CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT
For the Three Months Ended March 31, 2025 and 2024

(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 THREE MONTHS ENDED MARCH 31, 2025 and 2024

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Independent Auditor's Review Report

(2025) Finance Review Report No. 25000164

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 March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and cash flows for the three months ended March 31, 2025 and 2024, 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 the 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 causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025 and 2024, as well as its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 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

April 29, 2025

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" as endorsed and made effective 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 used for translation was not reviewed by the CPA.

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

CYBERLINK CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024

(The balance sheets as of March 31, 2024 and 2023 are reviewed, not audited)

Unit: Amounts expressed in thousands of New Taiwan Dollars

			March 31, 2025 (Reviewed)		December 31, 2024 (Audited)		March 31, 2024 (Reviewed)	
	ASSETS	Notes	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 573,274	9	$ 587,718	10	$ 402,397	7
1110	Current financial assets at fair value through profit or loss	6(2)	40,297	1	90,030	1	20,848	-
1136	Current financial assets at amortized cost	6(3)	1,917,878	30	1,696,883	28	1,728,000	29
1170	Accounts receivable, net	6(5)	86,719	1	68,894	1	94,323	2
1200	Other receivables		3,697	-	3,957	-	5,576	-
1210	Other receivables - related parties	7	2,405	-	2,140	-	2,193	-
1220	Current income tax assets		2,299	-	2,272	-	7,561	-
130X	Inventories		2,891	-	3,000	-	4,451	-
1470	Other current assets		27,495	1	30,767	1	24,045	1
11XX	**Total current assets**		2,656,955	42	2,485,661	41	2,289,394	39
	Non-current assets							
1510	Non-current financial assets at fair value through profit or loss	6(2)	253,453	4	250,807	4	276,739	5
1517	Non-current financial assets at fair value through other comprehensive income	6(4)	248	-	248	-	248	-
1550	Investments accounted for using the equity method	6(6)	1,663,867	27	1,634,165	27	1,572,216	27
1600	Property, plant and equipment, net	6(7)	438,842	7	427,205	7	428,838	7
1755	Right-of-use assets	6(8) and 7	13,398	-	15,031	-	19,934	-
1760	Investment property, net	6(10)	1,200,732	19	1,203,641	20	1,212,368	21
1840	Deferred income tax assets		68,188	1	68,242	1	55,756	1
1900	Other non-current assets		12,934	-	15,539	-	22,386	-
15XX	**Total non-current assets**		3,651,662	58	3,614,878	59	3,588,485	61
1XXX	**Total assets**		$ 6,308,617	100	$ 6,100,539	100	$ 5,877,879	100

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

CYBERLINK CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024

(The balance sheets as of March 31, 2024 and 2023 are reviewed, not audited)

Unit: Amounts expressed in thousands of New Taiwan Dollars

			March 31, 2025 (Reviewed)		December 31, 2024 (Audited)		March 31, 2024 (Reviewed)	
	Liabilities and Equity	Notes	Amount	%	Amount	%	Amount	%
	Current liabilities							
2130	Current contract liabilities	6(22)	$ 483,698	8	$ 435,006	7	$ 392,603	7
2170	Accounts payable	6(11)	27,902	-	30,116	1	42,655	1
2200	Other payables	6(12)	413,400	7	434,171	7	312,058	5
2230	Income tax payable		23,338	-	18,511	-	5,080	-
2280	Current lease liabilities	6(8) (32) and 7	6,789	-	6,646	-	6,576	-
2300	Other current liabilities	6(13) (14)	65,493	1	36,450	1	44,250	1
21XX	**Total current liabilities**		1,020,620	16	960,900	16	803,222	14
	Non-current liabilities							
2550	Non-current provisions	6(14)	315,137	5	332,419	6	342,047	6
2570	Deferred income tax liabilities		8,451	-	8,451	-	8,917	-
2580	Non-current lease liabilities	6(8) (32) and 7	7,054	-	8,732	-	13,727	-
2600	Other non-current liabilities	6(15) (32)	65,754	1	65,693	1	65,328	1
25XX	**Total non-current liabilities**		396,396	6	415,295	7	430,019	7
2XXX	**Total Liabilities**		1,417,016	22	1,376,195	23	1,233,241	21
	Equity							
	Equity attributable to shareholders of the parent							
	Capital Stock	6(18)						
3110	Common stock		790,988	13	789,593	13	789,418	13
	Capital surplus	6(19)						
3200	Capital surplus		2,314,874	37	2,295,299	37	2,261,726	39
	Retained earnings	6(20)						
3310	Legal reserve		1,092,794	17	1,092,794	18	1,092,794	19
3320	Special reserve		186,303	3	186,303	3	170,301	3
3350	Unappropriated earnings		518,293	8	415,991	7	437,217	7
	Other equity interest	6(21)						
3400	Other equity interest		(11,651)	-	(55,636)	(1)	(106,818)	(2)
31XX	**Equity attributable to shareholders of the parent**		4,891,601	78	4,724,344	77	4,644,638	79
3XXX	**Total equity**		4,891,601	78	4,724,344	77	4,644,638	79
	Significant Contingent Liabilities and Unrecognized Contract Commitments	6(8)(9) and 7						
2X	**Total liabilities and equity**		$ 6,308,617	100	$ 6,100,539	100	$ 5,877,879	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 Three Months Ended March 31, 2025 and 2024

(Reviewed, not audited)

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

	Item	Notes	Three Months Ended March 31, 2025 Amount	%	Three Months Ended March 31, 2024 Amount	%
4000	Net revenue	6(22)	$ 571,525	100	$ 492,114	100
5000	Operating costs	6(23) (28)	(83,753)	(15)	(69,826)	(14)
5900	Gross profit		487,772	85	422,288	86
	Operating expenses	6(16) (28) (29) and 7				
6100	Sales and marketing expenses		(211,705)	(37)	(178,280)	(36)
6200	General and administrative expenses		(31,162)	(5)	(34,386)	(7)
6300	Research and development expenses		(177,585)	(31)	(154,680)	(32)
6450	Expected credit loss	12(2)	-	-	(20,514)	(4)
6000	Total operating expenses		(420,452)	(73)	(387,860)	(79)
6900	Operating income		67,320	12	34,428	7
	Non-operating income and expenses					
7100	Interest income	6(3)(24)	19,420	3	22,258	4
7010	Other income	6(9)(10) (25) and 7	19,878	3	23,943	5
7020	Other gains or losses	6(2)(26)	15,353	3	39,640	8
7050	Financial costs	6(8)(27) and 7	(57)	-	(58)	-
7000	Total non-operating income and expenses		54,594	9	85,783	17
7900	**Income before income tax**		121,914	21	120,211	24
7950	Income tax expenses	6(30)	(19,612)	(3)	(20,659)	(4)
8200	**Net income for the period**		$ 102,302	18	$ 99,552	20
	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)	$ 21,748	4	$ 18,033	4
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method	6(6)(21)	22,237	4	61,452	12
8360	Components of other comprehensive income that will be reclassified to profit or loss subsequently		43,985	8	79,485	16
8300	**Other comprehensive income (net)**		$ 43,985	8	$ 79,485	16
8500	**Total comprehensive income**		$ 146,287	26	$ 179,037	36
	Net income, attributable to:					
8610	Shareholders of the parent		$ 102,302	18	$ 99,552	20
	Total comprehensive income, attributable to:					
8710	Shareholders of the parent		$ 146,287	26	$ 179,037	36
	Earnings per share (EPS) (NT$)	6(31)				
9750	Basic earnings per share		$	1.29	$	1.26
9850	Diluted earnings per share		$	1.27	$	1.25

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
Three Months Ended March 31, 2025 and 2024
(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
Three months ended March 31, 2024									
Balance at January 1, 2024		$ 789,418	$ 2,247,436	$ 1,092,794	$ 170,301	$ 337,665	($ 174,008)	($ 12,295)	$ 4,451,311
Net income for the period		-	-	-	-	99,552	-	-	99,552
Other comprehensive income for the period	6(21)	-	-	-	-	-	79,485	-	79,485
Total comprehensive income for the period		-	-	-	-	99,552	79,485	-	179,037
Share-based payment transactions	6(17)(19)	-	5,187	-	-	-	-	-	5,187
Change in net equity of associates accounted for using the equity method	6(19)	-	9,103	-	-	-	-	-	9,103
Balance at March 31, 2024		$ 789,418	$ 2,261,726	$ 1,092,794	$ 170,301	$ 437,217	($ 94,523)	($ 12,295)	$ 4,644,638
Three months ended March 31, 2025									
Balance at January 1, 2025		$ 789,593	$ 2,295,299	$ 1,092,794	$ 186,303	$ 415,991	($ 43,341)	($ 12,295)	$ 4,724,344
Net income for the period		-	-	-	-	102,302	-	-	102,302
Other comprehensive income for the period	6(21)	-	-	-	-	-	43,985	-	43,985
Total comprehensive income for the period		-	-	-	-	102,302	43,985	-	146,287
Share-based payment transactions	6(17)(19)	-	1,884	-	-	-	-	-	1,884
Exercise of employee stock options	6(18)(19)	1,395	10,226	-	-	-	-	-	11,621
Change in net equity of associates accounted for using the equity method	6(19)	-	7465	-	-	-	-	-	7465
Balance at March 31, 2025		$ 790,988	$ 2,314,874	$ 1,092,794	$ 186,303	$ 518,293	$ 644	($ 12,295)	$ 4,891,601

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

CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2025 and 2024
(Reviewed, not audited)

Unit: Amounts expressed in thousands of New Taiwan Dollars

	Notes	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Cash flows from operating activities			
Net income before income tax		$ 121,914	$ 120,211
Adjustments			
Adjustments to reconcile profit (loss)			
Loss on financial assets at fair value through profit or loss	6(2)(26)	1,323	4,546
Depreciation expense	6(7)(8)(10)	7,699	7,581
Expected credit loss	6(28)	-	20,514
Interest income	6(24)	(19,420)	(22,258)
Dividend income	6(25)	-	(4,922)
Interest expenses	6(8)(27)	57	58
Cost of employee stock options	6(17)(29)	1,884	5,187
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets mandatorily measured at fair value through profit or loss		48,423	113,477
Accounts receivable		(16,267)	(6,330)
Other receivables		273	(450)
Other receivables - related parties		(218)	(51)
Inventories		109	(724)
Other current assets		3,295	2,310
Other non-current assets		2,202	1,369
Changes in operating liabilities			
Current contract liabilities		48,688	29,839
Accounts payable		(2,779)	(959)
Other payables		(24,843)	(70,118)
Other current liabilities		5,578	1,271
Current and non-current provisions of liabilities		4,307	(9,221)
Other non-current liabilities		61	7
Cash inflow generated from operations		182,286	191,337
Interest received		19,410	22,048
Interest paid		(57)	(58)
Dividends received		-	4,922
Income tax paid		(14,081)	(12,332)
Net cash inflow from operating activities		187,558	205,917

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CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2025 and 2024
(Reviewed, not audited)

Unit: Amounts expressed in thousands of New Taiwan Dollars

	Notes	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Cash flows from investing activities			
Acquisition of financial assets at amortized cost		($ 1,129,140)	($ 896,000)
Proceeds from disposal of financial assets at amortized cost		912,660	657,560
Acquisition of property, plant and equipment	6(33)	(5,251)	(5,195)
Decrease in refundable deposits		407	97
Net cash outflow from investing activities		(221,324)	(243,538)
Cash flows from financing activities			
Repayment of the principal portion of lease liabilities	6(8)(32)	(1,535)	(1,768)
Exercise of employee stock options		11,621	-
Net cash inflow (outflow) from financing activities		10,086	(1,768)
Effects of changes in exchange rates		9,236	125
Net decrease in cash and cash equivalents		(14,444)	(39,264)
Cash and cash equivalents at beginning of period		587,718	441,661
Cash and cash equivalents at end of period		$ 573,274	$ 402,397

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

CYBERLINK CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Three months ended March 31, 2025 and 2024
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 to 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 approved the Company's shares for listing 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 April 29, 2025.

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 issued by the FSC, effective from 2025, are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21 'Lack of Exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact on 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

New standards, interpretations, and amendments endorsed by the FSC, effective from 2025, are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to certain content of IFRS No. 9 and IFRS No. 7 "Amendments to the classification and measurement of financial instruments"	January 1, 2026

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

(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 certain content of IFRS No. 9 and IFRS No. 7 "Amendments to the classification and measurement of financial instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts referencing nature-dependent electricity".	January 1, 2026
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
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
IFRS No. 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027
IFRS No. 19 "Subsidiaries Without Public Accountability: Disclosures"	January 1, 2027
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

The Group has assessed the aforementioned standards and interpretations, and except for the items listed below, there are no significant impact on the Group's financial position and performance:

1. Amendments to certain content of IFRS No. 9 and IFRS No. 7 "Amendments to the classification and measurement of financial instruments"

   The FSC has approved certain content of this amendment; the content not yet approved is described below:

   (a) The amendment clarifies the recognition and derecognition dates of certain financial assets and liabilities. It adds that when using an electronic payment system to settle a financial liability (or part of it) in cash, an enterprise is permitted to consider the financial liability as derecognized before the settlement date if and only if the enterprise initiates the payment instruction, provided that the following conditions are met:

      1. The enterprise does not have the ability to revoke, stop or cancel the payment designation;
      2. The enterprise has no actual ability to obtain cash for settlement due to the payment order;
      3. The delivery risk related to the electronic payment system is not significant.

(b) The update to investments in equity instruments designated at fair value through other comprehensive income through irrevocable election (FVOCI) requires disclosure of the fair value of each type of equity instrument, and it is no longer necessary to disclose the fair value information of each individual instrument. Additionally, the entity should disclose the fair value gains and losses recognized in other comprehensive income during the reporting period, separately showing the fair value gains and losses related to investments derecognized during the reporting period and those related to investments held at the end of the reporting period, as well as the accumulated other comprehensive income transferred to equity due to the derecognition of investments during the reporting period.

2. IFRS No. 18 “Presentation and Disclosure in Financial Statements”

IFRS No. 18 “Financial Statement Presentation and Disclosure” replaces IAS No. 1 and updates the structure of the comprehensive income statement, adds the disclosure of management performance measurement, and strengthens the application in the summary of the main financial statements, notes and segmentation.

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, 2024, except for the compliance statement, the basis of preparation, the 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, 2024.

(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 to herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment 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, 2024.

2. Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
Name of Investor	Company Name of Subsidiary	Major Operating Activities	March 31, 2025	December 31, 2024	March 31, 2024
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%
CyberLink Corp.	CyberLink Inc. (CyberLink-Japan)	Sale of software	100%	100%	100%

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 disclosed 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, 2024.

6. Details of Significant Accounts

(1) Cash

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and revolving funds	$ 50	$ 50	$ 50
Checking accounts	102,472	101,438	49,395
Demand deposits	470,752	486,230	352,952
	$ 573,274	$ 587,718	$ 402,397

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 pledged to others.

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

Item	March 31, 2025	December 31, 2024	March 31, 2024
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Money market funds	$ 40,134	$ 90,000	$ 20,723
Valuation adjustment	163	30	125
	$ 40,297	$ 90,030	$ 20,848
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Private fund	$ 303,206	$ 298,179	$ 288,441
Unlisted stocks	22,994	22,994	23,221
Subtotal	326,200	321,173	311,662
Valuation adjustment	(72,747)	(70,366)	(34,923)
	$ 253,453	$ 250,807	$ 276,739

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 March 31,	
	2025	2024
Financial assets mandatorily measured at fair value through profit or loss		
Private fund	($ 1,590)	($ 4,770)
Money market funds	267	224
	($ 1,323)	($ 4,546)

2. The Group received part of invested cost from disposal of some investment target of an investee in the amount of $3,477 and $1,122 in March and October 2024, respectively; the Group received proceeds from capital reduction of an investee in the amount of $227 in July 2024.
3. The amount of dividend income recognized in profit or loss in relation to financial assets at fair value through profit or loss for the three months ended March 31, 2025 and 2024 was $0 and $4,922, respectively.
4. The Group has no financial assets at fair value through profit or loss pledged to others.
5. 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	March 31, 2025	December 31, 2024	March 31, 2024
Current items:			
Time deposits with original maturity of more than three months	$ 1,917,878	$ 1,696,883	$ 1,728,000

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

	Three Months Ended March 31,	
	2025	2024
Interest income	$ 19,402	$ 22,249

2. As at March 31, 2025, December 31, 2024 and March 31, 2024, 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 was $1,917,878, $1,696,883 and $1,728,000, 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 institutions 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	March 31, 2025	December 31, 2024	March 31, 2024
Non-current items:			
Unlisted stocks	$ 13,303	$ 13,198	$ 13,000
Valuation adjustment	(13,055)	(12,950)	(12,752)
	$ 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 March 31, 2025, December 31, 2024 and March 31, 2024 both amounted to $248.
2. As of March 31, 2025, December 31, 2024 and March 31, 2024, 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 was 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

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable	$ 164,112	$ 146,287	$ 114,837
Less: Loss allowance	(77,393)	(77,393)	(20,514)
	$ 86,719	$ 68,894	$ 94,323

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

	March 31, 2025	December 31, 2024	March 31, 2024
Not Past Due	$ 78,317	$ 67,415	$ 86,376
Past Due			
Up to 30 days	6,374	1,132	23,804
31 to 90 days	1,885	208	3,305
Over 91 days	77,536	77,532	1,352
	$ 164,112	$ 146,287	$ 114,837

The above ageing analysis was based on past due date.

2. As of March 31, 2025, December 31, 2024 and March 31, 2024, accounts receivable were all from contracts with customers. Additionally, as of January 1, 2024, the balance of accounts receivable from contracts with customers amounted to $139,979.

3. As of March 31, 2025, December 31, 2024 and March 31, 2024, 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 was $86,719, $68,894 and $94,323, respectively.

4. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(6) Investments accounted for using the equity method

	Three Months Ended March 31,	
	2025	2024
At January 1	$ 1,634,165	$ 1,501,661
Changes in capital surplus (Note 6(19))	7,465	9,103
Changes in other equity items (Note 6(21))	22,237	61,452
At March 31	$ 1,663,867	$ 1,572,216

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

		Shareholding ratio				
Company Name	Principal place of business	March 31, 2025	December 31, 2024	March 31, 2024	Nature of relationship	Method of Measurement
Perfect Corp.(Cayman)	Cayman	36.29%	36.29%	36.29%	Investments accounted for using the equity method	Equity method

2. The Group holds a 36.29% equity interest in Perfect Corp. (Cayman). Given that the Group appointed only one out of seven directors on the current Board of Directors of Perfect Corp. (Cayman), and the Perfect Corp. (Cayman)'s Articles of Incorporation set forth that there is no obligation to hold a shareholders' meeting on a regular basis every year, the Group has no ability to dominate the relevant activities of Perfect Corp. (Cayman), and the Group has no control, but has significant influence, over Perfect Corp. (Cayman).

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

	March 31, 2025	December 31, 2024	March 31, 2024
Perfect Corp.(Cayman)	$ 2,215,590	$ 3,441,938	$ 2,933,222

(7) Property, plant and equipment, net

	Three Months Ended March 31, 2025					
	Land	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Total
At January 1						
Cost	$ 319,968	$ 149,570	$ 26,315	$ 1,930	$ 1,054	$ 498,837
Accumulated depreciation	-	(55,610)	(14,370)	(1,608)	(44)	(71,632)
	$ 319,968	$ 93,960	$ 11,945	$ 322	$ 1,010	$ 427,205
At January 1	$ 319,968	$ 93,960	$ 11,945	$ 322	$ 1,010	$ 427,205
Additions	-	1,050	6,363	-	-	7,413
Depreciation expense	-	(1,746)	(1,317)	(50)	(44)	(3,157)
Net exchange differences	6,054	1,308	9	10	-	7,381
At March 31	$ 326,022	$ 94,572	$ 17,000	$ 282	$ 966	$ 438,842
At March 31						
Cost	$ 326,022	$ 152,289	$ 32,790	$ 1,986	$ 1,054	$ 514,141
Accumulated depreciation	-	(57,717)	(15,790)	(1,704)	(88)	(75,299)
	$ 326,022	$ 94,572	$ 17,000	$ 282	$ 966	$ 438,842

	Three Months Ended March 31, 2024					
	Land	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Total
At January 1						
Cost	$ 323,421	$ 150,246	$ 24,277	$ 1,924	$ -	$ 499,868
Accumulated depreciation	-	(50,671)	(14,884)	(1,336)	-	(66,891)
	$ 323,421	$ 99,575	$ 9,393	$ 588	$ -	$ 432,977
At January 1	$ 323,421	$ 99,575	$ 9,393	$ 588	$ -	$ 432,977
Additions	-	-	2,212	-	-	2,212
Depreciation expense	-	(1,796)	(1,159)	(76)	-	(3,031)
Net exchange differences	(2,696)	(611)	(5)	(8)	-	(3,320)
At March 31	$ 320,725	$ 97,168	$ 10,441	$ 504	$ -	$ 428,838
At March 31						
Cost	$ 320,725	$ 149,503	$ 26,442	$ 1,922	$ -	$ 498,592
Accumulated depreciation	-	(52,335)	(16,001)	(1,418)	-	(69,754)
	$ 320,725	$ 97,168	$ 10,441	$ 504	$ -	$ 428,838

(8) Leasing arrangements - lessee

1. The Group leases various assets including offices and transportation equipment. Rental contracts for the three months ended March 31, 2025 and 2024 were typically made for periods from 2023 to 2029 and from 2022 to 2026, 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 their rights transferred to others in other forms such as business transfer or combination.
2. Short-term leases with a lease term of 12 months or less comprise parking spaces rented by the Group in Taiwan and leased offices in the United States.
3. The information of right-of-use assets is as follows:

	Three Months Ended March 31, 2025		
	Buildings	Transportation equipment	Total
At January 1			
Cost	$ 19,748	$ 2,904	$ 22,652
Accumulated depreciation	(6,169)	(1,452)	(7,621)
	$ 13,579	$ 1,452	$ 15,031
At January 1	$ 13,579	$ 1,452	$ 15,031
Depreciation expense	(1,391)	(242)	(1,633)
At March 31	$ 12,188	$ 1,210	$ 13,398
At March 31			
Cost	$ 19,748	$ 2,904	$ 22,652
Accumulated depreciation	(7,560)	(1,694)	(9,254)
	$ 12,188	$ 1,210	$ 13,398

	Three Months Ended March 31, 2024		
	Buildings	Transportation equipment	Total
At January 1			
Cost	$ 15,758	$ 2,904	$ 18,662
Accumulated depreciation	(3,354)	(484)	(3,838)
	$ 12,404	$ 2,420	$ 14,824
At January 1	$ 12,404	$ 2,420	$ 14,824
Additions - Newly added lease contracts	6,751	-	6,751
Depreciation expense	(1,399)	(242)	(1,641)
At March 31	$ 17,756	$ 2,178	$ 19,934
At March 31			
Cost	$ 22,509	$ 2,904	$ 25,413
Accumulated depreciation	(4,753)	(726)	(5,479)
	$ 17,756	$ 2,178	$ 19,934

4. Lease liabilities relating to lease contracts:

	March 31, 2025		December 31, 2024		March 31, 2024	
Total lease liabilities	$	13,843	$	15,378	$	20,303
Less: Current portion (shown as 'current lease liabilities')	(	6,789)	(	6,646)	(	6,576)
	$	7,054	$	8,732	$	13,727

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

	Three Months Ended March 31,			
	2025		2024	
Items affecting profit or loss				
Interest expense on lease liabilities	$	57	$	58
Expense on short-term lease contracts		538		475
	$	595	$	533

6. For the three months ended March 31, 2025 and 2024, the Group's total cash outflow for leases was $2,130 and $2,301, respectively, which included expenses on short-term lease contracts of $538 and $475, interest expenses on lease liabilities of $57 and $58, and payments of lease liabilities of $1,535 and $1,768, 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. 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 form.

2. Leases to related parties

   The Group leases assets including the offices on the 6F and 14F of the "Jiang-Ling Information" Building located in Xindian District of New Taipei City, and an office in Minato, Tokyo, Japan. Rental contracts are typically made for periods of 1 to 2 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 over 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 corporations through sublease, sharing, transfer or any other form. Rents are collected at the beginning of the next month.

3. For the three months ended March 31, 2025 and 2024, the Group recognized rent income in the amounts of $18,518 and $17,560, 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:

	March 31, 2025
Within 1 year	$ 50,180
2026	59,126
2027	39,436
2028	28,434
2029	20,436
2030	1,449
	$ 199,061

	December 31, 2024	March 31, 2024
Within 1 year	$ -	$ 41,810
2025	66,916	36,371
2026	57,362	31,815
2027	39,289	18,009
2028	28,434	14,596
2029	20,436	9,817
2030	1,449	-
	$ 213,886	$ 152,418

(10) Investment property

	Three Months Ended March 31, 2025		
	Land	Buildings	Total
At January 1			
Cost	$ 799,024	$ 593,470	$ 1,392,494
Accumulated depreciation	-	(188,853)	(188,853)
	$ 799,024	$ 404,617	$ 1,203,641
At January 1	$ 799,024	$ 404,617	$ 1,203,641
Depreciation expense	-	(2,909)	(2,909)
At March 31	$ 799,024	$ 401,708	$ 1,200,732
At March 31			
Cost	$ 799,024	$ 593,470	$ 1,392,494
Accumulated depreciation	-	(191,762)	(191,762)
	$ 799,024	$ 401,708	$ 1,200,732

	Three Months Ended March 31, 2024		
	Land	Buildings	Total
At January 1			
Cost	$ 799,024	$ 593,470	$ 1,392,494
Accumulated depreciation	-	(177,217)	(177,217)
	$ 799,024	$ 416,253	$ 1,215,277
At January 1	$ 799,024	$ 416,253	$ 1,215,277
Depreciation expense	-	(2,909)	(2,909)
At March 31	$ 799,024	$ 413,344	$ 1,212,368
At March 31			
Cost	$ 799,024	$ 593,470	$ 1,392,494
Accumulated depreciation	-	(180,126)	(180,126)
	$ 799,024	$ 413,344	$ 1,212,368

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

	Three Months Ended March 31,	
	2025	2024
Rental income from investment property	$ 17,886	$ 16,939
Direct operating expenses arising from the investment property that generated rental income during the period	$ 4,019	$ 3,675
Direct operating expenses arising from the investment property that did not generate rental income during the period	$ -	$ 195

2. The fair values of the investment property held by the Group as of March 31, 2025, December 31, 2024 and March 31, 2024 were $2,494,270, $2,494,270 and $2,188,314, respectively, and were estimated based on market trading prices of similar properties in the nearby areas which belong to Level 3 information.

(11) Accounts payable

	March 31, 2025	December 31, 2024	March 31, 2024
Royalty expense	$ 26,961	$ 28,837	$ 31,638
Others	941	1,279	11,017
	$ 27,902	$ 30,116	$ 42,655

(12) Other payables

	March 31, 2025	December 31, 2024	March 31, 2024
Promotional fees	$ 152,892	$ 141,755	$ 96,600
Employees' compensation and directors' remuneration	114,626	109,841	87,241
Payroll	56,443	110,608	47,157
Royalty collection	20,802	20,539	20,044
Employees' rewards	15,095	9,380	13,240
Professional service fees	11,960	11,377	11,847
Payables for equipment	2,541	271	199
Other accrued expenses	33,518	28,281	32,334
Other payables	5,523	2,119	3,396
	$ 413,400	$ 434,171	$ 312,058

(13) Other current liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Refund liability	$ 37,900	$ 32,317	$ 39,586
Current provisions of liabilities	21,589	-	-
Others	6,004	4,133	4,664
	$ 65,493	$ 36,450	$ 44,250

(14) Provisions

	Three Months Ended March 31, 2025		
	Royalty	Cost of software bug-fixing	Total
At January 1	$ 325,046	$ 7,373	$ 332,419
Additional provisions	-	143	143
Net exchange differences	4,164	-	4,164
At March 31	$ 329,210	$ 7,516	$ 336,726

	Three Months Ended March 31, 2024		
	Royalty	Cost of software bug-fixing	Total
At January 1	$ 344,753	$ 6,515	$ 351,268
Additional provisions	-	229	229
Provision for liabilities used in the current period	(14,074)	-	(14,074)
Unused amounts reversed	(9,858)	-	(9,858)
Net exchange differences	14,482	-	14,482
At March 31	$ 335,303	$ 6,744	$ 342,047

Analysis of total provisions:

	March 31, 2025	December 31, 2024	March 31, 2024
Current	$ 21,589	$ -	$ -
Non-current	315,137	332,419	342,047
	$ 336,726	$ 332,419	$ 342,047

1. Royalty
   The Group estimates the possible royalty expenses based on the industry characteristics, other known events and management's judgment, and recognizes such expenses within the '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 the patent owner claims payment or shall be paid 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 costs and liabilities and accounts for it as common product warranty obligations.

(15) Other non-current liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Accrued pension liabilities	$ 54,966	$ 54,905	$ 55,145
Guarantee deposits received	10,788	10,788	10,183
	$ 65,754	$ 65,693	$ 65,328

(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 the Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company assesses 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 the following March.

   (b) For the three months ended March 31, 2025 and 2024, the pension costs recognized by the Company in accordance with the pension measures above were $301 and

$327, respectively.

(c) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2025, 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 a lump sum upon termination of employment.

(b) The pension costs under defined contribution pension plans of the Company for the three months ended March 31, 2025 and 2024 were $7,633 and $6,988, respectively.

(c) The pension costs under local pension regulations of the foreign subsidiaries for the three months ended March 31, 2025 and 2024 were $754 and $752, respectively.

(17) Share-based payment

1. As of March 31, 2025, December 31, 2024 and March 31, 2024, 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%

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

	Three Months Ended March 31,			
	2025		2024	
	No. of options (in thousands)	Weighted – average exercise price (in dollars)	No. of options (in thousands)	Weighted – average exercise price (in dollars)
Options outstanding at January 1	1,938	$ 83.30	2,000	$ 85.70
Options exercised	(140)	83.30	-	-
Options outstanding at March 31	1,798	83.30	2,000	85.70
Options exercisable at March 31	821		-	

3. The weighted-average stock price of stock options at exercise dates for the three months ended March 31, 2025 and 2024 were $83.30 and $0 (in dollars), respectively.

4. As of March 31, 2025, December 31, 2024, and March 31, 2024, the range of exercise prices of stock options outstanding was $83.30, $83.30 and $85.70 (in dollars), respectively; the weighted-average remaining contractual period was 4.32 years, 4.57 years and 5.32 years, respectively.

5. The fair value of stock options granted on the 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.

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

	Three Months Ended March 31,	
	2025	2024
Cost of employee stock options	$ 1,884	$ 5,187

(18) Capital Stock

As of March 31, 2025, 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 $790,988 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:

	Three Months Ended March 31,	
	2025	2024
At January 1	78,959	78,942
Exercise of employee stock options	140	-
At March 31	79,099	78,942

(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 as 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.

	Three Months Ended March 31, 2025				
	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	$ 94,674	$ 43,597	$ 60,144	$ 2,096,884	$ 2,295,299
Share-based payment transactions	-	1,884	-	-	1,884
Exercise of employee stock options	13,854	(3,628)	-	-	10,226
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	-	7,465	7,465
At March 31	$ 108,528	$ 41,853	$ 60,144	$ 2,104,349	$ 2,314,874

	Three Months Ended March 31, 2024				
	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	$ 29,862	$ 60,144	$ 2,064,493	$ 2,247,436
Share-based payment transactions	-	5,187	-	-	5,187
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	-	9,103	9,103
At March 31	$ 92,937	$ 35,049	$ 60,144	$ 2,073,596	$ 2,261,726

(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 the 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 shall be made 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 the beginning of the 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 the debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

5.(a) On March 26, 2025, the appropriation of the 2024 earnings was approved by the Board of Directors' meeting, and on June 19, 2024, the appropriation of the 2023 earnings was resolved at the shareholders' meeting, and the details are as follows:

	Year ended December 31			
	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ -		$ -	
(Reversed) Provision of special reserve	(130,667)		16,002	
Cash dividends	308,485	$ 3.90	221,037	$ 2.80

(b) As of April 29, 2025, the aforementioned appropriation of the 2024 earnings proposal has not yet been resolved by the shareholders' meeting.

(c) The Company's legal reserve had exceeded paid-in capital, thus, according to laws, the Company could not appropriate the legal reserve. When the Company appropriated earnings for the year ended December 31, 2024 and 2023, it determined not to provide legal reserve.

(21) <u>Other equity items</u>

	Three Months Ended March 31, 2025		
	Unrealized gains (losses) on valuation	Currency translation	Total
At January 1	($ 12,295)	($ 43,341)	($ 55,636)
Currency translation:			
- Group	-	21,748	21,748
- Associates	-	22,237	22,237
At March 31	($ 12,295)	$ 644	($ 11,651)

	Three Months Ended March 31, 2024		
	Unrealized gains (losses) on valuation	Currency translation	Total
At January 1	($ 12,295)	($ 174,008)	($ 186,303)
Currency translation:			
- Group	-	18,033	18,033
- Associates	-	61,452	61,452
At March 31	($ 12,295)	($ 94,523)	($ 106,818)

(22) Net revenue

	Three Months Ended March 31,	
	2025	2024
Revenue from contracts with customers	$ 571,525	$ 492,114

1. Disaggregation of revenue from contracts with customers

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

	Taiwan		America		Japan		Other region		
Three Months Ended March 31, 2025	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 Entertainme nt and others	Total
Revenue from contracts with customers	$ 14,830	$ 17,551	$ 309,784	$ 58,074	$ 71,038	$ 51,415	$ 34,227	$ 14,606	$ 571,525
Timing of revenue recognition									
At a point in time	$ 3,041	$ 16,299	$ 94,542	$ 50,954	$ 25,356	$ 49,897	$ 9,613	$ 14,436	$ 264,138
Over time	11,789	1,252	215,242	7,120	45,682	1,518	24,614	170	307,387
	$ 14,830	$ 17,551	$ 309,784	$ 58,074	$ 71,038	$ 51,415	$ 34,227	$ 14,606	$ 571,525

	Taiwan		America		Japan		Other region		
Three Months Ended March 31, 2024	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 Entertainme nt and others	Total
Revenue from contracts with customers	$ 11,962	$ 9,635	$ 260,843	$ 44,112	$ 67,452	$ 52,010	$ 28,249	$ 17,851	$ 492,114
Timing of revenue recognition									
At a point in time	$ 2,307	$ 8,488	$ 65,933	$ 41,236	$ 24,174	$ 50,462	$ 8,369	$ 15,547	$ 216,516
Over time	9,655	1,147	194,910	2,876	43,278	1,548	19,880	2,304	275,598
	$ 11,962	$ 9,635	$ 260,843	$ 44,112	$ 67,452	$ 52,010	$ 28,249	$ 17,851	$ 492,114

2. Contract liabilities:

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

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Advance sales receipts	$ 483,698	$ 435,006	$ 392,603	$ 362,766

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

	Three Months Ended March 31,	
	2025	2024
Revenue recognized that was included in the contract liabilities balance at the beginning of the year		
Advance sales receipts	$ 193,466	$ 163,176

(23) Operating costs

	Three Months Ended March 31,	
	2025	2024
Service cost of platform	$ 54,118	$ 50,502
Royalty cost	25,411	15,160
Cost of goods sold	4,081	3,935
Others	143	229
	$ 83,753	$ 69,826

(24) Interest income

	Three Months Ended March 31,	
	2025	2024
Interest income from financial assets measured at amortized cost	$ 19,402	$ 22,249
Bank deposits	18	9
	$ 19,420	$ 22,258

(25) Other income

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Rental income	$ 18,518	$ 17,560
Dividend income	-	4,922
Grant income	669	676
Service revenue	300	403
Other income - others	391	382
	$ 19,878	$ 23,943

(26) Other gains or losses

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Currency exchange gains	$ 20,662	$ 48,005
Net (losses) gains on financial assets at fair value through profit or loss	(1,323)	(4,546)
Depreciation expenses on investment property	(2,909)	(2,909)
Others	(1,077)	(910)
	$ 15,353	$ 39,640

(27) Financial costs

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Interest expense - lease liabilities	$ 57	$ 58

(28) Costs and expenses by nature

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Employee benefit expenses	$ 252,554	$ 224,924
Promotional fees	116,591	91,633
Service cost of platform	54,118	50,502
Royalty cost	25,411	15,160
Professional service fees	16,798	15,750
Expected credit loss	-	20,514
Cost of goods sold	4,081	3,935
Depreciation of property, plant and equipment	3,157	3,031
Product expenses	2,981	2,373
Depreciation of right-of-use assets	1,633	1,641
Others	26,881	28,223
Total cost of sales and operating expenses	$ 504,205	$ 457,686

(29) Employee benefit expenses

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Wages and Salaries	$ 217,099	$ 188,926
Insurance fees	16,623	15,020
Pension costs	8,991	8,067
Cost of employee stock options	1,884	5,187
Directors' remuneration	3,031	2,874
Other personnel expenses	4,926	4,850
	$ 252,554	$ 224,924

1. In accordance with the Articles of Incorporation of the Company, a ratio of the 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 ended March 31, 2025 and 2024, employees' compensation and directors' remuneration recognized in salary expenses were accrued as follows:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Employees' compensation	$ 22,860	$ 15,440
Directors' remuneration	2,150	1,991
	$ 25,010	$ 17,431

For the three months ended March 31, 2025 and 2024, employees' compensation was estimated and accrued at 15.95% and 11.31%, respectively, of the distributable profit for the current period, and the directors' remuneration was estimated and accrued at 1.50% and 1.46%, respectively, of the distributable profit for the current year as of the end of the reporting period.

The employees' compensation and directors' remuneration for 2024, as resolved by the Board of Directors on February 27, 2025, were consistent with the amounts recognized in the 2024 financial statements. The employees' compensation will be distributed in cash. As of March 31, 2025, compensation to employees has been partially paid.

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

	Three Months Ended March 31,	
	2025	2024
Current income tax:		
Current income tax expense recognized for the current period	$ 19,559	$ 13,211
Total current income tax	19,559	13,211
Deferred income tax:		
Origination and reversal of temporary differences	53	7,448
Total deferred income tax	53	7,448
Income tax expense recognized in profit or loss	$ 19,612	$ 20,659

3. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(31) Earnings per share (EPS)

	Three Months Ended March 31, 2025		
	Amount after tax	Outstanding shares (share in thousands)	Earnings per share (EPS) (NT$)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent company	$ 102,302	79,027	$ 1.29
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent company	$ 102,302	79,027	
Assumed conversion of all dilutive potential ordinary shares			
Employees' stock options	-	577	
Employees' compensation	-	656	
Profit attributable to ordinary shareholders of the parent company plus assumed conversion of all dilutive potential ordinary shares	$ 102,302	80,260	$ 1.27

	Three Months Ended March 31, 2024		
	Amount after tax	Outstanding shares (share in thousands)	Earnings per share (EPS) (NT$)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent company	$ 99,552	78,942	$ 1.26
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent company	$ 99,552	78,942	
Assumed conversion of all dilutive potential ordinary shares			
Employees' stock options	-	104	
Employees' compensation	-	723	
Profit attributable to ordinary shareholders of the parent company plus assumed conversion of all dilutive potential ordinary shares	$ 99,552	79,769	$ 1.25

(32) Changes in liabilities from financing activities

	Three Months Ended March 31, 2025		
	Guarantee deposits received	Lease liabilities (including current portion)	Liabilities from financing activities-gross
At January 1	$ 10,788	$ 15,378	$ 26,166
Changes in cash flow from financing activities	-	(1,535)	(1,535)
At March 31	$ 10,788	$ 13,843	$ 24,631

	Three Months Ended March 31, 2024		
	Guarantee deposits received	Lease liabilities (including current portion)	Liabilities from financing activities-gross
At January 1	$ 10,183	$ 15,320	$ 25,503
Changes in cash flow from financing activities	-	(1,768)	(1,768)
Additions - Newly added lease contracts	-	6,751	6,751
At March 31	$ 10,183	$ 20,303	$ 30,486

(33) Supplemental cash flow information

Investment activities involving partial cash payments only:

	Three Months Ended March 31,	
	2025	2024
Purchase of property, plant and equipment	$ 7,413	$ 2,212
Plus: Beginning balance for payables for equipment	258	3,173
Less: Ending balance for payables for equipment	(2,420)	(190)
Cash paid in the period	$ 5,251	$ 5,195

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

	March 31, 2025	December 31, 2024	March 31, 2024
Service revenue:			
Perfect Mobile Corp. (Taiwan)	$ 300	$ 175	$ 403
Rent income:			
Perfect Mobile Corp. (Taiwan)	661	661	661
Perfect Corp.(Japan)	719	677	683
	1,380	1,338	1,344
Payment on behalf of others			
Perfect Mobile Corp. (Taiwan)	600	532	398
Perfect Corp.(Japan)	125	95	48
	725	627	446
	$ 2,405	$ 2,140	$ 2,193

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 ended March 31, 2025 and 2024 were as follows:

	Three Months Ended March 31,	
	2025	2024
Service revenue (shown as other income):		
Perfect Mobile Corp. (Taiwan)	$ 300	$ 403

2. Rental income (shown as other income)

	Three Months Ended March 31,	
	2025	2024
Perfect Mobile Corp. (Taiwan)	$ 1,894	$ 1,894
Perfect Corp.(Japan)	633	622
	$ 2,527	$ 2,516

The maturity analysis of lease payments receivable from operating leases is presented below. For related details, please refer to Note 6(9).

	March 31, 2025
Within 1 year	$ 1,959

	December 31, 2024	March 31, 2024
Within 1 year	$ -	$ 5,667
2025	3,848	3,848
	$ 3,848	$ 9,515

3. Lease transactions - lessee

(a) The Group has leased an office from ClinJeff Corp. since February 2024, and the lease period is from May 2024 to April 2029, with the present value of cash payments being $6,751, calculated using the abovementioned lease period and discount rate. As of March 31, 2025, the accumulated depreciation recognized was $1,238.

(b) Total lease liabilities

(i) Ending balance

	March 31, 2025	December 31, 2024	March 31, 2024
ClinJeff Corp.	$ 5,671	$ 5,882	$ 6,868

(ii) Interest expenses:

	Three Months Ended March 31,	
	2025	2024
ClinJeff Corp.	$ 23	$ 2

(3) Key management Salary information

	Three Months Ended March 31,	
	2025	2024
Short-term employee benefits	$ 14,252	$ 13,901
Post-employment benefits	200	177
	$ 14,452	$ 14,078

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 to provide returns for shareholders. In order to maintain or adjust an 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

	March 31, 2025	December 31, 2024	March 31, 2024
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)	$ 293,750	$ 340,837	$ 297,587
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	$ 573,274	$ 587,718	$ 402,397
Current financial assets at amortized cost	1,917,878	1,696,883	1,728,000
Accounts receivable	86,719	68,894	94,323
Other receivables (including related parties)	6,102	6,097	7,769
Guarantee deposits paid (recognized under other non-current assets)	5,026	5,429	7,187
	$ 2,588,999	$ 2,365,021	$ 2,239,676
Financial liabilities			
Financial liabilities at amortized cost			
Accounts payable	$ 27,902	$ 30,116	$ 42,655
Other payables	413,400	434,171	312,058
Guarantee deposits received (recognized under other non-current liabilities)	10,788	10,788	10,183
	$ 452,090	$ 475,075	$ 364,896
Lease liabilities (including current and non-current)	$ 13,843	$ 15,378	$ 20,303

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 exchange rate risk arising from transactions conducted by the Company and its subsidiaries in various functional currencies, primarily with USD and JPY. 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:

	March 31, 2025			Three Months Ended March 31, 2025		
				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	$ 53,204	33.21	$ 1,766,905	1%	$ 17,669	$ -
EUR:NTD	283	35.97	10,180	1%	102	-
GBP:NTD	47	43.05	2,023	1%	20	-
USD:JPY	472	149.12	15,675	1%	157	-
Non-monetary items						
USD:NTD	51,359	33.21	1,705,640	1%	418	16,639
Financial liabilities						
Monetary items						
USD:NTD	474	33.21	15,742	1%	157	-
USD:JPY	600	149.12	19,926	1%	199	-

	December 31, 2024			Year ended December 31, 2024		
				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	$ 48,906	32.79	$ 1,603,628	1%	$ 16,036	$ -
EUR:NTD	226	34.14	7,716	1%	77	-
GBP:NTD	50	41.19	2,060	1%	21	-
USD:JPY	236	156.22	7,738	1%	77	-
Non-monetary items						
USD:NTD	61,941	32.79	2,031,031	1%	418	19,893
Financial liabilities						
Monetary items						
USD:NTD	407	32.79	13,346	1%	133	-
USD:JPY	565	156.22	18,526	1%	185	-

	March 31, 2024			Three Months Ended March 31, 2024		
				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	$ 49,202	32.00	$ 1,574,464	1%	$ 15,745	$ -
EUR:NTD	278	34.46	9,580	1%	96	-
GBP:NTD	2	40.39	81	1%	1	-
USD:JPY	404	151.30	12,928	1%	129	-
Non-monetary items						
USD:NTD	50,445	32.00	1,614,216	1%	420	15,722
Financial liabilities						
Monetary items						
USD:NTD	665	32.00	21,280	1%	213	-
USD:JPY	606	151.30	19,392	1%	194	-

3. The total exchange gains, including realized and unrealized, arising from significant effects of foreign exchange fluctuation on the monetary items held by the Group for the three months ended March 31, 2025 and 2024 were $20,662 and $48,005, respectively.

Price risk

(i) The Group's equity and debt instruments, which are exposed to price risk, are the 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 and debt 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 open-ended funds and the value of these equity instruments is affected by the uncertainties from the future performance of the investment targets. If the prices of these equity instruments rise or fall by 1% while the other conditions remain unchanged, the increase or decrease in the net profit after tax for the three months ended March 31, 2025 and 2024 due to equity instruments measured at fair value through profit or loss would increase or decrease by $2,350 and $2,381, 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 Group's 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 was no borrowing as of March 31, 2025, December 31, 2024 and March 31, 2024, 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 under contractual obligations. The main factor is that counterparties cannot repay in full the accounts receivable based on the agreed terms, or the Group fails to collect contract cash flows of debt instruments measured at amortized cost and at fair value through profit or loss.

(ii) The Group manages its 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 its 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, default is considered to occur when the contract payments are past due over 90 days.

(iv) The Group adopts the 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 are 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 its 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 based on trade credit risk. The Group applies the modified approach, using a provision matrix, to estimate expected credit losses.

(vii) The Group adjusts the default rate adopted based on the historical and current information for a specific period by taking the economic forecast made by the Taiwan Institute of Economic Research into account, and estimates the loss allowance for accounts receivable.

(viii) The amount of the allowance for accounts receivable provided from applying the simplified approach by the Group is insignificant except for individual customers. The Group takes the customer's past default history and actual financial situation into consideration and adjusts the loss rate based on the historical and current information in a specific period, in order to estimate the loss allowance on accounts receivable. The loss rates on March 31, 2025, December 31, 2024, and March 31, 2024 are as follows:

March 31, 2025	Group	Individual (Note)	Total
Expected loss rate	0.00%~1.11%	100%	
Total book value	$ 86,719	$ 77,393	$ 164,112
Loss allowance	$ -	$ 77,393	$ 77,393

December 31, 2024	Group	Individual (Note)	Total
Expected loss rate	0.00%~1.14%	100%	
Total book value	$ 68,894	$ 77,393	$ 146,287
Loss allowance	$ -	$ 77,393	$ 77,393

March 31, 2024	Group	Individual (Note)	Total
Expected loss rate	0.00%~1.38%	100%	
Total book value	$ 94,323	$ 20,514	$ 114,837
Loss allowance	$ -	$ 20,514	$ 20,514

Note: One of the Group's foreign e-commerce payment service providers filed for reorganization, which was approved by the court in that country on September 25, 2023. The Group received notification of the customer's claim for creditors in January 2024 and entered into liquidation procedures. As of March 31, 2025, the outstanding accounts receivable from this customer could not be reasonably expected to be recoverable, and thus the entire amount was recognized as an expected credit loss. The accumulated allowance for losses recognized as of March 31, 2025, amounted to $77,393, with $77,393 written off as irrecoverable. However, the Group continues to negotiate with the customer and closely monitors the customer's reorganization process. The Group will take appropriate measures to protect and preserve its receivables.

I. The Group's simplified table of changes in loss allowance for accounts receivable is as follows:

	Three Months Ended March 31,	
	2025	2024
	Accounts receivable	Accounts receivable
At January 1	$ 77,393	$ 31,153
Irrecoverable amount written off	-	(31,153)
Provision for impairment	-	20,514
At March 31	$ 77,393	$ 20,514

(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 the balance required for working capital management is transferred to the Group treasury. Group treasury invests surplus cash in interest-bearing current accounts, time deposits, financial assets measured at amortized cost and short-term marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at March 31, 2025, December 31, 2024 and March 31, 2024, the Group held money market positions of $2,428,927, $2,273,143 and $2,101,800, 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.

March 31, 2025	Within 1 year	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:			
Accounts payable	$ 27,902	$ -	$ -
Other payables	413,400	-	-
Lease liabilities (Note)	6,952	7,167	-
Other non-current liabilities - guarantee deposits received	1,567	8,653	568

December 31, 2024	Within 1 year	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:			
Accounts payable	$ 30,116	$ -	$ -
Other payables	434,171	-	-
Lease liabilities (Note)	6,835	8,875	-
Other non-current liabilities - guarantee deposits received	1,853	8,368	567

March 31, 2024	Within 1 year	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:			
Accounts payable	$ 42,655	$ -	$ -
Other payables	312,058	-	-
Lease liabilities (Note)	6,835	13,768	117
Other non-current liabilities - guarantee deposits received	3,410	4,267	2,506

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

(3) Fair value information

1. The different levels of 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 when 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 an 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 on the natures of the assets is as follows:

March 31, 2025	Level 1	Level 2	Level 3	Total
ASSETS				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ -	$ -	$ 41,773	$ 41,773
Debt instruments	40,297	-	211,680	251,977
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	248	248
Total	$ 40,297	$ -	$ 253,701	$ 293,998

December 31, 2024	Level 1	Level 2	Level 3	Total
ASSETS				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ -	$ -	$ 41,773	$ 41,773
Debt instruments	90,030	-	209,034	299,064
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	248	248
Total	$ 90,030	$ -	$ 251,055	$ 341,085

March 31, 2024	Level 1	Level 2	Level 3	Total
ASSETS				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ -	$ -	$ 42,000	$ 42,000
Debt instruments	20,848	-	234,739	255,587
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	248	248
Total	$ 20,848	$ -	$ 276,987	$ 297,835

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

(i) The instruments for 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 financial instruments with active markets mentioned above, the fair value of other financial instruments is determined using valuation techniques or based on counterparty quotes. The fair value derived from valuation techniques is estimated by referencing the current fair value of financial instruments with substantially similar terms and characteristics, using the discounted cash flow method, or applying other valuation techniques, including models based on market information available as of the consolidated balance sheet date.

(iii) The output of a 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 the valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk, 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 that adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet date. 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 three months ended March 31, 2025 and 2024, there were no transfers into or out of Level 3.
6. The following chart is the movement of Level 3 for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31, 2025		
	Equity securities	Debt instruments	Total
At January 1	$ 42,021	$ 209,034	$ 251,055
Acquired in the year	-	1,576	1,576
Gains and losses recognized in profit or loss			
Recorded as non-operating income and expenses	-	(1,590)	(1,590)
Effect of exchange rate changes	-	2,660	2,660
March 31	$ 42,021	$ 211,680	$ 253,701

	Three Months Ended March 31, 2024		
	Equity securities	Debt instruments	Total
At January 1	$ 42,248	$ 233,926	$ 276,174
Cost return in the current period	-	(3,477)	(3,477)
Gains and losses recognized in profit or loss			
Recorded as non-operating income and expenses	-	(4,770)	(4,770)
Effect of exchange rate changes	-	9,060	9,060
March 31	$ 42,248	$ 234,739	$ 276,987

7. The following is qualitative information on significant unobservable inputs and a sensitivity analysis of changes in those inputs used in Level 3 fair value measurements:

	Fair value at March 31, 2025	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Non-derivative equity instrument:				
Unlisted stocks	$ 42,021	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	211,680	Net asset value	Not applicable.	Not applicable.

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Non-derivative equity instrument:				
Unlisted stocks	$ 42,021	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	209,034	Net asset value	Not applicable.	Not applicable.

	Fair value at March 31, 2024	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Non-derivative equity instrument:				
Unlisted stocks	$ 42,248	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	234,739	Net asset value	Not applicable.	Not applicable.

8. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, the use of different valuation models or assumptions may result in different measurements. The following shows the effect on profit or loss or other comprehensive income from financial assets classified within Level 3 if the inputs used in the valuation models were to change:

			Three Months Ended March 31, 2025			
			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%	$ 418	($ 418)	$ 2	($ 2)
Debt instruments	Not applicable.	±1%	2,117	(2,117)	-	-
Total			$ 2,535	($ 2,535)	$ 2	($ 2)

			Three Months Ended March 31, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Inputs	Change	Favourable change	Unfavourabl e change	Favourable change	Unfavourabl e change
Financial assets						
Equity instruments	Discount for lack of marketability, discount for lack of control	±1%	$ 420	($ 420)	$ 2	($ 2)
Debt instruments	Not applicable.	±1%	2,347	(2,347)	-	-
Total			$ 2,767	($ 2,767)	$ 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 major securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.
4. Purchases or sales of goods with related parties reaching $100 million or 20% of paid-in capital or more: None.
5. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.
6. Significant inter-company transactions during the reporting period: 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 party, with investee companies in the Mainland Area: None.

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, Entertainment and Others".

(2) Information about segments

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

	Three Months Ended March 31, 2025		
	Media Creation	Media Experience and Entertainment and others	Total
Segment Revenue	$ 429,879	$ 141,646	$ 571,525
Segment Operating Income	$ 51,184	$ 16,136	$ 67,320
Segment income (loss), including:			
Depreciation expense	$ 3,642	$ 1,148	$ 4,790

	Three Months Ended March 31, 2024		
	Media Creation	Media Experience and Entertainment and others	Total
Segment Revenue	$ 368,506	$ 123,608	$ 492,114
Segment Operating Income	$ 26,298	$ 8,130	$ 34,428
Segment income (loss), including:			
Depreciation expense	$ 3,569	$ 1,103	$ 4,672

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

March 31, 2025

Table 1

Unit: Amounts expressed in thousands of New Taiwan Dollars

(EXCEPT AS OTHERWISE INDICATED)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of March31, 2025				Footnote (Note 4)
				Number of shares	Carrying amount (Note 3)	Ownership (%)	Fair value	
CyberLink Corp.	Stock of One-Blue, LLC	Director of the investee company	Non-current financial assets at fair value through profit or loss	-	$ 41,773	16.67%	$ 41,773	
CyberLink Corp.	Yuanta Wan Tai Money Market Fund	None	Current financial assets at fair value through profit or loss	2,545,235	40,297	0.19%	40,297	
CyberLink Corp.	Fuh Hwa New Intelligence Fund	None	Non-current financial assets at fair value through profit or loss	3,000,000	1,050	1.90%	1,050	
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	-	0.93%	-	
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 6,342 (in thousands of dollars)	5.37%	USD 6,342 (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 the marketable securities is a non-related party.

Note 3: Fill in the amount after adjustment at fair value and deduction of accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortized cost after deduction of 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.

Note 5: This table includes marketable securities that the Company has determined should be disclosed based on the principle of materiality.

CYBERLINK CORP. AND SUBSIDIARIES

Significant inter-company transactions during the reporting periods

Three Months Ended March 31, 2025

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	$ 37,669	Note 4	6.6%
0	CyberLink Corp.	CyberLink Inc.	1	Receivables	10,674	Note 4, 5	0.2%
0	CyberLink Corp.	CyberLink.com Corp.	1	Sales revenue	50,536	Note 4	8.8%
0	CyberLink Corp.	CyberLink.com Corp.	1	Receivables	18,767	Note 4, 5	0.3%

Note 1: The numbers assigned to the transaction company with respect to inter-company transactions are as follows:

(a) Parent company is ‘0.’

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

Note 2: The relationship between transaction company and counterparty is classified into the following three categories; indicate the category number 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 them 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 it.):

(a) Parent company to subsidiary.

(b) Subsidiary to parent company.

(c) Subsidiary to subsidiary.

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

Note 4: Sales to subsidiaries are at normal prices 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 both asset and revenue sides.

CYBERLINK CORP. AND SUBSIDIARIES

Information on investees

Three Months Ended March 31, 2025

Table 3

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

Name of Investor	Investee (Note 1 and 2)	Location	Main business activities	Initial investment Amount		Shares held as at March 31, 2025			Net income of investee as of March 31, 2025 (Note 2(2))	Investment income (loss) recognized by the Company (Note 2(3))	Footnote
				Balance as at March 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Carrying amount			
CyberLink Corp.	CyberLink.com Corp.	America	Sale of software	$136,327	$ 136,327	4,000,000	100%	$ 363,771	$ 4,097	$ 4,097	Direct subsidiary
CyberLink Corp.	CyberLink International Technology Corp.	B.V.I.	Investment activities	1,373,806	1,373,806	44,000,000	100%	1,904,561	(25)	(25)	Direct subsidiary
CyberLink Corp.	CyberLink Inc.	Japan	Sale of software	235,714	235,714	1,900	100%	243,956	2,748	2,748	Direct subsidiary
CyberLink International Technology Corp.	Perfect Corp.	Cayman	Investment activities	1,302,729 (USD 39,227 in thousands of dollars)	1,286,253 (USD 39,227 in thousands of dollars)	36,960,961	36.29%	1,663,867 (USD 50,101 in thousands of dollars)	75,418 (USD 2,293 in thousands of dollars)	-	Investments accounted for using the equity method

Note 1:If a public company has an overseas holding company and prepares consolidated financial statements as its primary financial report in accordance with local laws, it may disclose only the relevant information of the overseas holding company regarding its related overseas investee information.

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

(a) The columns of ‘Investee,’ ‘Location,’ ‘Main business activities, ” Initial investment amount’ and ‘Shares held as at December 31, 2024’ should be filled in order with the Company’s (public company’s) information on investees and every directly or indirectly controlled investee’s investment information, and the relationship between the Company (public company) and each of its investees (e.g., direct subsidiary or indirect subsidiary) should be noted in the ‘footnote’ column.

(b) The ‘Net income (loss) of the investee’ column should be filled in with the amount of net income (loss) of the investee for this period.

(c) The ‘Investment income (loss) recognized by the Company for this period’ column should be filled in with 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 the recognized investment income (loss) of its direct subsidiary, the Company (public company) should confirm that the direct subsidiary’s net profit (loss) for this period has included its investment income (loss) which shall be recognized in accordance with regulations.

CYBERLINK CORP. AND SUBSIDIARIES

Information on investments in Mainland China

Three Months Ended March 31, 2025

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, 2025	Amount of investment remitted or recovered during the period: Remitted to Mainland China	Amount of investment remitted or recovered during the period: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	Net income of investee as of March 31, 2025	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 March 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2025	Footnote
Perfect (Shanghai) Co., Ltd.	Trading of computer peripheral and software	$ 118,095 (USD 3,556 in thousands of dollars)	(2)	$ 57,653 (USD 1,736 in thousands of dollars)	$ -	$ -	$ 57,653 (USD 1,736 in thousands of dollars)	($ 2,775)	36.29%	$ -	$ 6,855	$ -	Note 4, 5

Company Name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	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.	$ 57,653 (USD 1,736 in thousands of dollars)	$ 79,638 (USD 2,398 in thousands of dollars)	$ 2,934,961

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 investment in a company in mainland China

(b) Investment through an existing company in a third-area country, which then invested in the investee in Mainland China.

(c) Others.

Note 2:In the 'Investment income (loss) recognized by the Company for March 31, 2025' column:

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

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

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

B. Financial report reviewed by CPAs of Perfect Corp. (Cayman)

C. Others.

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

Note 4:Investment made through CyberLink International Technology Corp.

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