profit or loss		(4,377)	(85,270)
Accounts receivable		28,757	(2,125)
Current contract assets		(579)	-
Other receivables		(35)	(36)
Other receivables - related parties		362	442
Inventories		1,804	(56)
Other current assets		(8,368)	6,819
Other non-current assets		(12,299)	-
Changes in operating liabilities			
Current contract liabilities		108,333	9,493
Accounts payable		10,249	7,489
Other payables		11,194	28,689
Other payables - related parties		-	72
Other current liabilities		1,166	(5,936)
Provisions		(17,104)	30,928
Other non-current liabilities		(200)	(247)
Cash inflow generated from operations		264,858	151,200
Interest received		36,701	2,162
Interest paid		(81)	(33)
Income tax paid		(42,414)	(35,866)
Income tax returned		14,607	27,026
Net cash flows from operating activities		273,671	144,489

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CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2023 and 2022
(Reviewed, not audited)

Unit: Amounts expressed in thousands of New Taiwan Dollars

	Notes	Six Months Ended June 30 2023	Six Months Ended June 30 2022
Cash flows from investing activities			
Acquisition of financial assets at amortized cost		($ 1,401,300)	($ 1,069,920)
Proceeds from disposal of financial assets at amortized cost		155,700	697,000
Acquisition of property, plant and equipment	6(7)	(7,404)	(7,094)
Acquisition of intangible assets		-	(394)
Increase in refundable deposits		(1,142)	(2,522)
Net cash flows used in investing activities		(1,254,146)	(382,930)
Cash flows from financing activities			
Increase (decrease) in deposits received	6(33)	335	(582)
Repayment of the principal portion of lease liabilities	6(8)(33)	(2,903)	(2,140)
Exercise of employee stock options		-	65,009
Net cash flows from (used in) financing activities		(2,568)	62,287
Effects of changes in exchange rates		(4,060)	26,062
Net decrease in cash and cash equivalents		(987,103)	(150,092)
Cash and cash equivalents at beginning of period		1,743,889	1,102,879
Cash and cash equivalents at end of period		$ 756,786	$ 952,787

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

Unit: Amounts expressed in thousands of New Taiwan Dollars
(EXCEPT AS OTHERWISE INDICATED)

1. History and Organization

CyberLink Corp. (the "Company") was incorporated under the Company Law of the Republic of China (R.O.C.) in August 1990. The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in the design and sale of computer software. The Securities and Futures Commission of the Republic of China had approved the Company's shares to be listed on the GreTai Securities Market (formerly Over-The-Counter Securities Exchange) and the shares started trading on October 11, 2000. The Company's shares have been listed on the Taiwan Stock Exchange Corporation since September 27, 2004.

2. The Date of Authorization for Issuance of the Consolidated Financial Statements and Procedures for Authorization

The consolidated financial statements were authorized for issuance by the Board of Directors on July 26, 2023.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (the "IFRS") as endorsed and released by the Financial Supervisory Commission (the "FSC")

New standards, interpretations and amendments endorsed and by the FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

None.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
Amendment to IFRS 16 'Lease Liabilities in Sale and Leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or noncurrent'	January 1, 2024
Amendments to IAS 1, 'Non-current Liabilities with Covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier Finance Arrangements".	January 1, 2024
Amendment to IAS 12, 'International Tax Reform - Pillar Two Model Rules'.	May 23, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. Summary of Significant Accounting Policies

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2022, except for compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

1. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IAS 34 "Interim Financial Reporting" endorsed and released by the FSC.
2. The consolidated financial statements should be read together with the consolidated financial statements for the year ended December 31, 2022.

(2) Basis of preparation

1. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
   (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
   (b) Financial assets at fair value through other comprehensive income.
   (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

2. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC interpretations endorsed and released by the FSC (collectively referred herein the “IFRSs”) requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

1. Basis for preparation of the consolidated financial statements:

   The basis for preparation of these consolidated financial statements is consistent with those for the preparation of consolidated financial statements for the year ended December 31, 2022.

2. Subsidiaries included in the consolidated financial statements:

Name of Investor	Company Name of Subsidiary	Major Operating Activities	Ownership (%) June 30, 2023	Ownership (%) December 31, 2022	Ownership (%) June 30, 2022	Description
CyberLink Corp.	CyberLink.Com Corp. (CyberLink-USA)	Sale of software	100%	100%	100%	
CyberLink Corp.	CyberLink International Technology Corp. (CyberLink-B.V.I)	Investment activities	100%	100%	100%	Note
CyberLink Corp.	CyberLink Inc. (CyberLink-Japan)	Sale of software	100%	100%	100%	

   Note: Based on the consideration of future strategic development purpose and the pursuit of maximum efficiency of the Group's operation, the Group increased the capital of its subsidiary CyberLink-B.V.I, by cash amounting to US$3 million (approximately $89,910) in August 2022, and the capital increase procedures have been completed.

3. Subsidiaries not included in the consolidated financial statements:

   None.

4. Adjustments for subsidiaries with different balance sheet dates:

   None.

5. Significant restrictions:

   None.

6. Subsidiaries that have non-controlling interests that are material to the Group:

   None.

(4) Employee benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is accordingly.

(5) Income tax

The income tax expense for the interim period is calculated by applying the estimated average effective tax rate for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. Critical Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty

There have been no significant changes during the period; please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2022.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	June 30, 2023	December 31, 2022	June 30, 2022
Cash on hand and revolving funds	$ 50	$ 50	$ 50
Checking accounts	89, 963	74, 350	474, 832
Demand deposits	417, 653	441, 089	477, 905
Time deposits	249, 120	1, 228, 400	-
	$ 756, 786	$ 1, 743, 889	$ 952, 787

1. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
2. The Group has no cash and cash equivalents pledged to others.

(2) Current and non-current financial assets at fair value through profit or loss

Item	June 30, 2023	December 31, 2022	June 30, 2022
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Money market funds	$ 20,085	$ 20,085	$ 80,000
Valuation adjustment	224	108	82
	$ 20,309	$ 20,193	$ 80,082
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Private fund	$ 282,312	$ 274,426	$ 262,908
Unlisted stocks	23,470	23,470	29,415
Subtotal	305,782	297,896	292,323
Valuation adjustment	(15,412)	(17,271)	31,056
	$ 290,370	$ 280,625	$ 323,379

1. Amounts recognized in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Three Months Ended June 30	
	2023	2022
Financial assets mandatorily measured at fair value through profit or loss		
Private fund	($ 3,750)	$ 26,280
Money market funds	59	79
	($ 3,691)	$ 26,359

	Six Months Ended June 30	
	2023	2022
Financial assets mandatorily measured at fair value through profit or loss		
Private fund	$ 2,130	$ 27,060
Money market funds	117	82
	$ 2,247	$ 27,142

2. The Group received proceeds from capital reduction of an investee at the amounts of $5,945 at July 2022.
3. The Group has no financial assets at fair value through profit or loss pledged to others.
4. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Current financial assets at amortized cost

Item	June 30, 2023	December 31, 2022	June 30, 2022
Current items:			
Time deposits with original maturity of more than three months	$ 1, 370, 160	$ 122, 840	$ 1, 069, 920

1. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	Three Months Ended June 30	
	2023	2022
Interest income	$ 15, 832	$ 1, 620

	Six Months Ended June 30	
	2023	2022
Interest income	$ 17, 538	$ 1, 983

2. As at June 30, 2023, December 31, 2022 and June 30, 2022, without taking into account other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group were $1,370,160, $122,840 and $1,069,920, respectively.
3. The Group has no financial assets at amortized cost pledged to others.
4. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2). The counterparties of the Group's time deposit investment are financial institution with high credit quality, so it expects that the probability of counterparty default is remote.

(4) Non-current Financial assets at fair value through other comprehensive income

Item	June 30, 2023	December 31, 2022	June 30, 2022
Unlisted stocks	$ 12, 785	$ 12, 678	$ 12, 430
Valuation adjustment	(12, 537)	(12, 430)	(12, 182)
	$ 248	$ 248	$ 248

1. The Group has elected to classify unlisted stock investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments as of June 30, 2023, December 31, 2022 and June 30, 2022 all amounted to $248.
2. As at June 30, 2023, December 31, 2022 and June 30, 2022, without taking into account other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group were all $248.

3. The Group has no financial assets at fair value through other comprehensive income pledged to others.
4. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(5) Accounts receivable

	June 30, 2023	December 31, 2022	June 30, 2022
Accounts receivable	$ 89,093	$ 119,289	$ 76,096

1. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Not Past Due	$ 87,386	$ 100,699	$ 72,181
Past Due			
Up to 30 days	892	14,003	1,961
31 to 90 days	633	4,092	1,323
Over 91 days	182	495	631
	$ 89,093	$ 119,289	$ 76,096

The above ageing analysis was based on past due date.

2. As of June 30, 2023, December 31, 2022 and June 30, 2022, accounts receivable were all both from contracts with customers. And as of January 1, 2022, the balance of accounts receivable from contracts with customers amounted to $77,639.
3. As at June 30, 2023, December 31, 2022 and June 30, 2022, without taking into consideration other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were $89,093, $119,289 and $76,096, respectively.
4. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(6) Investments accounted for using the equity method

	Six Months Ended June 30	
	2023	2022
At January 1	$ 1,746,287	$ -
Changes in capital surplus (Note 6(19))	9,706	-
Changes in other equity items (Note 6(21))	22,951	-
At June 30	$ 1,778,944	$ -

The Group's shareholding ratio in Perfect Corp. (Cayman) declined from 38.08% to 36.30% as the employees of Perfect Corp. (Cayman) exercised their employee stock options on January 24, 2022.

The business combination of Perfect Corp. (Cayman) was completed with its shares listed at Eastern Time on October 28, 2022. Prior to the business combination and listing, all the preference share liabilities issued by Perfect Corp. (Cayman) were converted into common stock through conversion and capital increase procedures. As a result, the Group's shareholding ratio in Perfect Corp. (Cayman) decreased from 36.30% to 31.25%. On October 29, 2022, the equity value of Perfect Corp. (Cayman) was positive. The Group recognized a capital surplus of-not in proportion stake ratio amount to $1,709,253 due to the aforementioned transactions.

1. The basic information of the associate is as follows:

		Shareholding ratio				
Company Name	Principal place of business	June 30, 2023	December 31, 2022	June 30, 2022	Nature of relationship	Method of Measurement
Perfect Corp.(Cayman)	Cayman	31.25%	31.25%	36.30%	Investments accounted for using the equity method	Equity method

2. The Group holds a 31.25% equity interest in Perfect Corp. (Cayman). Given that other major shareholders jointly hold more voting rights than the Group and the Group appointed only one out of seven directors, both of which indicates that the Group has no current ability to direct the relevant activities of Perfect Corp. (Cayman), the Group has no control, but only has significant influence, over Perfect Corp. (Cayman).

3. On March 3, 2022, the Board of Directors of the Group approved to authorize the Chairman of the Company to approve the business combination of Perfect Corp. (Cayman) of the subsidiary CyberLink-B.V.I. with the U.S. listed company Provident Acquisition Corp (Cayman). After the business combination, Perfect Corp. (Cayman) was the surviving entity listed on NASDAQ of the United States. In September 2022, both the parties of the business combination agreed to change the listing and trading to the New York Stock Exchange (the "NYSE") due to consideration of the Company's strategic development and promote the interests of shareholders. After the business combination and completion of listing processes, Perfect Corp. (Cayman) will be the surviving entity of the listing. The registration application documents related to the business combination and listing have been reviewed by the U.S. Securities and Exchange Commission (the "SEC") and declared effective at Eastern Time on September 30, 2022. Provident Acquisition Corp. (Cayman) held an extraordinary general meeting of its shareholders (the "EGM") at Eastern Time on October 25, 2022 to approve this business combination, which was took effect at Eastern Time on October 28, 2022.

   In the fourth quarter of 2021, the Perfect Corp. (Cayman) had a massive deficit amount on account after the valuation of its preference share liabilities which were issued by Perfect Corp. (Cayman) based on the business value of aforementioned combination transaction. Therefore, on June 30, 2022 and December 31, 2021, the net equity were negative. According to the regulation, the Group will not further recognize the losses when the share of the losses in an associate equals or exceeds its equity interest in the associate; thus, the Group's recognition on the investment in the associate will stop at $0.

4. For the Group's future strategic development purpose, on March 3, 2022, the Board of Directors of the Company approved acquiring 3 million common shares issued by the subsidiary, CyberLink-B.V.I. for capital increase, with a par value of US$1 the total acquisition amount was US$3 million (approximately $89,910). In addition, the subsidiary CyberLink-B.V.I. made a simultaneous investment in the common shares issued by Perfect Corp. (Cayman) at a rate of US$10 per share. The total investment was amounted to US$3 million (approximately $89,400). The capital increase for the subsidiary CyberLink-B.V.I. has been executed, while and the capital increase for the associate, Perfect Corp. (Cayman) was completed at Eastern Time on October 28, 2022.

5. The fair value of the Group's investments accounted for using equity method with publicly quoted market prices is as follows:

	June 30, 2023	December 31, 2022
Perfect Corp.(Cayman)	$ 5,559,158	$ 8,104,408

(7) Property, plant and equipment, net

	Six Months Ended June 30, 2023				
	Land	Buildings	Machinery and equipment	Office equipment	Total
At January 1					
Cost	$ 330,610	$ 142,009	$ 26,869	$ 1,789	$ 501,277
Accumulated depreciation	-	(45,300)	(17,423)	(1,094)	(63,817)
	$ 330,610	$ 96,709	$ 9,446	$ 695	$ 437,460
At January 1	$ 330,610	$ 96,709	$ 9,446	$ 695	$ 437,460
Additions	-	5,789	1,615	-	7,404
Depreciation expense	-	(3,022)	(2,333)	(146)	(5,501)
Net exchange differences	(8,229)	(1,923)	(15)	(26)	(10,193)
At June 30	$ 322,381	$ 97,553	$ 8,713	$ 523	$ 429,170
At June 30					
Cost	$ 322,381	$ 145,527	$ 28,345	$ 1,727	$ 497,980
Accumulated depreciation	-	(47,974)	(19,632)	(1,204)	(68,810)
	$ 322,381	$ 97,553	$ 8,713	$ 523	$ 429,170

	Six Months Ended June 30, 2022				
	Land	Buildings	Machinery and equipment	Office equipment	Total
At January 1					
Cost	$ 334,441	$ 157,144	$ 28,966	$ 3,847	$ 524,398
Accumulated depreciation	-	(48,995)	(17,654)	(3,100)	(69,749)
	$ 334,441	$ 108,149	$ 11,312	$ 747	$ 454,649
At January 1	$ 334,441	$ 108,149	$ 11,312	$ 747	$ 454,649
Additions	-	3,859	3,023	212	7,094
Reclassification - cost (Note)	-	(13,557)	-	-	(13,557)
Reclassification - accumulated depreciation (Note)	-	3,301	-	-	3,301
Depreciation expense	-	(3,588)	(2,647)	(101)	(6,336)
Net exchange differences	(10,547)	(2,565)	(21)	(27)	(13,160)
At June 30	$ 323,894	$ 95,599	$ 11,667	$ 831	$ 431,991
At June 30					
Cost	$ 323,894	$ 144,536	$ 31,823	$ 4,184	$ 504,437
Accumulated depreciation	-	(48,937)	(20,156)	(3,353)	(72,446)
	$ 323,894	$ 95,599	$ 11,667	$ 831	$ 431,991

Note: The Company sublet some real estate in January 2022, so the buildings (including accumulated depreciation) were transferred to "Investment property."

(8) Leasing arrangements - lessee

1. The Group leases various assets including offices and transportation equipment. Rental contracts for the six months ended June 30, 2023 and 2022 are typically made for periods from 2020 to 2025 and from 2019 to 2023, respectively. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leased assets may neither be used as security for borrowing purposes nor have its rights transferred to others in other forms such as business transfer and combination.
2. Short-term leases with a lease term of 12 months or less comprise leased offices in America.

3. The information of right-of-use assets is as follows:

	Six Months Ended June 30, 2023		
	Buildings	Transportation equipment	Total
At January 1			
Cost	$ 11,537	$ 3,921	$ 15,458
Accumulated depreciation	(1,529)	(3,050)	(4,579)
	$ 10,008	$ 871	$ 10,879
At January 1	$ 10,008	$ 871	$ 10,879
Depreciation expense	(2,153)	(654)	(2,807)
At June 30	$ 7,855	$ 217	$ 8,072
At June 30			
Cost	$ 11,537	$ 3,921	$ 15,458
Accumulated depreciation	(3,682)	(3,704)	(7,386)
	$ 7,855	$ 217	$ 8,072

	Six Months Ended June 30, 2022		
	Buildings	Transportation equipment	Total
At January 1			
Cost	$ 8,663	$ 3,921	$ 12,584
Accumulated depreciation	(6,256)	(1,743)	(7,999)
	$ 2,407	$ 2,178	$ 4,585
At January 1	$ 2,407	$ 2,178	$ 4,585
Addition - Newly added lease contracts	2,762	-	2,762
Depreciation expense	(1,674)	(654)	(2,328)
At June 30	$ 3,495	$ 1,524	$ 5,019
At June 30			
Cost	$ 11,425	$ 3,921	$ 15,346
Accumulated depreciation	(7,930)	(2,397)	(10,327)
	$ 3,495	$ 1,524	$ 5,019

4. Lease liabilities relating to lease contracts:

	June 30, 2023	December 31, 2022	June 30, 2022
Total lease liabilities	$ 8,370	$ 11,273	$ 5,176
Less: Current portion (shown as 'current lease liabilities')	(4,293)	(5,512)	(3,793)
	$ 4,077	$ 5,761	$ 1,383

5. The information on profit and loss accounts relating to lease contracts is as follows:

	Three Months Ended June 30	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 39	$ 18
Expense on short-term lease contracts	458	527
	$ 497	$ 545

	Six Months Ended June 30	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 81	$ 33
Expense on short-term lease contracts	911	948
	$ 992	$ 981

6. For the six months ended June 30, 2023 and 2022, the Group's total cash outflow for leases were $3,895 and $3,121, respectively, which included expenses on short-term lease contracts of $911 and $948, interest expenses on lease liabilities of $81 and $33, and payments of lease liabilities of $2,903 and $2,140, respectively.
7. Please refer to Note 7 for the office leases with related parties.

(9) Leasing arrangements - lessor

1. Leases to unrelated parties

The Group leases various assets including two short sections numbered 229 in Xihu Section in Neihu District of Taipei; 1F to-9F., of Building-B of "Sun-Tech Plaza" located in Neihu District of Taipei, 5F of "Jiang-Ling Information" Building located in Xindian District of New Taipei City. Rental contracts are typically made for a period between 1 and 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may neither be used as security for borrowing purposes nor, in all or in part, be lent to others or corporates through sublease, sharing, transfer or any other forms.

2. Leases to related parties

   The Group leases assets including the offices on 6F and 14F of "Jiang-Ling Information" Building located in Xindian District of New Taipei City, and the office in Minato, Tokyo, Japan. Rental contracts are typically made for periods of 1 ~ 2 year(s). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may neither be used as security for borrowing purposes nor, in all or in part, be lent to others or corporates through sublease, sharing, transfer or any other forms. Rents are collected at the beginning of next month.

3. For the three months and six months ended June 30, 2023 and 2022, the Group recognized rent income in the amounts of $15,346, $16,163, $31,448 and $32,789, respectively, based on the lease contracts above, and there was no variable lease payments.

4. The maturity analysis of the lease payments receivable under the operating leases is as follows:

	June 30, 2023
Within 1 year	$ 31,138
2024	39,913
2025	18,157
2026	14,883
2027	12,450
2028	11,639
2029	7,599
	$ 135,779

	December 31, 2022	June 30, 2022
Within 1 year	$ -	$ 29,465
2023	55,533	47,143
2024	24,376	20,284
2025	4,159	4,159
2026	3,244	3,244
2027	811	811
	$ 88,123	$ 105,106

(10) Investment property

	Six Months Ended June 30, 2023		
	Land	Buildings	Total
At January 1			
Cost	$ 799,024	$ 593,470	$ 1,392,494
Accumulated depreciation	-	(165,581)	(165,581)
	$ 799,024	$ 427,889	$ 1,226,913
At January 1	$ 799,024	$ 427,889	$ 1,226,913
Depreciation expense	-	(5,818)	(5,818)
At June 30	$ 799,024	$ 422,071	$ 1,221,095
At June 30			
Cost	$ 799,024	$ 593,470	$ 1,392,494
Accumulated depreciation	-	(171,399)	(171,399)
	$ 799,024	$ 422,071	$ 1,221,095

	Six Months Ended June 30, 2022		
	Land	Buildings	Total
At January 1			
Cost	$ 799,024	$ 579,913	$ 1,378,937
Accumulated depreciation	-	(150,643)	(150,643)
	$ 799,024	$ 429,270	$ 1,228,294
At January 1	$ 799,024	$ 429,270	$ 1,228,294
Reclassification - cost (Note)	-	13,557	13,557
Reclassification - accumulated depreciation (Note)	-	(3,301)	(3,301)
Depreciation expense	-	(5,818)	(5,818)
At June 30	$ 799,024	$ 433,708	$ 1,232,732
At June 30			
Cost	$ 799,024	$ 593,470	$ 1,392,494
Accumulated depreciation	-	(159,762)	(159,762)
	$ 799,024	$ 433,708	$ 1,232,732

Note: Please refer to note 6(7) for the description of the transfer from “Property, plant and equipment” to “Investment property.”

1. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Three Months Ended June 30	
	2023	2022
Rental income from investment property	$ 14,690	$ 15,182
Direct operating expenses arising from the investment property that generated rental income during the period	$ 3,770	$ 5,373
Direct operating expenses arising from the investment property that did not generate rental income during the period	$ 539	$ 613

	Six Months Ended June 30	
	2023	2022
Rental income from investment property	$ 30,117	$ 30,786
Direct operating expenses arising from the investment property that generated rental income during the period	$ 7,194	$ 8,115
Direct operating expenses arising from the investment property that did not generate rental income during the period	$ 966	$ 780

2. The fair values of the investment property held by the Group as of June 30, 2023, December 31, 2022 and June 30, 2022 were $2,543,545, $2,523,850 and $2,173,627, respectively, which were estimated based on market trading prices of similar property in the areas nearby which belong to the Level 3 information.

(11) Accounts payable

	June 30, 2023	December 31, 2022	June 30, 2022
Royalty expense	$ 56,625	$ 53,204	$ 60,156
Others	8,123	1,763	1,744
	$ 64,748	$ 54,967	$ 61,900

(12) Other payables

	June 30, 2023	December 31, 2022	June 30, 2022
Dividends payable	$ 181,566	$ -	$ 135,346
Promotional fees	103,486	73,151	50,046
Employees' compensation and directors' remuneration	81,611	73,893	19,494
Payroll	61,849	93,710	60,570
Royalty collection	54,132	54,541	142,702
Employees' rewards	14,752	9,379	85,716
Professional service fees	13,112	12,227	11,039
Other accrued expenses	22,638	23,719	21,366
Other payables	2,171	2,591	4,374
	$ 535,317	$ 343,211	$ 530,653

(13) Other current liabilities

	June 30, 2023	December 31, 2022	June 30, 2022
Refund liability	$ 37,671	$ 38,935	$ 39,551
Others	3,752	3,909	3,711
	$ 41,423	$ 42,844	$ 43,262

(14) Provisions

	Six Months Ended June 30, 2023		
	Royalty	Cost of software bug-fixing	Total
At January 1	$ 383,795	$ 5,921	$ 389,716
Additional provisions	9,660	182	9,842
Unused amounts reversed	(32,054)	-	(32,054)
Net exchange differences	5,108	-	5,108
At June 30	$ 366,509	$ 6,103	$ 372,612

	Six Months Ended June 30, 2022		
	Royalty	Cost of software bug-fixing	Total
At January 1	$ 486,653	$ 5,521	$ 492,174
Additional provisions	7,958	93	8,051
Unused amounts reversed	(12,850)	-	(12,850)
Net exchange differences	35,727	-	35,727
At June 30	$ 517,488	$ 5,614	$ 523,102

Analysis of total provisions:

	June 30, 2023	December 31, 2022	June 30, 2022
Non-current	$ 372,612	$ 389,716	$ 523,102

1. Royalty

   The Group estimates the possible royalty expenses based on the industry characteristics, other known events and management's judgement, and recognizes such expenses within 'cost of goods sold' when related products are sold. Any changes in industry circumstances might affect the provision for royalty liabilities. Provisions shall be paid when patent owner claims for payment or after negotiation.

2. Cost of software bug-fixing

   The Group provides software bug-fixing for programs for free from time to time. The Group estimates relevant debug-fixing cost and liabilities and accounts for it as common product warranty obligations.

(15) Other non-current liabilities

	June 30, 2023		December 31, 2022		June 30, 2022	
Accrued pension liabilities	$	53,455	$	53,655	$	66,712
Guarantee deposits received		9,870		9,535		9,724
	$	63,325	$	63,190	$	76,436

(16) Pensions

1. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an appropriate portion of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

   (b) For the three months and six months ended June 30, 2023 and 2022, the pension costs recognized by the Company in accordance with the pension measures above were $180, $117, $359 and $233, respectively.

   (c) Expected contributions to the defined benefit pension plans of the company for the year ending December 31, 2023 amount to $960.

2. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

   (b) The pension costs under defined contribution pension plans of the Company for the three months and six months ended June 30, 2023 and 2022 were $6,516, $5,839, $12,792 and $11,739, respectively.

   (c) The pension costs under local pension regulations of the foreign subsidiaries in accordance with the relevant employment laws and regulations of local governments for the three months and six months ended June 30, 2023 and 2022 were $961, $812, $1,852 and $1,653, respectively.

(17) <u>Share-based payment</u>

1. As of June 30, 2023, December 31, 2022 and June 30, 2022, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (in thousands)	Contract period	Vesting conditions
Employee stock options	July 26, 2022	2,000	7 years	2 years' service: exercise 50% 3 years' service: exercise 75% 4 years' service: exercise 100%
Employee stock options	August 25, 2015	5,000	7 years	2 years' service: exercise 50% 3 years' service: exercise 75% 4 years' service: exercise 100%

2. Details of the share-based payment arrangements are as follows:

	Six Months Ended June 30			
	2023		2022	
	No. of options (in thousands)	Weighted - average exercise price (in dollars)	No. of options (in thousands)	Weighted - average exercise price (in dollars)
Options outstanding on January 1	2,000	$ 87.70	1,699	$ 44.00
Options exercised	-	-	(1,478)	44.00
Options outstanding on June 30	2,000	87.70	221	44.00
Options exercisable on June 30	-		221	

3. The weighted-average stock price of stock options at exercise dates for the six months ended June 30, 2023 and 2022 were $0 and $44.00 (in dollars), respectively.

4. As of June 30, 2023, December 31, 2022 and June 30, 2022, the range of exercise prices of stock options outstanding were $87.70, $87.70 and $44.00 (in dollars), respectively; the weighted-average remaining contractual period was 6.07 years, 6.57 years and 0.15 years, respectively.

5. The fair value of stock options granted on grant date is measured using the Black-Scholes option pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock options	July 26, 2022	$89.5	$89.5	32.10%	4.88	0.00%	1.06%	$ 26.4355

Note: The expected volatility is estimated by taking into account the historical trading data (days) of the Company's shares and using a sample interval equal to the expected duration of the stock option.

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock options	August 25, 2015	$54.0	$54.0	23.95%	4.875	0.00%	0.81%	$ 12.1117

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life and the standard deviation of return on the stock during this period.

6. Expenses arising from share-based payment transactions are as follows:

	Three Months Ended June 30	
	2023	2022
Cost of employee stock options	$ 5,186	$ -

	Six Months Ended June 30	
	2023	2022
Cost of employee stock options	$ 10,314	$ -

(18) Capital Stock

As of June 30, 2023, the Company's authorized capital was $1,610,000, consisting of 161,000 thousand shares of ordinary stock (including 21,000 thousand shares reserved for employee stock options), and the paid-in capital was $789,418 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number (Shares in thousands) of the Company's ordinary shares outstanding are as follows:

	Six Months Ended June 30	
	2023	2022
At January 1	78,942	77,353
Exercise of employee stock options	-	1,478
At June 30	78,942	78,831

(19) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and

Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	Six Months Ended June 30, 2023				
	Share premium	Employee stock options	Expired employee stock options in proportion to the Group's ownership	Net change in equity of associates	Total
At January 1	$ 92,937	$ 9,061	$ 60,144	$ 2,306,778	$ 2,468,920
Share-based payment transactions	-	10,315	-	-	10,315
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	-	9,706	9,706
At June 30	$ 92,937	$ 19,376	$ 60,144	$ 2,316,484	$ 2,488,941

Note: Please refer to Note 6(6) for the recognition not in proportion to the Group's ownership.

	Six Months Ended June 30, 2022				
	Share premium	Employee stock options	Expired employee stock options in proportion to the Group's ownership	Net change in equity of associates	Total
At January 1	$ 54,110	$ 20,909	$ 59,645	$ 568,352	$ 703,016
Exercise of employee stock options	69,170	(18,936)	-	-	50,234
Distribution of cash through capital surplus	(35,592)	-	-	-	(35,592)
At June 30	$ 87,688	$ 1,973	$ 59,645	$ 568,352	$ 717,658

(20) Retained earnings

1. Under the Company's Articles of Incorporation, the current year's earnings, net of tax, shall first be used to offset prior year's operating losses (including adjustment amount of undistributed earnings), then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the total capital stock balance, and setting aside or reversal for special reserve in accordance with the securities and Exchange Act. The Board of Directors should present the distribution of the remaining earnings along with undistributed earnings at beginning of periods (including adjustment amount of undistributed earnings) for the approval of the shareholders.
2. The Company's dividend policy is aligned with the development plan for the present and the future taking into consideration investment environment, capital requirement, domestic and overseas competition condition and profit of shareholders. Annual distribution of stockholders' bonus should not be less than 50% of current distributable earnings, and may be in the form of stock dividend and cash dividend. Presently, the distribution of cash dividend should not be less than 20% of annual dividend appropriations, however, if the Company has significant plans for capital expenditures, after approval at the shareholders' meeting, cash dividends can be distributed lower than 20% of annual dividends appropriations.
3. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in

proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

4. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
5. On March 29, 2022, the Board of Directors' meeting approved the loss appropriation proposal for 2021 to make up for the loss of the current year with $562,766 of retained earnings, and the shareholders' meeting subsequently resolved the loss compensation proposal on June 21, 2022.
6. On March 29, 2022, the Board of Directors' meeting approved the proposed $135,346 cash distribution from $35,592 of capital surplus due to share issuance at a premium and from $99,754 of legal reserve. The proposal of cash distribution through such capital surplus was resolved in the shareholders' meeting on June 21, 2022.
7. (a) On June 20, 2023 and June 21, 2022, the appropriation of 2022 and 2021 earnings were resolved at shareholders' meeting, respectively; however, the earnings for 2022 have not yet been actually distributed. The details are as follows:

	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ -		$ -	
Special reserve	(72,106)		56,487	
Cash dividends	181,566	$ 2.30	-	$ -
Total	$ 109,460		$ 56,487	

(b) The Company's legal reserve had exceeded paid-in capital, thus, according to laws, the Company could not appropriate legal reserve. When the Company appropriated earnings for the year ended December 31, 2022 and 2021, it determined not to provision legal reserve.

(21) Other equity items

	Six Months Ended June 30, 2023		
	Unrealized gains (losses) on valuation	Currency translation	Total
At January 1	($ 12, 295)	($ 158, 006)	($ 170, 301)
Currency translation:			
- Group	－	(8, 527)	(8, 527)
- Associates	－	22, 951	22, 951
At June 30	($ 12, 295)	($ 143, 582)	($ 155, 877)

	Six Months Ended June 30, 2022		
	Unrealized gains (losses) on valuation	Currency translation	Total
At January 1	($ 12, 295)	($ 230, 112)	($ 242, 407)
Currency translation:			
- Group	－	27, 466	27, 466
At June 30	($ 12, 295)	($ 202, 646)	($ 214, 941)

(22) Net revenue

	Three Months Ended June 30	
	2023	2022
Revenue from contracts with customers	$ 445, 663	$ 441, 999

	Six Months Ended June 30	
	2023	2022
Revenue from contracts with customers	$ 876, 353	$ 823, 419

1. Disaggregation of revenue from contracts with customers

   The Group derives revenue from the transfer of goods and services rendered over time and at a point in time in the following major product lines and geographical regions:

Three Months Ended June 30, 2023	Taiwan		America		Japan		Other region		
	Media creation	Media experience and entertainment and others	Media creation	Media experience and entertainment and others	Media creation	Media experience and entertainment and others	Media creation	Media experience and entertainment and others	Total
Revenue from contracts with customers	$ 12, 283	$ 11, 259	$ 212, 958	$ 50, 690	$ 70, 633	$ 47, 217	$ 23, 523	$ 17, 100	$ 445, 663
Timing of revenue recognition									
At a point in time	$ 2, 743	$ 4, 600	$ 69, 963	$ 49, 069	$ 25, 310	$ 45, 882	$ 8, 529	$ 16, 261	$ 222, 357
Over time	9, 540	6, 659	142, 995	1, 621	45, 323	1, 335	14, 994	839	223, 306
	$ 12, 283	$ 11, 259	$ 212, 958	$ 50, 690	$ 70, 633	$ 47, 217	$ 23, 523	$ 17, 100	$ 445, 663

Three Months Ended June 30, 2022	Taiwan		America		Japan		Other region		
	Media creation	Media experience and entertainment and others	Media creation	Media experience and entertainment and others	Media creation	Media experience and entertainment and others	Media creation	Media experience and entertainment and others	Total
Revenue from contracts with customers	$ 13, 071	$ 16, 042	$ 203, 118	$ 50, 200	$ 66, 638	$ 56, 899	$ 19, 510	$ 16, 521	$ 441, 999
Timing of revenue recognition									
At a point in time	$ 4, 610	$ 15, 356	$ 146, 378	$ 49, 073	$ 31, 732	$ 55, 709	$ 6, 825	$ 16, 036	$ 325, 719
Over time	8, 461	686	56, 740	1, 127	34, 906	1, 190	12, 685	485	116, 280
	$ 13, 071	$ 16, 042	$ 203, 118	$ 50, 200	$ 66, 638	$ 56, 899	$ 19, 510	$ 16, 521	$ 441, 999

Six Months Ended June 30, 2023	Taiwan		America		Japan		Other region		
	Media creation	Media experience and entertainment and others	Media creation	Media experience and entertainment and others	Media creation	Media experience and entertainment and others	Media creation	Media experience and entertainment and others	Total
Revenue from contracts with customers	$ 26, 252	$ 28, 063	$ 408, 744	$ 102, 934	$ 132, 791	$ 96, 714	$ 45, 361	$ 35, 494	$ 876, 353
Timing of revenue recognition									
At a point in time	$ 7, 335	$ 14, 741	$ 144, 337	$ 99, 883	$ 44, 864	$ 94, 095	$ 16, 371	$ 33, 937	$ 455, 563
Over time	18, 917	13, 322	264, 407	3, 051	87, 927	2, 619	28, 990	1, 557	420, 790
	$ 26, 252	$ 28, 063	$ 408, 744	$ 102, 934	$ 132, 791	$ 96, 714	$ 45, 361	$ 35, 494	$ 876, 353

Six Months Ended June 30, 2022	Taiwan		America		Japan		Other region		
	Media creation	Media experience and entertainment and others	Media creation	Media experience and entertainment and others	Media creation	Media experience and entertainment and others	Media creation	Media experience and entertainment and others	Total
Revenue from contracts with customers	$ 25, 272	$ 26, 443	$ 373, 614	$ 100, 628	$ 122, 757	$ 100, 596	$ 39, 919	$ 34, 190	$ 823, 419
Timing of revenue recognition									
At a point in time	$ 8, 763	$ 24, 980	$ 260, 846	$ 98, 317	$ 56, 753	$ 98, 248	$ 14, 512	$ 33, 176	$ 595, 595
Over time	16, 509	1, 463	112, 768	2, 311	66, 004	2, 348	25, 407	1, 014	227, 824
	$ 25, 272	$ 26, 443	$ 373, 614	$ 100, 628	$ 122, 757	$ 100, 596	$ 39, 919	$ 34, 190	$ 823, 419

2. Contract assets and contract liabilities

(a) The Group has recognized of the following revenue-related contract assets and contract liabilities:

	June 30, 2023	December 31, 2022	June 30, 2022	January 1, 2022
Contract assets:				
Project contracts	$ 13,733	$ 13,154	$ -	$ -
Contract liabilities: Advance sales receipts	$ 366,443	$ 258,117	$ 197,837	$ 188,350

(b) Revenue recognized that was included in the contract liability balance at the beginning of the year

	Three Months Ended June 30	
	2023	2022
Revenue recognized that was included in the contract liabilities balance at the beginning of the year		
Advance sales receipts	$ 75,837	$ 58,911

	Six Months Ended June 30	
	2023	2022
Revenue recognized that was included in the contract liabilities balance at the beginning of the year		
Advance sales receipts	$ 190,495	$ 146,094

(23) Operating costs

	Three Months Ended June 30	
	2023	2022
Service cost of platform	$ 41,358	$ 26,769
Royalty cost	15,844	30,083
Cost of goods sold	2,867	1,561
Others	6,693	84
	$ 66,762	$ 58,497

	Six Months Ended June 30	
	2023	2022
Service cost of platform	$ 81,373	$ 53,224
Royalty cost	31,762	58,752
Cost of goods sold	5,901	2,758
Others	12,811	94
	$ 131,847	$ 114,828

(24) Interest income

	Three Months Ended June 30	
	2023	2022
Bank deposits	$ 5,184	$ 1,024
Interest income from financial assets measured at amortized cost	15,832	1,620
	$ 21,016	$ 2,644

	Six Months Ended June 30	
	2023	2022
Bank deposits	$ 19,674	$ 1,336
Interest income from financial assets measured at amortized cost	17,538	1,983
	$ 37,212	$ 3,319

(25) Other income

	Three Months Ended June 30	
	2023	2022
Rental income	$ 15,346	$ 16,163
Service revenue	361	515
Grant income	74	47
Other income - others	2	1,095
	$ 15,783	$ 17,820

	Six Months Ended June 30	
	2023	2022
Rental income	$ 31,448	$ 32,789
Service revenue	1,417	1,349
Grant income	74	47
Other income - others	1,220	1,250
	$ 34,159	$ 35,435

(26) Other gains or losses

	Three Months Ended June 30	
	2023	2022
Currency exchange gains	$ 27,117	$ 20,436
Net (losses) gains on financial assets at fair value through profit or loss	(3,691)	26,359
Depreciation expenses on investment property	(2,909)	(2,909)
Others	(1,385)	(3,078)
	$ 19,132	$ 40,808

	Six Months Ended June 30	
	2023	2022
Currency exchange gains	$ 20,552	$ 36,793
Net gains on financial assets at fair value through profit or loss	2,247	27,142
Depreciation expenses on investment property	(5,818)	(5,818)
Others	(2,388)	(3,009)
	$ 14,593	$ 55,108

(27) Financial costs

	Three Months Ended June 30	
	2023	2022
Interest expense - lease liabilities	$ 39	$ 18

	Six Months Ended June 30	
	2023	2022
Interest expense - lease liabilities	$ 81	$ 33

(28) Costs and expenses by nature

	Three Months Ended June 30	
	2023	2022
Employee benefit expense	$ 209,741	$ 204,000
Promotional fees	88,636	77,199
Service cost of platform	41,358	26,769
Royalty cost	15,844	30,083
Professional service fees	16,138	13,227
Cost of goods sold	2,867	1,561
Depreciation of property, plant and equipment	2,786	3,131
Product expenses	1,726	3,016
Depreciation of right-of-use assets	1,404	1,279
Amortization expenses	830	688
Others	24,492	18,368
Total cost of sales and operating expenses	$ 405,822	$ 379,321

	Six Months Ended June 30	
	2023	2022
Employee benefit expense	$ 414,970	$ 401,767
Promotional fees	176,600	144,863
Service cost of platform	81,373	53,224
Royalty cost	31,762	58,752
Professional service fees	28,709	32,109
Cost of goods sold	5,901	2,758
Depreciation of property, plant and equipment	5,501	6,336
Product expenses	3,395	4,587
Depreciation of right-of-use assets	2,807	2,328
Amortization expenses	1,661	1,488
Others	50,325	33,640
Total cost of sales and operating expenses	$ 803,004	$ 741,852

(29) Employee benefit expenses

	Three Months Ended June 30	
	2023	2022
Wages and Salaries	$ 177,801	$ 180,279
Insurance fees	12,995	11,678
Pension costs	7,657	6,768
Cost of employee stock options	5,186	-
Directors' remuneration	2,621	1,963
Other personnel expenses	3,481	3,312
	$ 209,741	$ 204,000

	Six Months Ended June 30	
	2023	2022
Wages and Salaries	$ 350,800	$ 354,346
Insurance fees	27,407	24,449
Pension costs	15,003	13,625
Cost of employee stock options	10,314	-
Directors' remuneration	4,533	2,788
Other personnel expenses	6,913	6,559
	$ 414,970	$ 401,767

1. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 3.0% for employees' compensation and shall not be higher than 1.5% for directors' remuneration.
2. For the three months and six months ended June 30, 2023 and 2022, employees' compensation and directors' remuneration recognized in salary expenses were accrued as follows:

	Three Months Ended June 30	
	2023	2022
Employees' compensation	$ 10,740	$ 3,883
Directors' remuneration	1,738	1,966
	$ 12,478	$ 5,849

	Six Months Ended June 30	
	2023	2022
Employees' compensation	$ 19,684	$ 5,561
Directors' remuneration	2,768	2,780
	$ 22,452	$ 8,341

For the six months ended June 30, 2023 and 2022, the employees' compensations were estimated and accrued at 10.66% and 3.00%, respectively, of distributable profit for the current period, and the directors' remuneration were estimated and accrued at 1.50% and 1.50%, respectively, of distributable profit of current year as of the end of reporting period.

Employees' compensation and directors' remuneration of 2022 as resolved by the Board of Directors were in agreement with the amounts recognized in the 2022 financial statements. The aforementioned employees' compensation will be distributed in cash, and has not yet been distributed as of June 30, 2023.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(30) Income tax

1. Income tax expenses

Components of income tax expense:

	Three Months Ended June 30	
	2023	2022
Current tax:		
Current tax expense recognized for the current period	$ 11,095	$ 25,927
Prior year income tax under (over) estimation	21,211	(2)
Total current tax	32,306	25,925
Deferred tax:		
Origination and reversal of temporary differences	1,939	(2,917)
Total deferred tax	1,939	(2,917)
Income tax expense recognized in profit or loss	$ 34,245	$ 23,008

	Six Months Ended June 30	
	2023	2022
Current tax:		
Current tax expense recognized for the current period	$ 21,096	$ 35,408
Prior year income tax under (over) estimation	21,211	(2)
Total current tax	42,307	35,406
Deferred tax:		
Origination and reversal of temporary differences	729	(3,450)
Total deferred tax	729	(3,450)
Income tax expense recognized in profit or loss	$ 43,036	$ 31,956

2. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(31) Earnings per share (EPS)

	Three Months Ended June 30, 2023		
	Amount after tax	Outstanding shares (share in thousands)	Earnings per share (EPS) (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent company	$ 61,488	78,942	$ 0.78
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent company	$ 61,488	78,942	
Assumed conversion of all dilutive potential ordinary shares			
Employees' stock options	-	210	
Employees' compensation	-	214	
Profit attributable to ordinary shareholders of the parent company plus assumed conversion of all dilutive potential ordinary shares	$ 61,488	79,366	$ 0.77

	Three Months Ended June 30, 2022		
	Amount after tax	Weighted average outstanding shares (share in thousands)	Earnings per share (EPS) (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent company	$ 100,924	78,788	$ 1.28
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent company	$ 100,924	78,788	
Assumed conversion of all dilutive potential ordinary shares			
Employees' stock options	-	110	
Employees' compensation	-	65	
Profit attributable to ordinary shareholders of the parent company plus assumed conversion of all dilutive potential ordinary shares	$ 100,924	78,963	$ 1.28

	Six Months Ended June 30, 2023		
	Amount after tax	Outstanding shares (share in thousands)	Earnings per share (EPS) (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent company	$ 116,196	78,942	$ 1.47
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent company	$ 116,196	78,942	
Assumed conversion of all dilutive potential ordinary shares			
Employees' stock options	-	245	
Employees' compensation	-	459	
Profit attributable to ordinary shareholders of the parent company plus assumed conversion of all dilutive potential ordinary shares	$ 116,196	79,646	$ 1.46

	Six Months Ended June 30, 2022		
	Amount after tax	Weighted average outstanding shares (share in thousands)	Earnings per share (EPS) (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent company	$ 143,440	78,269	$ 1.83
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent company	$ 143,440	78,269	
Assumed conversion of all dilutive potential ordinary shares			
Employees' stock options	-	122	
Employees' compensation	-	65	
Profit attributable to ordinary shareholders of the parent company plus assumed conversion of all dilutive potential ordinary shares	$ 143,440	78,456	$ 1.83

(32) Supplemental cash flow information

1. Investment activities with no cash flow effects:

	Six Months Ended June 30	
	2023	2022
Transfer of property, plant and equipment to investment property	$ -	$ 10,256

2. Financing activities with no cash flow effects:

	Six Months Ended June 30	
	2023	2022
Cash dividend declared but unpaid	$ 181,566	$ 135,346

(33) Changes in liabilities from financing activities

	Six Months Ended June 30, 2023		
	Guarantee deposits received	Lease liabilities (including current portion)	Liabilities from financing activities-gross
At January 1	$ 9,535	$ 11,273	$ 20,808
Changes in cash flow from financing activities	335	(2,903)	(2,568)
At June 30	$ 9,870	$ 8,370	$ 18,240

	Six Months Ended June 30, 2022		
	Guarantee deposits received	Lease liabilities (including current portion)	Liabilities from financing activities-gross
At January 1	$ 10,306	$ 4,554	$ 14,860
Changes in cash flow from financing activities	(582)	(2,140)	(2,722)
Addition - Newly added lease contracts	-	2,762	2,762
At June 30	$ 9,724	$ 5,176	$ 14,900

7. Related-Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Perfect Corp.(Cayman)	Associates
Perfect Mobile Corp. (Taiwan)	Associates (Subsidiary of Perfect Corp.(Cayman))
Perfect Corp.(Japan)	"
ClinJeff Corp.	Other related parties

(2) Significant related party transactions and balances

1. Other receivables

	June 30, 2023	December 31, 2022	June 30, 2022
Service revenue:			
Perfect Mobile Corp. (Taiwan)	$ 378	$ 507	$ 515
Rent income:			
Perfect Mobile Corp. (Taiwan)	661	661	661
Perfect Corp.(Japan)	694	750	704
	1, 355	1, 411	1, 365
Payment on behalf of others			
Perfect Mobile Corp. (Taiwan)	392	627	229
Perfect Corp.(Japan)	31	32	30
	423	659	259
	$ 2, 156	$ 2, 577	$ 2, 139

The Group provides legal, management and technical related services to associates, and expenses were charged in accordance with the personnel costs related to the services that the Group provided. Service revenues for the three months and six months ended June 30, 2023 and 2022 are as follows

	Three Months Ended June 30	
	2023	2022
Service revenue (shown as other income):		
Perfect Mobile Corp. (Taiwan)	$ 361	$ 515

	Six Months Ended June 30	
	2023	2022
Service revenue (shown as other income):		
Perfect Mobile Corp. (Taiwan)	$ 1, 417	$ 1, 349

2. Other payables

	June 30, 2023	December 31, 2022	June 30, 2022
Payment on behalf of others:			
Perfect Mobile Corp. (Taiwan)	$ -	$ -	$ 72

It was mainly payments and collections on behalf of others.

3. Rental income (shown as other income)

	Three Months Ended June 30	
	2023	2022
Perfect Mobile Corp. (Taiwan)	$ 1,893	$ 1,891
Perfect Corp.(Japan)	656	666
	$ 2,549	$ 2,557

	Six Months Ended June 30	
	2023	2022
Perfect Mobile Corp. (Taiwan)	$ 3,787	$ 3,783
Perfect Corp.(Japan)	1,331	1,373
	$ 5,118	$ 5,156

The maturity analysis of the lease payments receivable under the operating leases is as follows; please refer to the explanation in note 6(9).

	June 30, 2023
Within 1 year	$ 3,662
2024	6,158
2025	2,566
	$ 12,386

	December 31, 2022	June 30, 2022
Within 1 year	$ -	$ 3,778
2023	3,848	3,848
	$ 3,848	$ 7,626

4. Lease arrangements - lessee

(a) The Group has leased the office from ClinJeff Corp. since May 2022, and the lease period is from 2022 to 2024 where the present value of cash payments was $2,762, calculated using the abovementioned lease period and discount rate. As of June 30, 2023, the accumulated depreciation recognized was $1,611.

(b) Lease liabilities

(i) Ending balance

	June 30, 2023	December 31, 2022	June 30, 2022
ClinJeff Corp.	$ 1, 161	$ 1, 965	$ 2, 769

(ii) Interest expenses:

	Three Months Ended June 30	
	2023	2022
ClinJeff Corp.	$ 8	$ 7

	Six Months Ended June 30	
	2023	2022
ClinJeff Corp.	$ 15	$ 7

5. Acquisition of financial assets

Please refer to note 6(6) 4.

(3) Key management Salary information

	Three Months Ended June 30	
	2023	2022
Short-term employee benefits	$ 8, 422	$ 11, 070
Post-employment benefits	176	153
	$ 8, 598	$ 11, 223

	Six Months Ended June 30	
	2023	2022
Short-term employee benefits	$ 19, 739	$ 24, 660
Post-employment benefits	351	306
	$ 20, 090	$ 24, 966

8. Pledged Assets

None.

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingencies

None.

(2) Commitments

Except for those mentioned in Notes 6(8), 6(9) and 7, the Group has no other significant commitments.

10. Significant Disaster Loss

None.

11. Significant Events after the balance sheet date

None.

12. Others

(1) Capital management

The Group's objectives of capital management are to ensure the Group's sustainable operation and to maintain an optimal capital structure to reduce the cost of capital, and provide returns for shareholders. In order to maintain or adjust to optimal capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares.

(2) Financial instruments

1. Financial instruments by category

	June 30, 2023	December 31, 2022	June 30, 2022
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss (including current and non-current)	$ 310,679	$ 300,818	$ 403,461
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	$ 248	$ 248	$ 248
Financial assets at amortized cost			
Cash and cash equivalents	$ 756,786	$ 1,743,889	$ 952,787
Current financial assets at amortized cost	1,370,160	122,840	1,069,920
Accounts receivable	89,093	119,289	76,096
Other receivables (including related parties)	6,542	6,415	5,320
Guarantee deposits paid (recognized under other financial assets)	7,945	6,801	6,790
	$ 2,230,526	$ 1,999,234	$ 2,110,913
Financial liabilities			
Financial liabilities at amortized cost			
Accounts payable	$ 64,748	$ 54,967	$ 61,900
Other payables (including related parties)	535,317	343,211	530,725
Guarantee deposits received (recognized under other financial liabilities)	9,870	9,535	9,724
	$ 609,935	$ 407,713	$ 602,349
Lease liabilities (including current and non-current)	$ 8,370	$ 11,273	$ 5,176

2. Risk management policies

(a) The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

(b) Risk management is executed by the Group's treasury department under the policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

3. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

(i) The Group operates internationally and is exposed to the exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currencies, primarily with USD, JPY and EUR. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

(ii) The Group's business involves some non-functional currency operations (the Company's functional currency: NTD; other certain subsidiaries' functional currency: USD and JPY). Significant financial assets and liabilities denominated in foreign currencies are as follows:

	June 30, 2023			Six Months Ended June 30, 2023		
				Sensitivity analysis		
Currency	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets						
Monetary items						
USD:NTD	$ 48,640	31.14	$ 1,514,650	1%	$ 15,146	$ -
EUR:NTD	289	33.81	9,771	1%	98	-
GBP:NTD	2	39.38	79	1%	1	-
USD:JPY	991	144.84	30,860	1%	309	-
Non-monetary items						
USD:NTD	58,226	31.14	1,813,163	1%	342	17,789
Financial liabilities						
Monetary items						
USD:NTD	1,280	31.14	39,859	1%	399	-
USD:JPY	1,305	144.84	40,638	1%	406	-

Currency	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
December 31, 2022				Year ended December 31, 2022		
				Sensitivity analysis		
Financial assets						
Monetary items						
USD:NTD	$ 40,367	30.71	$ 1,239,671	1%	$ 12,397	$ -
EUR:NTD	267	31.72	8,736	1%	87	-
GBP:NTD	3	37.09	111	1%	1	-
USD:JPY	1,281	132.14	39,340	1%	393	-
Non-monetary items						
USD:NTD	57,979	30.71	1,780,536	1%	342	17,463
Financial liabilities						
Monetary items						
USD:NTD	1,184	30.71	36,361	1%	364	-
USD:JPY	1,363	132.14	41,858	1%	419	-

Currency	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
June 30, 2022				Six Months Ended June 30, 2022		
				Sensitivity analysis		
Financial assets						
Monetary items						
USD:NTD	$ 44,433	29.72	$ 1,320,549	1%	$ 13,205	$ -
EUR:NTD	221	31.05	6,862	1%	69	-
GBP:NTD	14	36.07	505	1%	5	-
USD:JPY	3,113	136.21	92,518	1%	925	-
Non-monetary items						
USD:NTD	1,268	29.72	37,681	1%	377	-
Financial liabilities						
Monetary items						
USD:NTD	1,328	29.72	39,468	1%	395	-
USD:JPY	2,986	136.21	88,744	1%	887	-

(iii) The total exchange gains or losses, including realized and unrealized, arising from significant effects of foreign exchange fluctuation on the monetary items held by the Group for the three months and six months ended June 30, 2023 and 2022 were a gain of $27,117, $20,436, $20,552 and $36,793, respectively.

Price risk

(i) The Group's equity instruments, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity instruments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

(ii) The Group mainly invests in unlisted stocks, and the value of these equity instruments will be affected by the uncertainties from the future performance of the investment targets. If the prices of these equity instruments rises or falls by 1% while the other conditions remain unchanged, the increase or decrease of the net profit after tax for the six months ended June 30, 2023 and 2022 due to equity instruments measured at fair value through profit or loss will increase or decrease by \$274 and \$301, respectively; the other comprehensive income will increase or decrease by both \$2 from the increase or decrease of equity investments classified as measured at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

(i) The Groups interest-bearing assets are mainly cash and cash equivalents and financial assets at amortized cost. The Group expects no significant cash flow interest rate risk on these assets as all their maturities are within 12 months.

(ii) The Group did not use any financial instruments to hedge interest rate risk.

(iii) There were no borrowing as of June 30, 2023, December 31, 2022 and June 30, 2022, and thus there was no interest rate risk arising from borrowings.

(b) Credit risk

(i) Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost and at fair value through profit or loss.

(ii) The Group manages their credit risk taking into consideration the entire Group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.

(iii) The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

(iv) The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

(A) If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

(B) For investments in bonds that are traded over the counter, if any external credit rating agency rates these bonds as investment grade, the credit risk of these financial assets is low.

(v) The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(A) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

(B) The disappearance of an active market for that financial asset because of financial difficulties;

(C) Default or delinquency in interest or principal repayments;

(D) Adverse changes in national or regional economic conditions that are expected to cause a default.

(vi) The Group classifies customers' accounts receivable in accordance with geographic area. The Group applies the modified approach using provision matrix to estimate expected credit loss.

(vii) The Group used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable.

(viii) The Group has not recognized loss allowance for accounts receivable provided from applying the simplified approach because the amount was both immaterial for the six months ended June 30, 2023 and 2022.

(c) Liquidity risk

(i) Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

(ii) Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits and short-term marketable security, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at June 30, 2023, December 31, 2022 and June 30, 2022, the Group held money market position of $2,057,242, $1,812,522 and $1,627,907, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

(iii) The table below analyses the Group's non-derivative financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

June 30, 2023	Within 1 year	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:			
Accounts payable	$ 64,748	$ -	$ -
Other payables	535,317	-	-
Lease liabilities (Note)	4,392	4,125	-
Other financial liabilities - guarantee deposits received	3,912	4,772	1,186

December 31, 2022	Within 1 year	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:			
Accounts payable	$ 54,967	$ -	$ -
Other payables	343,211	-	-
Lease liabilities (Note)	5,659	5,843	-
Other financial liabilities - guarantee deposits received	3,150	6,385	-

June 30, 2022	Within 1 year	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:			
Accounts payable	$ 61,900	$ -	$ -
Other payables (including related parties)	530,725	-	-
Lease liabilities (Note)	3,837	1,392	-
Other financial liabilities - guarantee deposits received	2,646	7,078	-

Note: The amount includes interest expected to be paid in the future.

(3) Fair value information

1. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

   Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the beneficiary certificates of the Group's investments belongs to this category.

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

   Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity instruments and debt instruments without active market is included in Level 3.

2. Fair value information of investment property at cost is provided in Note 6(10).

3. The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, accounts receivable, other receivables (including related parties), financial assets at amortized cost, other financial assets (under other non-current assets), accounts payable, other payables and other financial liabilities (under other non-current liabilities)) are approximate to their fair values.

4. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets is as follows:

   (a) The related information of natures of the assets is as follows:

June 30, 2023	Level 1	Level 2	Level 3	Total
ASSETS				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ -	$ -	$ 34,249	$ 34,249
Debt instruments	20,309	-	256,121	276,430
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	248	248
Total	$ 20,309	$ -	$ 290,618	$ 310,927

December 31, 2022	Level 1	Level 2	Level 3	Total
ASSETS				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ –	$ –	$ 34,249	$ 34,249
Debt instruments	20,193	–	246,376	266,569
Financial assets at fair value through other comprehensive income				
Equity securities	–	–	248	248
Total	$ 20,193	$ –	$ 280,873	$ 301,066

June 30, 2022	Level 1	Level 2	Level 3	Total
ASSETS				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ –	$ –	$ 37,681	$ 37,681
Debt instruments	80,082	–	285,698	365,780
Financial assets at fair value through other comprehensive income				
Equity securities	–	–	248	248
Total	$ 80,082	$ –	$ 323,627	$ 403,709

(b) The methods and assumptions the Group used to measure fair value are as follows:

(i) The instruments which the Group used market quoted prices as the fair values (that is, Level 1) are listed below according to their characteristics:

	Open-end funds
Market quotation	Net asset value

(ii) Except for the above-mentioned financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

(iii) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

(iv) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

5. For the six months ended June 30, 2023 and 2022, there was no transfer into or out from Level 3.
6. The following chart is the movement of Level 3 for the six months ended June 30, 2023 and 2022:

	Six Months Ended June 30, 2023		
	Equity securities	Debt instruments	Total
At January 1	$ 34,497	$ 246,376	$ 280,873
Acquired in the year	-	4,377	4,377
Gains and losses recognized in profit or loss			
Recorded as non-operating income and expenses	-	2,130	2,130
Effect of exchange rate changes	-	3,238	3,238
At June 30	$ 34,497	$ 256,121	$ 290,618

	Six Months Ended June 30, 2022		
	Equity securities	Debt instruments	Total
At January 1	$ 37,929	$ 237,497	$ 275,426
Acquired in the year	-	5,270	5,270
Gains and losses recognized in profit or loss			
Recorded as non-operating income and expenses	-	27,060	27,060
Effect of exchange rate changes	-	15,871	15,871
At June 30	$ 37,929	$ 285,698	$ 323,627

7. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used

in Level 3 fair value measurement:

		Fair value at June 30, 2023	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	$	34,497	Discounted cash flow	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin, discount for lack of marketability, discount for lack of control	The higher the discount for lack of marketability, the lower the fair value; The higher the weighted average cost of capital and discount for lack of control, the lower the fair value; The higher the long-term revenue growth rate and long-term pre-tax operating margin, the higher the fair value
Non-derivative debt instrument:					
Private fund investment		256,121	Net asset value	Not applicable.	Not applicable.

		Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	$	34,497	Discounted cash flow	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin, discount for lack of marketability, discount for lack of control	The higher the discount for lack of marketability, the lower the fair value; The higher the weighted average cost of capital and discount for lack of control, the lower the fair value; The higher the long-term revenue growth rate and long-term pre-tax operating margin, the higher the fair value
Non-derivative debt instrument:					
Private fund investment		246,376	Net asset value	Not applicable.	Not applicable.

	Fair value at June 30, 2022	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Non-derivative equity instrument:				
Unlisted stocks	$ 37,929	Discounted cash flow	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin, discount for lack of marketability, discount for lack of control	The higher the discount for lack of marketability, the lower the fair value; The higher the weighted average cost of capital and discount for lack of control, the lower the fair value; The higher the long-term revenue growth rate and long-term pre-tax operating margin, the higher the fair value
Non-derivative debt instrument:				
Private fund investment	285,698	Net asset value	Not applicable.	Not applicable.

8. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets categorized within Level 3 if the inputs used to valuation models have changed:

			Six Months Ended June 30, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Inputs	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Discount for lack of marketability, discount for lack of control	±1%	$ 342	($ 342)	$ 2	($ 2)
Debt instruments	Not applicable.	±1%	2,561	(2,561)	-	-
Total			$ 2,903	($ 2,903)	$ 2	($ 2)

			Six Months Ended June 30, 2022			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Inputs	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Discount for lack of marketability, discount for lack of control	±1%	$ 377	($ 377)	$ 2	($ 2)
Debt instruments	Not applicable.	±1%	2,857	(2,857)	–	–
Total			$ 3,234	($ 3,234)	$ 2	($ 2)

13. Supplementary Disclosures

(1) Significant transactions information

1. Lending to others: None.
2. Provision of endorsements and guarantees to others: None.
3. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.
4. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.
5. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.
6. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.
7. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.
8. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.
9. Trading in derivative instruments undertaken during the reporting periods: None.
10. Significant inter-company transactions during the reporting periods: Please refer to table 2.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 3.

(3) Information on investments in Mainland China

1. Basic information: Please refer to table 4.
2. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Please refer to table 5.

14. Segment Reporting

(1) General information

The Group recognizes the reportable segments based on the reporting information used by the Chief Operating Decision-maker. The Chief Operating Decision-maker operates the business and evaluates performance by products. Its main business activities are related to the sale of "Media Creation" software. Information about operating results of other products is provided under the column heading "Media Experience and Entertainment and Others".

(2) Information about segments

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	Six Months Ended June 30, 2023		
	Media Creation	Media Experience and Entertainment and others	Total
Segment Revenue	$ 613,148	$ 263,205	$ 876,353
Segment Operating Income	$ 53,237	$ 20,112	$ 73,349
Segment income (loss), including:			
Depreciation expense	$ 6,030	$ 2,278	$ 8,308
Amortization expenses	$ 1,206	$ 455	$ 1,661

	Six Months Ended June 30, 2022		
	Media Creation	Media Experience and Entertainment and others	Total
Segment Revenue	$ 561,562	$ 261,857	$ 823,419
Segment Operating Income	$ 58,047	$ 23,520	$ 81,567
Segment income (loss), including:			
Depreciation expense	$ 6,166	$ 2,498	$ 8,664
Amortization expenses	$ 1,059	$ 429	$ 1,488

(3) Reconciliation for segment profit or loss

The Chief Operating Decision-Maker evaluates operating segment performance and allocates resources to operating segments based on segment revenues and operating income. Therefore, no reconciling adjustments are necessary.

CYBERLINK CORP. AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

June 30, 2023

Table 1

Unit: Amounts expressed in thousands of New Taiwan Dollars

(EXCEPT AS OTHERWISE INDICATED)

				As of June 30, 2023				
Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	Number of shares	Carrying amount (Note 3)	Ownership (%)	Fair value	Footnote (Note 4)
CyberLink Corp.	Stock of One-Blue, LLC	Director of the investee company	Non-current financial assets at fair value through profit or loss	-	$ 34,249	16.67%	$ 34,249	
CyberLink Corp.	Yuanta Wan Tai Money Market Fund	None	Current financial assets at fair value through profit or loss	1,313,817	20,309	0.12%	20,309	
CyberLink Corp.	Fuh Hwa New Intelligence Fund	None	Non-current financial assets at fair value through profit or loss	3,000,000	23,400	1.90%	23,400	
CyberLink Corp.	Geothings Technology Co., Ltd	None	Non-current Financial assets at fair value through other comprehensive income	100,000	248	2.08%	248	
CyberLink Corp.	SKYMIZER TAIWAN INC.	None	Non-current Financial assets at fair value through other comprehensive income	40,000	-	1.48%	-	
CyberLink International Technology Corp.	Preferred stock of Cidana Inc.	None	Non-current Financial assets at fair value through other comprehensive income	500,000	-	3.56%	-	
CyberLink International Technology Corp.	Preferred stock of LOFTechnology, Inc.	None	Non-current Financial assets at fair value through other comprehensive income	100,000	-	0.57%	-	
CyberLink International Technology Corp.	CCV Fund I LP	None	Non-current financial assets at fair value through profit or loss	-	USD 7,473 (in thousands of dollars)	5.37%	USD 7,473 (in thousands of dollars)	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates, and other related derivative securities within the scope of IFRS 9 “Financial Instruments."

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortized cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4:The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

CYBERLINK CORP. AND SUBSIDIARIES

Significant inter-company transactions during the reporting periods

For the six months ended June 30, 2023

Table 2

Unit: Amounts expressed in thousands of New Taiwan Dollars

(EXCEPT AS OTHERWISE INDICATED)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	CyberLink Corp.	CyberLink Inc.	1	Sales revenue	$ 56,469	Note 4	6.4%
0	CyberLink Corp.	CyberLink.Com Corp.	1	Sales revenue	77,584	Note 4	8.9%
0	CyberLink Corp.	CyberLink.Com Corp.	1	Receivables	16,681	Note 4, 5	0.3%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(a) Parent company is '0.'

(b) The subsidiaries are numbered in order starting from '1.'

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of categories each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(a) Parent company to subsidiary.

(b) Subsidiary to parent company.

(c) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Sales to subsidiaries are at normal price and are collected 30 days after the delivery of goods.

Note 5: Receivables include accounts receivable and other receivables.

Note 6: Transaction amounts over $10,000 are disclosed; transactions are disclosed from asset and revenue sides.

CYBERLINK CORP. AND SUBSIDIARIES

Information on investees

For the six months ended June 30, 2023

Table 3

Unit: Amounts expressed in thousands of New Taiwan Dollars

(EXCEPT AS OTHERWISE INDICATED)

Name of Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment Amount		Shares held as at June 30, 2023			Net income (loss) of investee for this period (Note 2(2))	Investment income (loss) recognized by the Company for the period (Note 2(3))	Footnote
				Balance as at June 30, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Carrying amount			
CyberLink Corp.	CyberLink.Com Corp.	America	Sale of software	$ 136,327	$ 136,327	4,000,000	100%	$ 387,078	($ 5,632)	($ 5,632)	Direct subsidiary
CyberLink Corp.	CyberLink International Technology Corp.	B.V.I.	Investment activities	1,373,806	1,373,806	44,000,000	100%	2,038,756	(343)	(343)	Direct subsidiary
CyberLink Corp.	CyberLink Inc.	Japan	Sale of software	235,714	235,714	1,900	100%	216,572	(5,496)	(5,496)	Direct subsidiary
CyberLink International Technology Corp.	Perfect Corp.(Cayman)	Cayman	Investment activities	1,221,529 (USD 39,227 in thousands of dollars)	1,204,661 (USD 39,227 in thousands of dollars)	36,960,961	31.25%	1,778,944 (USD 57,127 in thousands of dollars)	14,951 (USD 489 in thousands of dollars)	-	Investment accounted for using the equity method

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

1) The columns of 'Investee,' 'Location,' 'Main business activities,' Initial investment amount' and 'Shares held as at June 30, 2023' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.

2) The 'Net income (loss) of the investee for this period' column should fill in amount of net income (loss) of the investee for this period.

3) The 'Investment income (loss) recognized by the Company for this period' column should fill in the Company (public company) recognized investment income (loss) of its direct subsidiary and recognized investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognized investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognized by regulations.

CYBERLINK CORP. AND SUBSIDIARIES

Information on investments in Mainland China

For the six months ended June 30, 2023

Table 4

Unit: Amounts expressed in thousands of New Taiwan Dollars

(EXCEPT AS OTHERWISE INDICATED)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount of investment remitted or recovered during the period		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2023	Net income of investee as of June 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the period (Note 2(2)B)	Carrying amount of investments in Mainland China as of June 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Perfect (Shanghai) Co., Ltd.	Trading of computer peripheral and software	$ 76,511 (USD 2,457 in thousands of dollars)	(2)	$ 32,853 (USD 1,055 in thousands of dollars)	$ 4,577 (USD 147 in thousands of dollars)	$ -	$ 37,430 (USD 1,202 in thousands of dollars)	($ 13,394)	31.25%	$ -	$ 5,032	$ -	Note 4, 5

Company Name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
CyberLink Corp.	$ 37,430 (USD 1,202 in thousands of dollars)	$ 74,674 (USD 2,398 in thousands of dollars)	$ 2,771,290

Note 1:Investment methods are classified into the following three categories; fill in the number of the category that each case belongs to:

(a) Directly invest in a company in mainland China

(b) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

(c) Others.

Note 2:In the 'Investment income (loss) recognized by the Company for June 30, 2023' column:

(a) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.

(b) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

A The financial statements that are reviewed and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

B The financial statements that are reviewed and attested by R.O.C. investment company's CPA.

C Others.

Note 3:The numbers in this table are expressed in New Taiwan Dollars.

Note 4:Through investing in CyberLink International Technology Corp.

Note 5: Perfect (Shanghai) Co., Ltd. is a subsidiary directly reinvested by Perfect Corp. (Cayman), which is the Group's investee company recognized under the equity method.

CYBERLINK CORP. AND SUBSIDIARIES

Major shareholders information

June 30, 2023

Table 5 Expressed in shares

	Shares	
Name of major shareholder	Number of shares held	Ownership (%)
ClinJeff Corp.	12,176,497	15.42%
Chang, Hua-Jen	7,862,716	9.96%