HTC Corporation and Subsidiaries

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

Deloitte.

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
HTC Corporation

Introduction

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

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Pan-Fa Wang and Kuo-Tyan Hong.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 3, 2023

Notice to Readers

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

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

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 17,751,066	38	$ 17,945,253	39	$ 12,106,979	27
Financial assets at fair value through profit or loss - current (Notes 7 and 30)	178,718	-	50,051	-	220,990	-
Financial assets at fair value through other comprehensive income - current (Notes 8 and 30)	703,125	1	413,868	1	223,127	1
Notes and trade receivables, net (Notes 10 and 24)	506,450	1	574,547	1	368,043	1
Other receivables (Note 10)	186,824	-	136,816	-	54,384	-
Current tax assets	252,499	1	254,257	-	178,729	-
Inventories (Note 11)	1,372,829	3	1,420,449	3	1,818,230	4
Prepayments (Note 12)	308,205	1	365,673	1	262,496	1
Other current financial assets (Notes 9 and 32)	6,893,327	15	6,420,121	14	11,513,338	25
Other current assets	704	-	4,574	-	12,593	-
Total current assets	28,153,747	60	27,585,609	59	26,758,909	59
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 30)	326,252	1	329,102	1	346,232	1
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 30)	3,838,633	8	3,897,866	9	3,385,088	7
Investments accounted for using equity method (Note 14)	1,004,478	2	1,106,939	2	1,126,864	3
Property, plant and equipment (Notes 15, 31 and 32)	6,930,487	15	7,036,248	15	7,075,499	16
Right-of-use assets (Note 16)	152,708	-	139,325	-	176,549	-
Investment properties, net (Notes 17 and 32)	2,622,888	6	2,582,567	6	2,727,684	6
Intangible assets (Note 18)	80,664	-	81,321	-	65,314	-
Deferred tax assets	2,976,659	7	3,026,645	7	3,153,010	7
Refundable deposits	72,745	-	73,037	-	63,171	-
Net defined benefit asset - non-current	495,341	1	494,809	1	345,862	1
Other non-current financial assets (Notes 9 and 32)	76,128	-	76,794	-	71,563	-
Other non-current assets (Note 12)	3,465	-	9,974	-	16,123	-
Total non-current assets	18,580,448	40	18,854,627	41	18,552,959	41
TOTAL	$ 46,734,195	100	$ 46,440,236	100	$ 45,311,868	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 19 and 32)	$ 2,925,000	6	$ 2,640,000	6	$ 2,700,000	6
Financial liabilities at fair value through profit or loss - current (Notes 7 and 30)	31,849	-	81,169	-	161,042	-
Notes and trade payables (Notes 20 and 31)	5,603,181	12	5,687,202	12	5,527,837	12
Other payables (Notes 21 and 31)	3,241,713	7	3,815,517	8	4,228,295	9
Current tax liabilities	115,743	-	208,604	1	47,589	-
Provisions - current (Note 22)	859,998	2	944,418	2	1,092,229	3
Lease liabilities - current (Notes 16 and 31)	60,859	-	44,637	-	58,068	-
Other current liabilities (Notes 21 and 24)	301,612	1	305,576	1	333,935	1
Total current liabilities	13,139,955	28	13,727,123	30	14,148,995	31
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 19 and 32)	8,000,000	17	6,800,000	15	3,500,000	8
Deferred tax liabilities	65,795	-	85,210	-	93,971	-
Lease liabilities - non-current (Notes 16 and 31)	107,404	-	107,105	-	130,508	-
Guarantee deposits received	160,757	1	161,638	-	153,160	1
Total non-current liabilities	8,333,956	18	7,153,953	15	3,877,639	9
Total liabilities	21,473,911	46	20,881,076	45	18,026,634	40
EQUITY (Note 23)						
Share capital - ordinary shares	8,310,921	18	8,295,153	18	8,249,274	18
Capital surplus	16,205,598	35	16,160,271	35	16,027,466	35
Retained earnings						
Legal reserve	9,108,539	19	9,108,539	19	12,335,031	27
Special reserve	3,080,480	7	3,080,480	7	3,080,480	7
Accumulated deficits	(7,935,416)	(17)	(7,279,552)	(16)	(7,982,156)	(17)
Other equity	(3,509,838)	(8)	(3,805,731)	(8)	(4,424,861)	(10)
Total equity	25,260,284	54	25,559,160	55	27,285,234	60
TOTAL	$ 46,734,195	100	$ 46,440,236	100	$ 45,311,868	100

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

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Loss Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 31)	$ 975,316	100	$ 1,104,152	100
OPERATING COSTS (Notes 11, 25 and 31)	577,707	59	686,684	62
GROSS PROFIT	397,609	41	417,468	38
OPERATING EXPENSES (Notes 25 and 31)				
Selling and marketing	588,805	61	416,260	38
General and administrative	138,131	14	508,807	46
Research and development	636,462	65	537,061	48
Total operating expenses	1,363,398	140	1,462,128	132
OPERATING LOSS	(965,789)	(99)	(1,044,660)	(94)
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 25)	205,369	21	28,483	3
Other income (Notes 25 and 31)	292,665	30	259,897	23
Other gains and losses (Note 25)	(104,226)	(11)	(49,630)	(5)
Finance costs (Notes 25 and 31)	(53,569)	(5)	(23,228)	(2)
Share of profit or loss of associates (Note 14)	(59,834)	(6)	72,660	7
Total non-operating income and expenses	280,405	29	288,182	26
LOSS BEFORE INCOME TAX	(685,384)	(70)	(756,478)	(68)
INCOME TAX BENEFIT (Note 26)	1,715	-	814	-
LOSS FOR THE PERIOD	(683,669)	(70)	(755,664)	(68)

(Continued)

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Loss Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME AND LOSS, NET OF INCOME TAX				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments designated as at fair value through other comprehensive income	$ 253,975	26	$ 43,596	4
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	69,723	7	748,049	67
Other comprehensive income and loss for the period, net of income tax	323,698	33	791,645	71
TOTAL COMPREHENSIVE INCOME AND LOSS FOR THE PERIOD	$ (359,971)	(37)	$ 35,981	3
LOSS PER SHARE (Note 27)				
Basic	$ (0.82)		$ (0.92)	

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

HTC CORPORATION AND SUBSIDIARIES

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

	Share Capital		Retained Earnings			Other Equity		
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Losses on Financial Assets at Fair Value through Other Comprehensive Income	Total Equity
BALANCE, JANUARY 1, 2022	$ 8,245,050	$ 16,005,339	$ 12,335,031	$ 3,080,480	$ (7,226,492)	$ (4,360,449)	$ (856,057)	$ 27,222,902
Net loss for the three months ended March 31, 2022	-	-	-	-	(755,664)	-	-	(755,664)
Other comprehensive income and loss for the three months ended March 31, 2022	-	-	-	-	-	748,049	43,596	791,645
Total comprehensive income and loss for the three months ended March 31, 2022	-	-	-	-	(755,664)	748,049	43,596	35,981
Issuance of shares due to exercise of employee share options	4,224	10,772	-	-	-	-	-	14,996
Share-based payments	-	11,355	-	-	-	-	-	11,355
BALANCE, MARCH 31, 2022	$ 8,249,274	$ 16,027,466	$ 12,335,031	$ 3,080,480	$ (7,982,156)	$ (3,612,400)	$ (812,461)	$ 27,285,234
BALANCE, JANUARY 1, 2023	$ 8,295,153	$ 16,160,271	$ 9,108,539	$ 3,080,480	$ (7,279,552)	$ (2,795,757)	$ (1,009,974)	$ 25,559,160
Net loss for the three months ended March 31, 2023	-	-	-	-	(683,669)	-	-	(683,669)
Other comprehensive income and loss for the three months ended March 31, 2023	-	-	-	-	-	69,723	253,975	323,698
Total comprehensive income and loss for the three months ended March 31, 2023	-	-	-	-	(683,669)	69,723	253,975	(359,971)
Issuance of shares due to exercise of employee share options	15,768	43,566	-	-	-	-	-	59,334
Share-based payments	-	1,761	-	-	-	-	-	1,761
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	27,805	-	(27,805)	-
BALANCE, MARCH 31, 2023	$ 8,310,921	$ 16,205,598	$ 9,108,539	$ 3,080,480	$ (7,935,416)	$ (2,726,034)	$ (783,804)	$ 25,260,284

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

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	$ (685,384)	$ (756,478)
Adjustments for:		
Depreciation expense	94,229	98,051
Amortization expense	456	-
Expected credit loss reversed on trade receivables	(20,000)	-
Finance costs	53,569	23,228
Interests income	(205,369)	(28,483)
Dividend income	(2,532)	(418)
Compensation costs of employee share-based payments	1,761	11,355
Share of the profit of associates	59,834	(72,660)
Net gain on disposal of property, plant and equipment	-	(2)
Net gain on disposal of intangible assets	-	(784)
Net loss on disposal of investments accounted for using equity method	10,875	-
Impairment loss on non-financial assets	29,642	5,018
Changes in operating assets and liabilities		
Increase in financial assets mandatorily classified as at fair value through profit or loss	(177,987)	(34,583)
Decrease in notes and trade receivables	88,097	80,164
Decrease in other receivables	80,343	6,454
Decrease (increase) in inventories	17,934	(173,674)
Decrease in prepayments	57,468	62,516
Decrease (increase) in other current assets	3,870	(11,915)
Decrease (increase) in other non-current assets	1,754	(6,392)
(Decrease) increase in note and trade payables	(84,021)	63,299
Decrease in other payables	(531,343)	(568,367)
Decrease in provisions	(84,420)	(34,085)
Increase (decrease) in other current liabilities	715	(952)
Cash used in operating activities	(1,290,509)	(1,338,708)
Interest received	75,018	17,704
Interest paid	(37,908)	(18,025)
Income tax paid	(119,442)	(35,455)
Net cash used in operating activities	(1,372,841)	(1,374,484)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(2,385)	(688,680)
Proceeds from disposal of financial assets at fair value through other comprehensive income	28,286	-

(Continued)

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	**2022**
Return of investments accounted for at fair value through other comprehensive income	$ 15,176	$ 8,999
Acquisition of investments accounted for using equity method	(21,319)	-
Payments for property, plant and equipment	(10,332)	(4,992)
Proceeds from disposal of property, plant and equipment	11	28
Increase in refundable deposits	-	(50,081)
Decrease in refundable deposits	292	-
Payments for intangible assets	(81)	(31,459)
Proceeds from disposal of intangible assets	79	1,125
Increase in other financial assets	(472,540)	(4,493,407)
Dividend received	2,532	418
Net cash used in investing activities	(460,281)	(5,258,049)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	285,000	100,000
Increase in long-term borrowings	1,200,000	1,500,000
Refund of guarantee deposits received	(881)	(8,904)
Repayment of the principal portion of lease liabilities	(12,377)	(9,646)
Employee share options executed	59,334	14,996
Net cash generated from financing activities	1,531,076	1,596,446
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	107,859	566,159
NET DECREASE IN CASH AND CASH EQUIVALENTS	(194,187)	(4,469,928)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	17,945,253	16,576,907
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 17,751,066	$ 12,106,979

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

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

HTC Corporation (HTC) was incorporated on May 15, 1997 under the Company Law of Taiwan, the Republic of China. HTC and its subsidiaries (collectively referred to as the "Company") are engaged in designing, manufacturing, assembling, processing, and selling virtual reality devices and smart mobile devices and after-sales services.

In March 2002, HTC had its stock listed on the Taiwan Stock Exchange. On November 19, 2003, HTC listed some of its shares of stock on the Luxembourg Stock Exchange in the form of global depositary receipts.

The functional currency of HTC is the New Taiwan dollars. The consolidated financial statements are presented in the New Taiwan dollars since HTC is the ultimate parent of the Company.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by HTC's board of directors and authorized for issue on May 3, 2023.

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

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

   The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Company's accounting policies.

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

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

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit assets which are measured at the fair value of plan assets less the present value of the defined benefit obligation.

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

a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

c. Level 3 inputs are unobservable inputs for the asset or liability.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of HTC and the entities controlled by HTC (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

When the Company loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Company accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

See Note 13 to the consolidated financial statements for the detailed information on subsidiaries and Tables 4 and 5 (including the percentage of ownership and main businesses).

Other Significant Accounting Policies

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

a. Retirement benefits

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

b. Other long-term employee benefits

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

c. Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Company considers the possible impact of inflation and interest rate fluctuations on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods. The same material accounting judgments and key sources of estimation and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2022.

6. CASH AND CASH EQUIVALENTS

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	$ 1,210	$ 1,208	$ 1,180
Checking accounts and demand deposits	8,769,762	5,632,178	6,400,057
Time deposits (with original maturities less than three months)	8,980,094	12,311,867	5,705,742
	$ 17,751,066	$ 17,945,253	$ 12,106,979

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets			
Financial assets held for trading			
Derivatives financial assets (not under hedge accounting)			
Foreign exchange contracts	$ 178,718	$ 50,051	$ 220,990
Financial assets mandatorily classified as at FVTPL			
Derivatives financial assets (not under hedge accounting)			
Convertible bonds	289,608	292,137	319,610
Warrants	25,275	25,496	26,622
Non-derivatives financial assets			
Digital Content Investment Agreement	11,369	11,469	-
	$ 504,970	$ 379,153	$ 567,222
Current	$ 178,718	$ 50,051	$ 220,990
Non-current	326,252	329,102	346,232
	$ 504,970	$ 379,153	$ 567,222
Financial liabilities - current			
Financial liabilities held for trading			
Derivatives financial liabilities (not under hedge accounting)			
Foreign exchange contracts	$ 31,849	$ 81,169	$ 161,042

The Company engaged in forward exchange contracts to manage its exposure to exchange rate fluctuations of foreign currency denominated assets and liabilities. At the end of the reporting period, outstanding forward exchange contracts not under hedge accounting are as follows:

Forward Exchange Contracts

	Buy/Sell	Currency	Maturity Date	Notional Amount (In Thousands)	
March 31, 2023					
Foreign exchange contracts	Sell	EUR/USD	2023.04.12-2023.04.26	EUR	7,000
Foreign exchange contracts	Sell	JPY/USD	2023.04.12-2023.04.19	JPY	500,000
Foreign exchange contracts	Sell	GBP/USD	2023.04.12-2023.04.26	GBP	6,000
Foreign exchange contracts	Sell	CAD/USD	2023.04.26	CAD	5,000
Foreign exchange contracts	Sell	USD/NTD	2023.04.12	USD	7,000
Foreign exchange contracts	Sell	RMB/USD	2023.04.12-2023.04.19	RMB	60,082
Foreign exchange contracts	Sell	SGD/USD	2023.04.12-2023.04.26	SGD	2,654
Foreign exchange contracts	Buy	RMB/USD	2023.04.12-2023.04.26	RMB	230,000
Foreign exchange contracts	Buy	USD/NTD	2023.04.12-2023.04.26	USD	217,000
Foreign exchange contracts	Buy	JPY/USD	2023.04.12	JPY	900,000
Foreign exchange contracts	Buy	EUR/USD	2023.04.12-2023.04.26	EUR	43,000
Foreign exchange contracts	Buy	AUD/USD	2023.04.12	AUD	9,500
Foreign exchange contracts	Buy	GBP/USD	2023.04.12-2023.04.26	GBP	179,000
Foreign exchange contracts	Buy	SGD/USD	2023.04.12-2023.04.26	SGD	188,187
Foreign exchange contracts	Buy	CAD/USD	2023.04.26	CAD	1,500
Foreign exchange contracts	Buy	HKD/USD	2023.04.12	HKD	43,000
December 31, 2022					
Foreign exchange contracts	Sell	EUR/USD	2023.01.11	EUR	1,000
Foreign exchange contracts	Sell	JPY/USD	2023.01.11-2023.02.08	JPY	700,000
Foreign exchange contracts	Sell	CAD/USD	2023.01.18	CAD	3,500
Foreign exchange contracts	Sell	RMB/USD	2023.02.08	RMB	30,082
Foreign exchange contracts	Sell	SGD/USD	2023.01.18	SGD	2,689
Foreign exchange contracts	Sell	USD/NTD	2023.01.11-2023.01.18	USD	5,000
Foreign exchange contracts	Buy	RMB/USD	2023.01.11-2023.02.08	RMB	200,000
Foreign exchange contracts	Buy	JPY/USD	2023.01.18-2023.02.08	JPY	300,000
Foreign exchange contracts	Buy	USD/NTD	2023.01.11-2023.02.08	USD	200,000
Foreign exchange contracts	Buy	EUR/USD	2023.01.11-2023.02.08	EUR	41,000
Foreign exchange contracts	Buy	GBP/USD	2023.01.11-2023.02.08	GBP	173,000
Foreign exchange contracts	Buy	AUD/USD	2023.01.11-2023.02.08	AUD	9,000
Foreign exchange contracts	Buy	SGD/USD	2023.01.11-2023.01.18	SGD	187,701
Foreign exchange contracts	Buy	HKD/USD	2023.01.11	HKD	39,000

(Continued)

	Buy/Sell	Currency	Maturity Date	Notional Amount (In Thousands)	
March 31, 2022					
Foreign exchange contracts	Sell	EUR/USD	2022.4.13-2022.5.25	EUR	38,000
Foreign exchange contracts	Sell	JPY/USD	2022.4.13-2022.5.25	JPY	4,906,000
Foreign exchange contracts	Sell	GBP/USD	2022.4.13-2022.5.18	GBP	38,000
Foreign exchange contracts	Sell	CAD/USD	2022.4.20-2022.5.18	CAD	16,000
Foreign exchange contracts	Sell	AUD/USD	2022.4.13-2022.5.11	AUD	12,000
Foreign exchange contracts	Sell	USD/NTD	2022.4.20-2022.5.11	USD	60,000
Foreign exchange contracts	Sell	RMB/USD	2022.4.13-2022.5.18	RMB	540,000
Foreign exchange contracts	Sell	SGD/USD	2022.4.27	SGD	2,747
Foreign exchange contracts	Buy	RMB/USD	2022.4.13-2022.5.25	RMB	623,280
Foreign exchange contracts	Buy	USD/NTD	2022.4.13-2022.5.18	USD	265,000
Foreign exchange contracts	Buy	JPY/USD	2022.4.13-2022.5.18	JPY	3,818,335
Foreign exchange contracts	Buy	EUR/USD	2022.4.13-2022.5.18	EUR	56,000
Foreign exchange contracts	Buy	AUD/USD	2022.4.13-2022.5.18	AUD	16,000
Foreign exchange contracts	Buy	GBP/USD	2022.4.13-2022.5.25	GBP	200,000
Foreign exchange contracts	Buy	SGD/USD	2022.4.13-2022.5.25	SGD	183,491
Foreign exchange contracts	Buy	EUR/GBP	2022.4.20	EUR	9,000
Foreign exchange contracts	Buy	CAD/USD	2022.4.20	CAD	4,000

(Concluded)

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	March 31, 2023	December 31, 2022	March 31, 2022
Domestic investments			
Listed shares and emerging market shares	$ 10,875	$ 9,643	$ 12,068
Unlisted shares	138,085	137,053	42,339
	148,960	146,696	54,407
Foreign investments			
Listed shares	703,125	413,868	223,127
Unlisted equity investments	3,689,673	3,751,170	3,330,681
	4,392,798	4,165,038	3,553,808
	$ 4,541,758	$ 4,311,734	$ 3,608,215
Current	$ 703,125	$ 413,868	$ 223,127
Non-current	3,838,633	3,897,866	3,385,088
	$ 4,541,758	$ 4,311,734	$ 3,608,215

These investments in equity instruments are not held for trading. Instead, they are held for the purpose of promoting the development of the Metaverse sector and profiting from long-term investments. Management decided to designate these investments in equity instruments as at FVTOCI as they have determined that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

9. OTHER FINANCIAL ASSETS

	March 31, 2023	December 31, 2022	March 31, 2022
Time deposits with original maturities of more than three months	$ 6,968,341	$ 6,495,766	$ 11,583,973
Restricted demand deposits	1,114	1,149	928
	$ 6,969,455	$ 6,496,915	$ 11,584,901
Current	$ 6,893,327	$ 6,420,121	$ 11,513,338
Non-current	76,128	76,794	71,563
	$ 6,969,455	$ 6,496,915	$ 11,584,901

For details of pledged other financial assets, refer to Note 32 to the consolidated financial statements.

10. NOTES, TRADE RECEIVABLES AND OTHER RECEIVABLES

	March 31, 2023	December 31, 2022	March 31, 2022
Notes, trade and overdue receivables			
At amortized cost			
Notes receivable	$ 2	$ -	$ 2
Trade receivables	511,797	586,666	418,218
Overdue receivables	60,395	73,927	82,665
Less: Allowances for impairment loss	(5,349)	(12,119)	(50,177)
Less: Allowances for impairment loss - overdue receivables	(60,395)	(73,927)	(82,665)
	$ 506,450	$ 574,547	$ 368,043
Current	$ 506,450	$ 574,547	$ 368,043
Non-current	-	-	-
	$ 506,450	$ 574,547	$ 368,043
Other receivables			
Interest receivables	$ 154,056	$ 100,374	$ 34,484
VAT refund receivables	11,949	11,433	2,263
Others	37,234	41,122	17,637
Less: Allowance for impairment loss	(16,415)	(16,113)	-
	$ 186,824	$ 136,816	$ 54,384
Current	$ 186,824	$ 136,816	$ 54,384
Non-current	-	-	-
	$ 186,824	$ 136,816	$ 54,384

Trade receivables at amortized cost

The average credit period of the sales of goods was 30-75 days. No interest was charged on trade receivables for the first 75 days from the date of the invoice. Thereafter, interest was charged at 1%-18% per annum on the outstanding balance. The Company basically adopted a policy of dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from independent rating agencies where available or, if not available, the Company uses other publicly available financial information or its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved annually.

In order to minimize credit risk, management has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up actions are taken to recover overdue receivables. In addition, the Company reviews the recoverable amount of each individual trade receivable at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, management considers the Company's credit risk to have significantly reduced.

The Company uses the expected credit loss during the duration to recognize the allowance for losses of accounts receivable. The expected credit loss during the duration is mainly based on the customer's past default record, current financial situation and industrial economic situation.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty without realistic prospect of recovery. For trade receivables that have been written off, the Company continues to engage in enforcement activities to recover the receivables due. Where recoveries are made, these amounts are recognized in profit or loss.

The following table details the loss allowance of trade receivables.

March 31, 2023

	Not Yet Due	**1-90 Days**	**91-180 Days**	**Over 180 Days**	**Total**
Expected credit loss rate	0%-4%	4%-40%	10%-100%	100%	
Gross carrying amount	$ 501,404	$ 6,582	$ -	$ 3,813	$ 511,799
Loss allowance (Lifetime ECL)	(702)	(834)	-	(3,813)	(5,349)
Amortized cost	$ 500,702	$ 5,748	$ -	$ -	$ 506,450

December 31, 2022

	Not Yet Due	**1-90 Days**	**91-180 Days**	**Over 180 Days**	**Total**
Expected credit loss rate	0%-4%	4%-40%	10%-100%	100%	
Gross carrying amount	$ 559,151	$ 18,332	$ 8,187	$ 996	$ 586,666
Loss allowance (Lifetime ECL)	(2,131)	(2,739)	(6,253)	(996)	(12,119)
Amortized cost	$ 557,020	$ 15,593	$ 1,934	$ -	$ 574,547

March 31, 2022

	Not Yet Due	1-90 Days	91-180 Days	Over 180 Days	Total
Expected credit loss rate	0%-4%	4%-40%	10%-100%	100%	
Gross carrying amount	$ 370,144	$ -	$ 1,521	$ 46,555	$ 418,220
Loss allowance (Lifetime ECL)	(2,101)	-	(1,521)	(46,555)	(50,177)
Amortized cost	$ 368,043	$ -	$ -	$ -	$ 368,043

The movements of the loss allowance of trade receivables, other receivables and overdue receivables were as follows:

	For the Three Months Ended March 31	
	2023	2022
Balance, beginning of the year	$ 102,159	$ 132,842
Less: Loss allowance reversed	(20,000)	-
Balance, end of the year	$ 82,159	$ 132,842

11. INVENTORIES

	March 31, 2023	December 31, 2022	March 31, 2022
Finished goods	$ 731,384	$ 729,281	$ 969,204
Work-in-process	91,995	-	134,820
Semi-finished goods	76,754	102,364	117,715
Raw materials	466,743	586,164	575,079
Inventory in transit	5,953	2,640	21,412
	$ 1,372,829	$ 1,420,449	$ 1,818,230

The cost of inventories write-downs recognized as operating costs for the three months ended March 31, 2023 and 2022 were NT$29,686 thousand and NT$5,018 thousand, respectively.

12. PREPAYMENTS

	March 31, 2023	December 31, 2022	March 31, 2022
Prepaid expenses	$ 245,551	$ 311,298	$ 230,410
Net input VAT	63,674	55,119	43,604
Prepaid equipment	1,753	5,976	521
Prepaid royalties	627	836	-
Prepayments to suppliers	65	2,418	267
Prepaid software	-	-	3,817
	$ 311,670	$ 375,647	$ 278,619

(Continued)

	March 31, 2023	December 31, 2022	March 31, 2022
Current	$ 308,205	$ 365,673	$ 262,496
Non-current	3,465	9,974	16,123
	$ 311,670	$ 375,647	$ 278,619

(Concluded)

For the year ended December 31, 2022, the Company determined that the carrying amount of some of the prepayments for software were expected to be unrecoverable. Thus, it recognized impairment loss of NT$2,915 thousand classified as other gains and losses. Refer to the consolidated financial statements for the year ended December 31, 2022.

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

The consolidated entities as of March 31, 2023, December 31, 2022 and March 31, 2022 were as follows:

			% of Ownership			
Investor	Investee	Main Businesses	March 31, 2023	December 31, 2022	March 31, 2022	Remark
HTC Corporation	H.T.C. (B.V.I.) Corp.	International holding company and general investing activities	100.00	100.00	100.00	-
	High Tech Computer Asia Pacific Pte. Ltd.	International holding company; marketing, repair and after-sales services	100.00	100.00	100.00	-
	HTC Investment Corporation	General investing activities	100.00	100.00	100.00	-
	PT. High Tech Computer Indonesia	Marketing, repair and after-sales services	-	-	1.00	1)
	HTC Holding B.V.	International holding company	0.01	0.01	0.01	-
	HTC Investment One (BVI) Corporation	Holding S3 Graphics Co., Ltd. and general investing activities	100.00	100.00	100.00	-
	HTC Investment (BVI) Corporation	General investing activities	100.00	100.00	100.00	-
	HungXu Holding (BVI) Corp.	International holding company	100.00	100.00	100.00	-
	HTC VIVE Investment (BVI) Corp.	General investing activities	100.00	100.00	100.00	-
	DeepQ Holding (BVI) Corp.	International holding company	100.00	100.00	100.00	-
	HTC VR Content (BVI) Corp.	〃	100.00	100.00	100.00	-
	HTC Smart phone (BVI) Corp.	〃	100.00	100.00	100.00	-
	REIGN Technology Corporation	Construction, application and after-sales services of 5G	100.00	100.00	100.00	-
	Viveport Digital Corporation	VR platform software development and marketing services	100.00	100.00	100.00	-
	VIVE Arts Corp.	Digital Art	100.00	100.00	-	2)
	HTC Europe CO., LTD.	Marketing, repair and after-sales services	100.00	100.00	-	3)
High Tech Computer Asia Pacific Pte Ltd.	HTC (Australia and New Zealand) PTY. Ltd.	Marketing, repair and after-sales services	100.00	100.00	100.00	-
	HTC Philippines Corporation	〃	99.99	99.99	99.99	-
	PT. High Tech Computer Indonesia	〃	-	-	99.00	1)
	HTC (Thailand) Limited	〃	-	100.00	100.00	4)
	HTC India Private Ltd.	〃	99.00	99.00	99.00	-
	HTC Malaysia Sdn. Bhd.	〃	-	-	100.00	5)
	HTC Communication Co., Ltd.	Sale of virtual reality devices and smart mobile devices and after-sales services	100.00	100.00	100.00	-

(Continued)

Investor	Investee	Main Businesses	% of Ownership March 31, 2023	December 31, 2022	March 31, 2022	Remark
High Tech Computer Asia Pacific Pte Ltd.	HTC HK, Limited	International holding company; marketing, repair and after-sales services	100.00	100.00	100.00	-
	HTC Holding B.V.	International holding company	99.99	99.99	99.99	-
	HTC Communication Technologies (SH)	Design, research and development of application software	100.00	100.00	100.00	-
HTC Investment One (BVI) Corporation	S3 Graphics Co., Ltd.	Design, research and development of graphics technology	100.00	100.00	100.00	-
HTC Communication Technologies (SH)	HTC Communication (BJ) Tech Co.	Design, research and development of application software	100.00	100.00	100.00	-
HTC HK, Limited	HTC Corporation (Shanghai WGQ)	Smart mobile devices examination and after-sale services and technique consultations	100.00	100.00	100.00	-
	HTC Electronics (Shanghai) Co., Ltd.	Manufacture and sale of virtual reality devices and smart mobile devices	100.00	100.00	100.00	-
HTC Holding B.V.	HTC Netherlands B.V.	International holding company; marketing, repair and after-sales services	100.00	100.00	100.00	-
	HTC India Private Ltd.	Marketing, repair and after-sales services	1.00	1.00	1.00	-
	HTC South Eastern Europe Limited Liability Company	〃	0.67	0.67	0.67	-
	HTC Communication Solutions Mexico, S.A DE C.V.	〃	1.00	1.00	1.00	-
	HTC Servicios DE Operacion Mexico, S.A DE C.V.	Human resources management	1.00	1.00	1.00	-
HTC Netherlands B.V.	HTC EUROPE CO., LTD.	International holding company Marketing, repair and after-sales services	-	-	100.00	3)
	HTC Belgium BVBA/SPRL	〃	100.00	100.00	100.00	-
	HTC NIPPON Corporation	Sale of virtual reality devices and smart mobile devices	100.00	100.00	100.00	-
	HTC FRANCE CORPORATION	Marketing, repair and after-sales services	100.00	100.00	100.00	-
	HTC South Eastern Europe Limited liability Company	〃	99.33	99.33	99.33	-
	HTC Nordic ApS.	〃	100.00	100.00	100.00	-
	HTC Italia SRL	〃	100.00	100.00	100.00	-
	HTC Germany GmbH	〃	100.00	100.00	100.00	-
	HTC Iberia, S.L.	〃	100.00	100.00	100.00	-
	HTC Poland sp. z.o.o.	〃	100.00	100.00	100.00	-
	HTC Communication Canada, Ltd.	〃	100.00	100.00	100.00	-
	HTC Communication Sweden AB	〃	100.00	100.00	100.00	-
	HTC Middle East FZ-LLC	Marketing, repair and after-sales services	100.00	100.00	100.00	-
	HTC Communication Solutions Mexico, S.A DE C.V.	〃	99.00	99.00	99.00	-
	HTC Servicios DE Operacion Mexico, S.A DE C.V.	Human resources management	99.00	99.00	99.00	-
HTC EUROPE CO., LTD.	HTC America Holding Inc.	International holding company	100.00	100.00	100.00	-
	DeepQ Holding Corporation (Caymen Islands)	〃	100.00	100.00	-	-
	VIVE Arts Holding Corporation (Caymen Islands)	〃	100.00	100.00	-	-
	REIGN Technology Corporation	〃	100.00	100.00	-	-
	Viveport Corporation	〃	100.00	100.00	-	-
	REIGN Technology Corporation	〃	100.00	100.00	-	-
Viveport Corporation	Viverse Limited (UK)	International holding company	100.00	100.00	-	-
Viverse Limited (UK)	Viverse Limited (Ireland)	Market development and sale of virtual reality contents	100.00	100.00	-	-

(Continued)

Investor	Investee	Main Businesses	% of Ownership March 31, 2023	% of Ownership December 31, 2022	% of Ownership March 31, 2022	Remark
HTC America Holding Inc.	HTC America Inc.	Sale of virtual reality devices and smart mobile devices	100.00	100.00	100.00	-
	One & Company Design, Inc.	Design, research and development of application software	100.00	100.00	100.00	-
	HTC America Innovation Inc.	〃	100.00	100.00	100.00	-
	HTC America Content Services, Inc.	Online/download media services	100.00	100.00	100.00	-
	Dashwire, Inc.	Design and management of cloud synchronization technology	100.00	100.00	100.00	-
	Inquisitive Minds, Inc.	Development and sale of digital education platform	100.00	100.00	100.00	-
HungXu Holding (BVI) Corp.	HungXu Technology (BVI) Corp.	International holding company	100.00	100.00	100.00	-
HungXu Technology (BVI) Corp.	HungXu TECH Corp.	Research and development of virtual reality devices	100.00	100.00	100.00	-
	HTC VIVE TECH (HK) Limited	Research, development and sale of virtual reality devices	-	-	-	6)
HTC VIVE TECH (HK) Limited	VIVE Arts Limited	Digital art	100.00	100.00	100.00	-
	HTC VIVE TECH (Beijing)	Research, development and sale of virtual reality devices	100.00	100.00	100.00	-
DeepQ Holding (BVI) Corp.	DeepQ (BVI) Corp.	International holding company	100.00	100.00	100.00	-
DeepQ (BVI) Corp.	DeepQ Technology Corp.	Medical technology and health care	100.00	100.00	100.00	-
	DeepQ Technology (Beijing)	Development and marketing of software technology	100.00	100.00	100.00	-
HTC Investment (BVI) Corporation	HTC VIVE TECH (HK) Limited	Research, development and sale of virtual reality devices	100.00	100.00	100.00	6)
HTC VR Content (BVI) Corp.	Uomo Vitruviano Corp.	Development of virtual reality contents	100.00	100.00	100.00	-

(Concluded)

Remark:

1) The dissolution of PT. High Tech Computer Indonesia was approved in its shareholders' meeting held on June 17, 2019. The liquidation process was completed on December 12, 2022.

2) VIVE Arts Corporation was incorporated on December 13, 2022.

3) On March 7, 2022, HTC Corporation's Board of Directors resolved the reorganization plan of the overseas subsidiaries to optimize the group structure. HTC EUROPE CO., LTD has been arranged as one of the first layers of holding companies for certain subsidiaries and the shares of the related subsidiaries have been transferred to HTC EUROPE CO., LTD accordingly. As of December 6, 2022, the reorganization has been completed.

4) The dissolution of HTC (Thailand) Limited was approved in its shareholders' meeting held on March 1, 2023. The liquidation process was completed on March 10, 2023.

5) The dissolution of HTC Malaysia Sdn. Bhd. was approved in its shareholders' meeting held on February 7, 2022. The liquidation process was completed on October 17, 2022.

6) On January 1, 2022, HTC VIVE TECH (HK) Limited was sold by HungXu Technology (BVI) Corp. to HTC Investment (BVI) Corp.

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

c. Details of subsidiaries that have material non-controlling interests: None.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2023	December 31, 2022	March 31, 2022
Investment in associates	$ 1,004,478	$ 1,106,939	$ 1,126,864

Investments in Associate - Associates That Are Not Individually Material

	March 31, 2023	December 31, 2022	March 31, 2022
Unlisted equity investment			
Steel Wool Games, Inc.	$ 129,096	$ 154,231	$ 156,169
Surgical Theater, LLC	-	-	-
MOR Museum Inc.	4,631	4,856	5,490
Engage XR Holdings PLC	-	40,640	62,124
Gui Zhou Wei Ai Technology Group Co., Ltd.	93,182	93,073	95,962
VRChat, Inc.	777,569	814,139	807,119
	$ 1,004,478	$ 1,106,939	$ 1,126,864

Engage XR Holdings PLC issued new shares in March 2023. The Company did not subscribe for such newly issued shares at its existing ownership percentage, which decreased its ownership interest from 16.64% to 11.96%. After the decrease, the Company lost significant influence over Engage XR Holdings PLC and its subsidiary; therefore, it was reclassified as financial assets at fair value through other comprehensive income. The Company recognized loss of NT$10,875 thousand due to the loss of significant influence.

At the end of the reporting periods, the percentage of ownership and voting rights in associates held by the Company were as follows:

Name of Associate	March 31, 2023	December 31, 2022	March 31, 2022
East West Artists, LLC	30.00%	30.00%	30.00%
Steel Wool Games, Inc.	49.00%	49.00%	49.00%
Surgical Theater, LLC	16.30%	16.30%	16.30%
MOR Museum Inc.	25.00%	25.00%	25.00%
Engage XR Holdings PLC	-	16.64%	16.64%
Gui Zhou Wei Ai Technology Group Co., Ltd.	26.05%	26.05%	26.05%
VRChat, Inc.	36.20%	36.20%	36.20%

Aggregate information of associates that are not individually material:

	For the Three Months Ended March 31	
	2023	2022
The Company’s share of:		
Profit from continuing operations	$ (59,834)	$ 72,660
Other comprehensive income	-	-
Total comprehensive income for the period	$ (59,834)	$ 72,660

For investments accounted for under the equity method, management has determined that there is no material impact arising from its reliance on the investee's financial statements (unreviewed) to calculate the Company's share of profit or loss and other comprehensive income.

15. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2023	December 31, 2022	March 31, 2022
Carrying amounts			
Land	$ 4,776,590	$ 4,798,866	$ 4,770,500
Buildings	2,074,698	2,157,453	2,209,116
Machinery and equipment	34,063	31,234	47,336
Other equipment	45,136	48,695	48,547
	$ 6,930,487	$ 7,036,248	$ 7,075,499

Movements of property, plant and equipment for the three months ended March 31, 2023 and 2022 were as follows:

	2023				
	Land	Buildings	Machinery and Equipment	Other Equipment	Total
Cost					
Balance, beginning of period	$ 4,798,866	$ 3,962,829	$ 2,783,947	$ 787,967	$ 12,333,609
Additions	-	-	8,672	3,082	11,754
Disposals	-	-	(5,724)	(15,593)	(21,317)
Reclassified as investment properties	(21,347)	(56,263)	-	-	(77,610)
Effect of foreign currency exchange differences	(929)	(1,391)	144	1,300	(876)
Balance, end of period	4,776,590	3,905,175	2,787,039	776,756	12,245,560
Accumulated depreciation					
Balance, beginning of period	-	1,805,376	2,649,368	733,227	5,187,971
Depreciation expenses	-	37,954	4,701	6,683	49,338
Disposals	-	-	(5,724)	(15,582)	(21,306)
Reclassified as investment properties	-	(11,700)	-	-	(11,700)
Effect of foreign currency exchange differences	-	(1,153)	1,286	1,240	1,373
Balance, end of period	-	1,830,477	2,649,631	725,568	5,205,676
Accumulated impairment					
Balance, beginning of period	-	-	103,345	6,045	109,390
Disposals	-	-	-	-	-
Effect of foreign currency exchange differences	-	-	-	7	7
Balance, end of period	-	-	103,345	6,052	109,397
Net book value, end of period	$ 4,776,590	$ 2,074,698	$ 34,063	$ 45,136	$ 6,930,487

	2022				
	Land	**Buildings**	**Machinery and Equipment**	**Other Equipment**	**Total**
Cost					
Balance, beginning of period	$ 4,867,414	$ 4,247,071	$ 2,792,462	$ 856,303	$ 12,763,250
Additions	-	-	3,971	897	4,868
Disposals	-	-	(3,255)	(17,140)	(20,395)
Reclassified as investment properties	(97,365)	(281,979)	-	-	(379,344)
Effect of foreign currency exchange differences	451	3,132	1,041	8,610	13,234
Balance, end of period	4,770,500	3,968,224	2,794,219	848,670	12,381,613
Accumulated depreciation					
Balance, beginning of period	-	1,733,870	2,639,212	794,271	5,167,353
Depreciation expenses	-	39,434	5,723	8,067	53,224
Disposals	-	-	(3,255)	(14,421)	(17,676)
Reclassified as investment properties	-	(13,324)	-	-	(13,324)
Effect of foreign currency exchange differences	-	(872)	1,858	7,639	8,625
Balance, end of period	-	1,759,108	2,643,538	795,556	5,198,202
Accumulated impairment					
Balance, beginning of period	-	-	103,345	7,221	110,566
Disposals	-	-	-	(2,693)	(2,693)
Effect of foreign currency exchange differences	-	-	-	39	39
Balance, end of period	-	-	103,345	4,567	107,912
Net book value, end of period	$ 4,770,500	$ 2,209,116	$ 47,336	$ 48,547	$ 7,075,499

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

Buildings	5-50 years
Machinery and equipment	3-6 years
Other equipment	3-5 years

The major component of the buildings held by the Company included plants, electro-powering machinery and engineering systems, etc., which are depreciated over their estimated useful lives of 40 to 50 years, 20 years and 5 to 10 years, respectively.

The Company designated parts of the real estate as for lease and as for own use. The parts for leasing are reclassified to investment properties and the parts for own-use are classified under property, plant and equipment. Both are accounted for in accordance with the applicable accounting standards. For details, refer to Note 17 to the consolidated financial statements.

Property pledged as collateral for bank borrowings are set out in Note 32 to the consolidated financial statements.

There were no capitalized interests for the three months ended March 31, 2023 and 2022.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2023	December 31, 2022	March 31, 2022
Carrying amounts			
Buildings	$ 152,708	$ 139,325	$ 176,549

	For the Three Months Ended March 31	
	2023	2022
Additions to right-of-use assets	$ 30,171	$ 1,404
Depreciation charge for right-of-use assets		
Buildings	$ 15,623	$ 15,367

b. Lease liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
Carrying amounts			
Current	$ 60,859	$ 44,637	$ 58,068
Non-current	$ 107,404	$ 107,105	$ 130,508

As of March 31, 2023, December 31, 2022 and March 31, 2022, the range of discount rate for lease liabilities was 2.20%-4.35%, 2.00%-4.35% and 0.5%-10%, respectively.

c. Material lease-in activities and terms

The Company leases certain buildings for the use of plants and offices with original lease terms of 2 to 5 years. The Company does not have bargain purchase options to acquire the buildings at the end of the lease terms. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 17 to the consolidated financial statements.

	For the Three Months Ended March 31	
	2023	2022
Expenses relating to short-term leases	$ 2,967	$ 2,330
Total cash outflow for leases	$ (16,851)	$ (13,606)

The Company leases certain office equipment and other equipment which qualify as short-term leases and low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

17. INVESTMENT PROPERTIES, NET

	March 31, 2023	December 31, 2022	March 31, 2022
Carrying amounts			
Land	$ 262,216	$ 240,285	$ 261,721
Buildings	2,360,672	2,342,282	2,465,963
	$ 2,622,888	$ 2,582,567	$ 2,727,684

Movements of investment properties for the three months ended March 31, 2023 and 2022 were as follows:

	2023		
	Land	Buildings	Total
Cost			
Balance, beginning of period	$ 240,285	$ 3,769,899	$ 4,010,184
Reclassification	21,347	56,263	77,610
Effect of foreign currency exchange differences	584	4,575	5,159
Balance, end of period	262,216	3,830,737	4,092,953
Accumulated depreciation			
Balance, beginning of period	-	1,427,617	1,427,617
Depreciation expenses	-	29,268	29,268
Reclassification	-	11,700	11,700
Effect of foreign currency exchange differences	-	1,480	1,480
Balance, end of period	-	1,470,065	1,470,065
Net book value, end of period	$ 262,216	$ 2,360,672	$ 2,622,888

	2022		
	Land	Buildings	Total
Cost			
Balance, beginning of period	$ 161,443	$ 3,445,047	$ 3,606,490
Reclassification	97,365	281,979	379,344
Effect of foreign currency exchange differences	2,913	10,298	13,211
Balance, end of period	261,721	3,737,324	3,999,045
Accumulated depreciation			
Balance, beginning of period	-	1,228,035	1,228,035
Depreciation expenses	-	29,460	29,460
Reclassification	-	13,324	13,324
Effect of foreign currency exchange differences	-	542	542
Balance, end of period	-	1,271,361	1,271,361
Net book value, end of period	$ 261,721	$ 2,465,963	$ 2,727,684

The abovementioned investment properties were leased out for 2 to 5 years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The Company designated parts of the real estate as for lease and as for own use. The parts for leasing are reclassified to investment properties and the parts for own-use are classified under property, plant and equipment. Both are accounted for in accordance with the applicable accounting standards. For details, refer to Note 15 to the consolidated financial statements.

The investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Main buildings	26-50 years
Electricity distribution system	20 years
Air-conditioning	5-10 years
Others	3-5 years

The fair value of the investment properties was measured by the management using as reference the appraisal reports on the appraisals performed by independent qualified professional appraisers. The fair values as of March 31, 2023, December 31, 2022 and March 31, 2022 were NT$5,163,368 thousand, NT$5,033,841 thousand and NT$5,004,949 thousand, respectively. The fair values in the appraisal reports were measured using Level 3 inputs, and were arrived at by reference to market evidence of transaction prices for similar properties.

The investment properties pledged as collateral for bank borrowings are set out in Note 32 to the consolidated financial statements.

18. INTANGIBLE ASSETS

	March 31, 2023	December 31, 2022	March 31, 2022
Carrying amounts			
Patents	$ -	$ -	$ -
Goodwill	-	-	-
Other intangible assets	80,664	81,321	65,314
	$ 80,664	$ 81,321	$ 65,314

Movements of intangible assets for the three months ended March 31, 2023 and 2022 were as follows:

	2023			
	Patents	Goodwill	Other Intangible Assets	Total
Cost				
Balance, beginning of period	$ 9,502,140	$ 485,865	$ 630,604	$ 10,618,609
Additions	-	-	81	81
Disposals	-	-	(79)	(79)
Effect of foreign currency exchange differences	(79,800)	(4,207)	(4,444)	(88,451)
Balance, end of period	9,422,340	481,658	626,162	10,530,160

(Continued)

	2023			
	Patents	**Goodwill**	**Other Intangible Assets**	**Total**
Accumulated amortization				
Balance, beginning of period	$ 9,391,055	$ -	$ 364,847	$ 9,755,902
Amortization expenses	-	-	456	456
Effect of foreign currency exchange differences	(79,800)	-	(2,828)	(82,628)
Balance, end of period	9,311,255	-	362,475	9,673,730
Accumulated impairment				
Balance, beginning of period	111,085	485,865	184,436	781,386
Reversal	-	-	(44)	(44)
Effect of foreign currency exchange differences	-	(4,207)	(1,369)	(5,576)
Balance, end of period	111,085	481,658	183,023	775,766
Net book value, end of period	$ -	$ -	$ 80,664	$ 80,664

(Concluded)

	2022			
	Patents	**Goodwill**	**Other Intangible Assets**	**Total**
Cost				
Balance, beginning of period	$ 8,591,790	$ 437,868	$ 532,076	$ 9,561,734
Additions	-	-	31,459	31,459
Disposals	-	-	(341)	(341)
Eliminations	-	-	(257)	(257)
Effect of foreign currency exchange differences	282,600	14,900	16,051	313,551
Balance, end of period	8,874,390	452,768	578,988	9,906,146
Accumulated amortization				
Balance, beginning of period	8,480,705	-	331,035	8,811,740
Eliminations	-	-	(257)	(257)
Effect of foreign currency exchange differences	282,600	-	10,457	293,057
Balance, end of period	8,763,305	-	341,235	9,104,540
Accumulated impairment				
Balance, beginning of period	111,085	437,868	166,707	715,660
Effect of foreign currency exchange differences	-	14,900	5,732	20,632
Balance, end of period	111,085	452,768	172,439	736,292
Net book value, end of period	$ -	$ -	$ 65,314	$ 65,314

Other intangible assets include some digital assets with non-determined service life, intangible assets with definite service life. Amortization expense is calculated on a straight-line basis on the following durable years:

Other intangible assets	8-9 years

19. BORROWINGS

a. Short-term borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
Unsecured borrowings			
Line of credit borrowings	$ 2,925,000	$ 2,640,000	$ 2,700,000

The range of interest rates on line of credit borrowings was 2.11%-2.55%, 1.71%-2.36% and 1.21%-1.70% per annum at March 31, 2023, December 31, 2022 and March 31, 2022.

b. Long-term borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
Secured borrowings			
Bank loans	$ 6,900,000	$ 5,000,000	$ 3,500,000
Unsecured borrowings			
Bank loans	1,100,000	1,800,000	-
Less: Current portion	-	-	-
Long-term borrowings	$ 8,000,000	$ 6,800,000	$ 3,500,000

To support long-term development, on December 15, 2022, the Company obtained a bank loan amounting to NT$9 billion from CTBC Bank and the credit line was divided into part A and B which amounted to NT$6.9 billion and NT$2.1 billion, respectively, in order to meet future operating needs. The Company has repaid existing syndication loans in January 2023. The Company is required to maintain certain financial covenants including debt ratio, equity, and net cash during the tenor of the loan. The computations of financial ratios mentioned above are done based on the audited consolidated financial statements or quarterly reviewed consolidated financial statements. As of March 31, 2023, the Company has met the financial ratios mentioned above.

The Company borrowed at a interest rate of 2.08%-2.55%, 2.13%-2.41% and 1.70% on March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

The Company pledged land and buildings as collateral for the long-term borrowings (refer to Note 32 to the consolidated financial statements).

20. NOTES AND TRADE PAYABLES

	March 31, 2023	December 31, 2022	March 31, 2022
Notes payable	$ -	$ -	$ 40
Trade payables	5,602,969	5,686,777	5,525,884
Trade payables - related parties	212	425	1,913
	$ 5,603,181	$ 5,687,202	$ 5,527,837

The average term of payment is 2-4 months. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. The Company periodically negotiates with vendors to amend payment obligations. Amendments, based on their nature, are adjusted in operating cost or expense.

21. OTHER LIABILITIES

	March 31, 2023	December 31, 2022	March 31, 2022
Other payables			
Accrued expenses	$ 3,239,495	$ 3,810,498	$ 4,223,324
Payables for purchase of equipment	2,218	5,019	4,971
	$ 3,241,713	$ 3,815,517	$ 4,228,295
Other liabilities			
Advance receipts	$ 144,019	$ 140,749	$ 201,161
Agency receipts	50,098	58,674	47,493
Others	107,495	106,153	85,281
	$ 301,612	$ 305,576	$ 333,935

Accrued Expenses

	March 31, 2023	December 31, 2022	March 31, 2022
Marketing	$ 1,084,337	$ 1,160,438	$ 1,357,005
Services	909,858	1,103,211	1,062,335
Salaries, bonuses and compensation	432,708	777,089	611,403
Materials and molding expenses	96,916	93,006	345,389
Insurance	45,187	47,043	36,788
Import, export and freight	18,696	18,319	37,563
Repairs, maintenance and sundry purchases	15,838	15,439	24,978
Others	635,955	595,953	747,863
	$ 3,239,495	$ 3,810,498	$ 4,223,324

22. PROVISIONS

	March 31, 2023	December 31, 2022	March 31, 2022
Warranties	$ 856,164	$ 940,282	$ 1,086,399
Others	3,834	4,136	5,830
	$ 859,998	$ 944,418	$ 1,092,229

Movements of provisions for the three months ended March 31, 2023 and 2022 were as follows:

	2023		
	Warranty Provision	Others	Total
Balance, beginning of period	$ 940,282	$ 4,136	$ 944,418
Provisions reversed	(38,393)	(302)	(38,695)
Usage	(45,962)	-	(45,962)
Effect of foreign currency exchange differences	237	-	237
Balance, end of period	$ 856,164	$ 3,834	$ 859,998

	2022		
	Warranty Provision	Others	Total
Balance, beginning of period	$ 1,120,410	$ 5,904	$ 1,126,314
Provisions recognized (reversed)	7,857	(74)	7,783
Usage	(46,405)	-	(46,405)
Effect of foreign currency exchange differences	4,537	-	4,537
Balance, end of period	$ 1,086,399	$ 5,830	$ 1,092,229

The Company provides warranty services to its customers. The warranty period varies by product and is generally one to two years. The warranties are estimated based on an evaluation of the products under warranty, historical warranty trends, and pertinent factors.

Onerous contracts are those in which the Company’s unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received from the contract. The present obligations arising under onerous contracts are recognized and measured as provisions.

23. EQUITY

Share Capital

a. Ordinary shares

	March 31, 2023	December 31, 2022	March 31, 2022
Number of shares authorized (in thousands of shares)	1,000,000	1,000,000	1,000,000
Shares authorized	$ 10,000,000	$ 10,000,000	$ 10,000,000
Number of shares issued and fully paid (in thousands of shares)	831,092	829,515	824,927
Shares issued	$ 8,310,921	$ 8,295,153	$ 8,249,274

For the three months ended March 31, 2022, the Company executed 422 thousand shares for employee share options, totaling NT$4,224 thousand. As a result, the amount of the Company's issued and outstanding ordinary shares as of March 31, 2022 increased to NT$8,249,274 thousand, divided into 824,927 thousand ordinary shares at a par value of NT$10. Every ordinary share carries one vote per share and the rights to dividends.

For the three months ended March 31, 2023, the Company executed 1,577 thousand shares for employee share options, totaling NT$15,768 thousand. As a result, the amount of the Company's issued and outstanding ordinary shares as of March 31, 2023 increased to NT$8,310,921 thousand, divided into 831,092 thousand ordinary shares at a par value of NT$10. Every ordinary share carries one vote per share and the rights to dividends.

A total of 80,000 thousand shares of the Company's ordinary shares authorized were reserved for the issuance of employee share options.

b. Global depositary receipts

In November 2003, the Company issued 14,400 thousand ordinary shares, corresponding to 3,600 thousand units of Global Depositary Receipts ("GDRs"). For this GDR issuance, the Company's shareholders, including Via Technologies Inc., also issued 12,878.4 thousand ordinary shares, corresponding to 3,219.6 thousand GDR units. Thus, the entire offering consisted of 6,819.6 thousand GDR units, corresponding to 27,278.4 thousand ordinary shares. Taking into account the effect of share dividends, the GDRs increased to 8,782.1 thousand units (36,060.5 thousand shares). The holders of these GDRs requested the Company to redeem the GDRs to acquire the Company's ordinary shares. As of March 31, 2023, there were 8,633.4 thousand units of GDRs redeemed, representing 34,533.5 thousand ordinary shares, and the outstanding GDRs represented 1,527 thousand ordinary shares or 0.18% of the Company's outstanding ordinary shares.

Capital Surplus

	March 31, 2023	December 31, 2022	March 31, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital			
Arising from the issuance of ordinary shares	$ 15,233,031	$ 15,165,248	$ 14,983,487
Arising from consolidation excess	23,288	23,288	23,288

(Continued)

	March 31, 2023	December 31, 2022	March 31, 2022
May be used to offset a deficit only			
Changes in equity-method associates capital surplus	$ 26,752	$ 26,752	$ 26,752
Arising from expired share options	698,489	698,489	693,790
May not be used for any purpose			
Arising from employee share options	222,893	246,494	300,149
	$ 16,204,453	$ 16,160,271	$ 16,027,466

(Concluded)

The capital surplus arising from shares issued in excess of par (including share premium from the issuance of ordinary shares, treasury share transactions and consolidation excess) and donations may be used to offset a deficit. In addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

For details of capital surplus - employee share options, refer to Note 28 to the consolidated financial statements.

Retained Earnings and Dividend Policy

Under HTC's Articles of Incorporation, HTC should make appropriations from its net income in the following order:

a. To pay taxes.

b. To cover accumulated losses, if any.

c. To appropriate 10% as legal reserve unless the total legal reserve accumulated has already reached the amount of HTC's authorized capital.

d. To recognize or reverse special reserve return earnings. When a special reserve is appropriated for the cumulative net increases in fair value measurement of investment properties from prior period and the cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings, the sum of net profit for current period and items other than net profit that are included directly in the unappropriated earnings for current period is used if the prior unappropriated earnings is not sufficient.

e. The board of directors shall propose allocation ratios for any remainder profit after withholding the amounts under subparagraphs 1 to 4 above plus any unappropriated retained earnings of previous years based on the dividend policy set forth in the Article and propose such allocation ratio at the shareholders' meeting.

As part of a high-technology industry, the Company takes into consideration its operating environment, industry developments and long-term interests of shareholders when determining share or cash dividends to be paid. Other factors such as whether it can maintain operating efficiency and meet its capital expenditure budget and financial goals are also key considerations. The Company's dividend policy stipulates that at least 50% of total dividends may be distributed as cash dividends.

Appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's capital. Legal reserve may be used to offset its deficit. If the Company has no accumulated deficit and the legal reserve has exceeded 25% of its issued and outstanding ordinary shares, the excess may be transferred to ordinary shares or distributed in cash.

The accumulated deficits off-set for 2022 had been proposed by HTC's board of directors on March 7, 2023. The accumulated deficits off-set for 2021 have been approved in the shareholders' meeting on June 17, 2022. The accumulated deficits off-setting and dividends per share were as follows:

	Accumulated Deficits Off-setting		Dividends Per Share (NT$)	
	For 2022	For 2021	For 2022	For 2021
Legal reserve used to offset accumulated deficits	$ 3,279,552	$ 3,226,492	$ -	$ -

The accumulated deficits off-set for 2022 will be resolved by the shareholders in their meeting to be held on June 16, 2023.

Information on the appropriation of earnings proposed by the Company's board of directors and approved by the Company's shareholders is available on the Market Observation Post System website of the Taiwan Stock Exchange.

Other Equity Items

a. Exchange differences on translating foreign operations

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (the New Taiwan dollar) were recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve were reclassified to profit or loss on the disposal of the foreign operation.

b. Unrealized gains or losses on financial assets at FVTOCI

Unrealized gains or losses on financial assets at FVTOCI represents the cumulative gains and losses arising from the revaluation of financial assets at FVTOCI that have been recognized in other comprehensive income. The cumulative unrealized gains or losses will not be reclassified to profit or loss on disposal of the equity investments.

24. OPERATING REVENUE

a. Disaggregation of revenue

	For the Three Months Ended March 31	
	2023	2022
Sale of goods	$ 878,087	$ 1,045,217
Other operating income	97,229	58,935
	$ 975,316	$ 1,104,152

b. Contract balances

	March 31, 2023	December 31, 2022	March 31, 2022	January 1, 2022
Notes and trade receivables (Note 10)	$ 506,450	$ 574,547	$ 368,043	$ 448,207
Contract liabilities (classified under advance receipts)	$ 141,703	$ 133,105	$ 192,722	$ 189,546

25. NET LOSS FROM CONTINUING OPERATIONS AND OTHER COMPREHENSIVE INCOME AND LOSS

a. Interest income

	For the Three Months Ended March 31	
	2023	2022
Bank deposits	$ 205,369	$ 28,483

b. Other income

	For the Three Months Ended March 31	
	2023	2022
Rental income	$ 166,535	$ 167,222
Dividends	2,532	418
Others	123,598	92,257
	$ 292,665	$ 259,897

c. Other gains and losses

	For the Three Months Ended March 31	
	2023	2022
Net gain on the disposal of property, plant and equipment	$ -	$ 2
Net gain on the disposal of intangible assets	-	784
Net foreign exchange loss	(134,765)	(40,132)
Net gain on valuation of financial instruments at fair value through profit or loss	146,869	59,948
Reversal of impairment loss on non-financial assets (Note 18)	44	-
Net loss on disposal of investments accounted for using equity method (Note 14)	(10,875)	-
Other losses	(105,499)	(70,232)
	$ (104,226)	$ (49,630)

d. Finance costs

	For the Three Months Ended March 31	
	2023	2022
Interest on bank loans	$ 51,539	$ 21,116
Interest on lease liabilities	1,507	1,630
Others	523	482
	$ 53,569	$ 23,228

e. Impairment reversal gain on financial assets

	For the Three Months Ended March 31	
	2023	2022
Trade receivables (included in operating expense)	$ (20,000)	$ -

f. Depreciation and amortization

	For the Three Months Ended March 31	
	2023	2022
Property, plant and equipment	$ 49,338	$ 53,224
Investment properties	29,268	29,460
Intangible assets	456	-
Right-of-use assets	15,623	15,367
	$ 94,685	$ 98,051
An analysis of depreciation - by function		
Operating costs	$ 8,491	$ 9,385
Operating expenses	56,470	59,206
Other expenses	29,268	29,460
	$ 94,229	$ 98,051
An analysis of amortization - by function		
Operating costs	$ 456	$ -
Operating expenses	-	-
	$ 456	$ -

g. Employee benefits expense

	For the Three Months Ended March 31	
	2023	2022
Short-term benefits	$ 996,063	$ 867,224
Post-employment benefits		
Defined contribution plans	37,720	35,603
Defined benefit plans	(510)	952
	37,210	36,555
Share-based payments (Note 28)		
Equity-settled share-based payments	1,761	11,355
Total employee benefits expense	$ 1,035,034	$ 915,134
An analysis of employee benefits expense - by function		
Operating costs	$ 79,796	$ 88,939
Operating expenses	955,238	826,195
	$ 1,035,034	$ 915,134

h. Employees' compensation and remuneration of directors and supervisors

In compliance with HTC's Articles of Incorporation, the Company accrues compensation of employees and remuneration of directors and supervisors at rates of no less than 4% and of no more than 0.25%, respectively, of net profit before income tax, compensation of employees and remuneration of directors and supervisors. No compensation of employees and remuneration of directors and supervisors were estimated as the Company reported net losses for the three months ended March 31, 2023 and 2022, respectively. If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate in the subsequent year.

For any further information on the compensation of employees and remuneration of directors and supervisors approved in the meeting of the board of directors in 2023 and 2022, see disclosures in the Market Observation Post System.

i. (Reversal of) impairment loss on non-financial assets

	For the Three Months Ended March 31	
	2023	2022
Inventories (included in operating costs)	$ 29,686	$ 5,018
Intangible asset (included in other gains and losses)	(44)	-
	$ 29,642	$ 5,018

j. Gain or loss on foreign currency exchange

	For the Three Months Ended March 31	
	2023	2022
Foreign exchange gains	$ 432,200	$ -
Foreign exchange losses	(566,965)	(40,132)
Valuation gain arising from financial instruments at fair value through profit or loss	146,869	59,948
	$ 12,104	$ 19,816

26. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax benefit recognized in profit or loss

	For the Three Months Ended March 31	
	2023	2022
In respect of the current year		
Current tax	$ 22,268	$ 11,128
Deferred tax	(54)	(1,057)
	22,214	10,071
Adjustments for previous years		
Current tax	(53,929)	(43,975)
Deferred tax	30,000	33,090
	(23,929)	(10,885)
Income tax benefit recognized in profit or loss	$ (1,715)	$ (814)

b. Income tax assessments

The income tax returns of HTC, HTC Investment Corporation, HungXu TECH Corp., DeepQ Technology Corp., Uomo Vitruviano Corp., Viveport Digital Corporation and REIGN Technology Corporation for the years through 2021 have been assessed by the tax authorities.

27. LOSS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended March 31	
	2023	2022
Basic loss per share	$ (0.82)	$ (0.92)

The loss and weighted average number of ordinary shares outstanding used for the computation of loss per share are as follows:

Net Loss for the Period

	For the Three Months Ended March 31	
	2023	**2022**
Loss for the period attributable to owners of the parent	$ (683,669)	$ (755,664)

Shares

Unit: In Thousands of Shares

	For the Three Months Ended March 31	
	2023	**2022**
Weighted average number of ordinary shares used in the computation of basic loss per share	830,427	824,679

28. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan of the Company

Qualified employees of HTC were granted 19,000 thousand options in October 2014. Each option entitles the holder to subscribe for one ordinary share of the Company. The options granted are valid for 10 years and exercisable at certain percentages after the second anniversary from the grant date.

Qualified employees of HTC were granted 1,000 thousand options in August 2015. Each option entitles the holder to subscribe for one ordinary share of the Company. The options granted are valid for 10 years and exercisable at certain percentages after the second anniversary from the grant date.

Qualified employees of HTC were granted 20 thousand options in May 2019. Each option entitles the holder to subscribe for one thousand ordinary shares of the Company. The options granted are valid for 10 years and exercisable at certain percentages after the second anniversary from the grant date.

Qualified employees of HTC were granted 10,000 thousand options in November 2019. Each option entitles the holder to subscribe for one ordinary share of the Company. The options granted are valid for 10 years and exercisable at certain percentages after the second anniversary from the grant date.

The exercise price equals to the closing price of the Company’s ordinary shares on the grant date. For any subsequent changes in ordinary shares, the exercise price is adjusted accordingly.

Information on employee share options are as follows:

	For the Three Months Ended March 31			
	2023		2022	
	Number of Shares (In Thousands)	Weighted-average Exercise Price (NT$)	Number of Shares (In Thousands)	Weighted-average Exercise Price (NT$)
Balance, beginning of period	14,779	$47.94	20,397	$45.16
Options granted	(1,689)	35.14	(422)	35.50
Options forfeited	(165)		(262)	
Balance, end of period	12,925	49.78	19,713	45.46
Options exercisable, end of period	10,711		5,154	

Information about outstanding options as of the reporting date are as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Range of exercise prices (NT$)	$35.05-$134.5	$35.05-$134.5	$35.05-$134.5
Weighted-average remaining contractual life (years)	5.65 years	6.01 years	6.87 years

Options granted in November and May 2019 were priced using the Black-Scholes option pricing model. Options granted in August 2015 and October 2014 were priced using the trinomial option pricing model. The inputs to the model are as follows:

	November 2019	May 2019	August 2015	October 2014
Grant-date share price (NT$)	$35.05	$35.50	$54.50	$134.50
Exercise price (NT$)	$35.05	$35.50	$54.50	$134.50
Expected volatility	43.64%-44.09%	44.94%-45.01%	39.26%	33.46%
Duration (years)	10 years	10 years	10 years	10 years
Expected dividend yield	-	-	4.04%	4.40%
Risk-free interest rate	0.6125%-0.6348%	0.6082%-0.6224%	1.3965%	1.7021%

Expected volatility was based on the historical share price volatility over the past 1-7 year. The Company assumed that employees would exercise their options after the vesting date when the share price was 1.63 times the exercise price.

Compensation Cost of Share-based Payment Arrangements

Compensation costs of share-based payment arrangements recognized were NT$1,761 thousand and NT$11,355 thousand for the three months ended March 31, 2023 and 2022, respectively.

29. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure its ability to continue as a going concern while maximizing the returns to shareholders. The Company periodically reviews its capital structure by taking into consideration macroeconomic conditions, prevailing interest rate, and adequacy of cash flows generated from operations; as the situation would allow, the Company pays dividends, issues new shares, repurchases shares, borrows loans, and pays loans.

The Company is subject to capital structure requirements for the bank syndicated loan, refer to Note 19 to the consolidated financial statements.

30. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments That Are Not Measured at Fair Value

Financial instruments not measured at fair value held by the Company include financial assets measured at amortized cost. Management has determined that the carrying amounts of financial assets not measured at fair value approximate their fair values or their fair values cannot be measured reliably.

Fair Value of Financial Instruments That Are Measured at Fair Value on A Recurring Basis

a. Fair value hierarchy

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial instruments				
Foreign exchange contracts	$ -	$ 178,718	$ -	$ 178,718
Convertible bonds	-	-	289,608	289,608
Warrants	-	-	25,275	25,275
Non-derivative financial assets				
Digital content investment agreement	-	-	11,369	11,369
	$ -	$ 178,718	$ 326,252	$ 504,970
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	$ 10,875	$ -	$ -	$ 10,875
Domestic unlisted shares	-	-	138,085	138,085
Overseas listed shares	703,125	-	-	703,125
Overseas unlisted equity investments	-	-	3,689,673	3,689,673
	$ 714,000	$ -	$ 3,827,758	$ 4,541,758
Financial liabilities at FVTPL				
Derivative financial instruments				
Foreign exchange contracts	$ -	$ 31,849	$ -	$ 31,849

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial instruments				
Foreign exchange contracts	$ -	$ 50,051	$ -	$ 50,051
Convertible bonds	-	-	292,137	292,137
Warrants	-	-	25,496	25,496
Non-derivative financial assets				
Digital content investment agreement	-	-	11,469	11,469
	$ -	$ 50,051	$ 329,102	$ 379,153
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	$ 9,643	$ -	$ -	$ 9,643
Domestic unlisted shares	-	-	137,053	137,053
Overseas listed shares	413,868	-	-	413,868
Overseas unlisted equity investments	-	-	3,751,170	3,751,170
	$ 423,511	$ -	$ 3,888,223	$ 4,311,734
Financial liabilities at FVTPL				
Derivative financial instruments				
Foreign exchange contracts	$ -	$ 81,169	$ -	$ 81,169

March 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial instruments				
Foreign exchange contracts	$ -	$ 220,990	$ -	$ 220,990
Convertible bonds	-	-	319,610	319,610
Warrants	-	-	26,622	26,622
	$ -	$ 220,990	$ 346,232	$ 567,222
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	$ 12,068	$ -	$ -	$ 12,068
Domestic unlisted shares	-	-	42,339	42,339
Overseas listed shares	223,127	-	-	223,127
Overseas unlisted equity investments	-	-	3,330,681	3,330,681
	$ 235,195	$ -	$ 3,373,020	$ 3,608,215
Financial liabilities at FVTPL				
Derivative financial instruments				
Foreign exchange contracts	$ -	$ 161,042	$ -	$ 161,042

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

b. Reconciliation of Level 3 fair value measurements of financial instruments

For the three months ended March 31, 2023

Financial Assets	Financial Assets at FVTPL		Financial Assets at FVTOCI	
	Derivatives	Others	Equity Instruments	Total
Balance at January 1, 2022	$ 317,633	$ 11,469	$ 3,888,223	$ 4,217,325
Recognized in other comprehensive income	-	-	(38,494)	(38,494)
Purchases	-	-	2,385	2,385
Disposals	-	-	(28,286)	(28,286)
Return of investments	-	-	(15,122)	(15,122)
Transfer out of level 3	-	-	(914)	(914)
Loss of significant influence over associates	-	-	46,690	46,690
Effect of foreign currency exchange differences	(2,750)	(100)	(26,724)	(29,574)
Balance at March 31, 2022	$ 314,883	$ 11,369	$ 3,827,758	$ 4,154,010

For the three months ended March 31, 2022

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	
	Derivatives	Equity Instruments	Total
Balance at January 1, 2022	$ 334,839	$ 2,662,488	$ 2,997,327
Recognized in other comprehensive income	-	123,852	123,852
Purchases	-	688,680	688,680
Return of investments	-	(8,999)	(8,999)
Transfers out of Level 3	-	(215,245)	(215,245)
Transfers into Level 3	-	13,961	13,961
Effect of foreign currency exchange differences	11,393	108,283	119,676
Balance at March 31, 2022	$ 346,232	$ 3,373,020	$ 3,719,252

c. Valuation techniques and inputs applied to Level 2 financial instruments at fair value

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign currency contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

d. Valuation techniques and inputs applied to Level 3 financial instruments at fair value

Fair value measurements categorized within Level 3 of the fair value hierarchy include a digital content investment agreement and investments in equity instruments. The lack of quoted prices in an active market places these financial assets in the Level 3 category. The fair values of digital content investment agreement are determined using the income approach. In this approach, the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees. The fair values of equity instruments are based on valuation provided by market participants or quoted prices of the counter party. Quantitative information has not been disclosed since the relationship between significant unobservable inputs and fair value cannot be fully controlled.

e. Valuation process for Level 3 financial instruments at fair value

The investment department will assess the reliability, independence, and consistency of the information sources to confirm whether the valuation is representative of the exercise price. Adjustments are made to ensure the rationality of the valuation presented.

f. Sensitivity analysis of Level 3 fair value measurements under replacement assumptions

A sensitivity analysis of replacement assumptions for the valuation of Level 3 financial instruments at fair value is not required since the valuation model used by the Company is reasonable and not internally constructed.

Categories of Financial Instruments

	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets			
Financial assets at FVTPL			
Held for trading	$ 178,718	$ 50,051	$ 220,990
Mandatorily at FVTPL	326,252	329,102	346,232
Amortized cost (Note 1)	25,486,540	25,226,568	24,177,478
Financial assets at FVTOCI			
Equity instruments	4,541,758	4,311,734	3,608,215
Financial liabilities			
Financial liabilities at FVTPL			
Held for trading	31,849	81,169	161,042
Amortized cost (Note 2)	19,980,749	19,163,031	16,156,785

Note 1: The balances include financial assets measured at amortized cost, which comprise of cash and cash equivalents, other financial assets, notes and trade receivables, other receivables and refundable deposits.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise of short-term borrowings, notes and trade payables, other payables, agency receipts, long-term borrowings and guarantee deposits received.

Financial Risk Management Objectives and Policies

The Company's major financial instruments include equity and debt investments, trade receivables, other receivables, borrowings, trade payables and other payables. The Company's Corporate Treasury function provides services to the business and coordinates access to domestic and international financial markets. It also monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze the exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

The Company sought to minimize the effects of these risks by using derivative financial instruments and non-derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies, which are approved by the board of directors. The policies provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies is reviewed by the internal auditors on a continuous basis. The Company has not entered into or traded financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the Company's audit committee and board of directors in order to monitor risks and implement policies to mitigate risk exposures.

a. Market risk

The activities of the Company exposed it to the financial risks of fluctuations in foreign currency exchange rates. The Company has entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk.

There was no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.

1) Foreign currency risk

The Company undertook transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arose. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets, monetary liabilities, and derivatives which are exposed to foreign currency risk at the end of the reporting period are set out in Note 34 to the consolidated financial statements.

Sensitivity analysis

The Company was mainly exposed to currency fluctuations of the United States dollar (USD), Euro (EUR), Renminbi (RMB), Japanese yen (JPY), Great British Pound (GBP) and Singapore dollar (SGD).

The following table details the Company's sensitivity to a 1% increase and decrease in the New Taiwan dollars ("NTD", the functional currency) against relevant foreign currencies. The sensitivity analysis only included outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges. A positive number indicates an increase in pre-tax profit/loss or equity associated with the NTD strengthens 1% against the relevant currency. For a 1% weakening of the NTD against the relevant currency, there would be an equal and opposite impact on pre-tax profit/loss or equity, and the balances below would be negative.

	Profit or Loss	Equity
For the three months ended March 31, 2023		
USD	$ 67,351	$ (93,419)
EUR	(10,911)	(7,187)
RMB	(8,909)	(65,144)
JPY	(2,049)	(2,468)
GBP	(66,257)	(69,377)
SGD	(42,898)	(44,934)
For the three months ended March 31, 2022		
USD	149,733	(85,297)
EUR	(269)	(6,445)
RMB	(6,158)	(65,608)
JPY	(352)	(2,537)
GBP	(59,317)	(65,895)
SGD	(38,278)	(39,671)

2) Interest rate risk

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of reporting period were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Fair value interest rate risk			
Financial assets	$ 15,931,732	$ 18,791,192	$ 17,273,225
Financial liabilities	168,263	151,742	3,688,576
Cash flow interest rate risk			
Financial assets	16,704	16,441	16,490
Financial liabilities	10,925,000	9,440,000	2,700,000

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each asset and liability outstanding at the end of the period was outstanding for the whole year. A sensitivity rate of 0.1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.1% higher/lower and all other variables were held constant, the Company's pre-tax profit/loss for the three months ended March 31, 2023 and 2022 would have increased/decreased by NT$2,727 thousand and NT$671 thousand, respectively.

3) Other price risk

The Company was exposed to equity price risk through its investments in convertible bonds, warrants, domestic listed shares and emerging market shares, domestic unlisted shares, overseas listed shares and overseas unlisted shares.

If equity prices had been 1% higher/lower, pre-tax profit for the three months ended March 31, 2023 and 2022 would have increased/decreased by NT$3,263 thousand and NT$3,462 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the three months ended March 31, 2023 and 2022 would have increased/decreased by NT$45,418 thousand and NT$36,082 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

b. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure of counterparty to discharge an obligation and financial guarantees provided by the Company could arise from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets. The Company does not issue any financial guarantee involving credit risk.

The Company basically adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The credit risk information of trade receivables is disclosed in Note 10 to the consolidated financial statements.

c. Liquidity risk

The Company manages liquidity risk to ensure that the Company possesses sufficient financial flexibility by maintaining adequate reserves of cash and cash equivalents and reserving financing facilities, and also monitors liquidity risk of shortage of funds by the maturity date of financial instruments and financial assets.

1) Liquidity risk tables for non-derivative financial liabilities

The following table details the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay.

March 31, 2023

	Less Than 3 Months	3 Months to 1 Year	Over 1 Year
Short-term borrowings	$ 2,925,000	$ -	$ -
Notes and trade payables	382,960	5,220,221	-
Other payables	261,057	2,980,656	-
Lease liabilities	19,774	44,814	112,521
Agency receipts	50,098	-	-
Long-term borrowings	-	-	8,000,000
Guarantee deposits received	-	-	160,757
	$ 3,638,889	$ 8,245,691	$ 8,273,278

December 31, 2022

	Less Than 3 Months	3 Months to 1 Year	Over 1 Year
Short-term borrowings	$ 1,450,000	$ 1,190,000	$ -
Notes and trade payables	278,854	5,408,348	-
Other payables	3,192,338	623,179	-
Lease liabilities	13,293	35,666	111,939
Agency receipts	58,674	-	-
Long-term borrowings	-	-	6,800,000
Guarantee deposits received	-	-	161,638
	$ 4,993,159	$ 7,257,193	$ 7,073,577

March 31, 2022

	Less Than 3 Months	3 Months to 1 Year	Over 1 Year
Short-term borrowings	$ 2,300,000	$ 400,000	$ -
Notes and trade payables	409,289	5,118,548	-
Other payables	2,713,959	1,514,336	-
Lease liabilities	14,632	48,816	137,895
Agency receipts	47,493	-	-
Long-term borrowings	-	-	3,500,000
Guarantee deposits received	-	-	153,160
	$ 5,485,373	$ 7,081,700	$ 3,791,055

2) Liquidity risk tables for derivative financial instruments

The following table details the Company’s liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

March 31, 2023

	Less Than 3 Months	3 Months to 1 Year	Over 1 Year
Net settled			
Foreign exchange contracts	$ (6,571)	$ -	$ -
Gross settled			
Foreign exchange contracts			
Inflows	$ 15,104,453	$ -	$ -
Outflows	(14,948,848)	-	-
	$ 155,605	$ -	$ -

December 31, 2022

	Less Than 3 Months	3 Months to 1 Year	Over 1 Year
Net settled			
Foreign exchange contracts	$ 29,522	$ -	$ -
Gross settled			
Foreign exchange contracts			
Inflows	$ 13,816,389	$ -	$ -
Outflows	(13,872,433)	-	-
	$ (56,044)	$ -	$ -

March 31, 2022

	Less Than 3 Months	3 Months to 1 Year	Over 1 Year
Net settled			
Foreign exchange contracts	$ 81,626	$ -	$ -
Gross settled			
Foreign exchange contracts			
Inflows	$ 24,134,040	$ -	$ -
Outflows	(24,146,900)	-	-
	$ (12,860)	$ -	$ -

3) Bank credit limit

	March 31, 2023	December 31, 2022	March 31, 2022
Unsecured bank general credit limit			
Amount used	$ 4,193,972	$ 4,609,064	$ 2,877,041
Amount unused	4,753,436	7,650,274	9,148,834
	$ 8,947,408	$ 12,259,338	$ 12,025,875
Secured bank overdraft facilities:			
Amount used	$ 6,900,000	$ 5,000,000	$ 3,500,000
Amount unused	-	-	1,500,000
	$ 6,900,000	$ 5,000,000	$ 5,000,000

Amount used included short-term borrowings, long-term borrowings, guarantees for customs duties and patent litigation.

31. RELATED-PARTY TRANSACTIONS

Balances, transactions, revenue and expenses between HTC and its subsidiaries, which are related parties of HTC, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and other related parties are disclosed below.

The Names and Relationships of Related-party

Related-party	Relationship with the Company
VIA Technologies Inc.	Its chairman is HTC's director
Xander International Corp.	Its chairman is HTC's director
VIA Labs, Inc.	Its chairman is HTC's director
HTC Education Foundation	Its chairman is HTC's director
Nan Ya Plastics Corporation	Its director and HTC's chairwoman are relatives
Employees' Welfare Committee	Employees' Welfare Committee of HTC
VIA Technologies (China) Co., Ltd.	The chairman of its parent company is HTC's director
Premier Investment & Consultant (Shanghai) Co., Ltd.	Its chairwoman is HTC's chairwoman
Chengdu Weiai New Economic Technology Institute	Subsidiary of associates
Weishang Electronics (Shanghai) Co., Ltd.	Related party in substance
Kun Chang Investment Co., Ltd.	Its director is HTC's chairwoman
ASIAPLAY TAIWAN DIGITAL ENTERTAINMENT LTD.	Its director is HTC's chairwoman
Shanghai Property Management (Shanghai) Co., Ltd.	Related party in substance
Shanghai Property Management (Shenzhen) Co., Ltd.	Subsidiary of related party in substance
TVBS Media Inc.	Its director is HTC's chairwoman
HTC Social Welfare and Charity Foundation	Its chairman is HTC's director
Chinese Christian Faith and Love Foundation	Its director is HTC's chairwoman
VIA Labs, Inc. Plastics Corporation	Related party in substance
Weihong Technology Co. Plastics Corporation	Related party in substance
VIA Technologies Inc. Plastics Corporation	Related party in substance
VIA Faith and Love Foundation	Related party in substance
Beijing Weisheng Yonghong Property Co., Ltd.	The chairman of its ultimate parent company is HTC's director
Shenzhen Weisheng Shanghua Technology Co., Ltd.	Related party in substance
CW & ET Link Inc	Its director is HTC's chairwoman

Operating Sales

	For the Three Months Ended March 31	
	2023	2022
Other related parties	$ 279	$ 117

For sales other than those that are made solely to related parties, the terms and prices offered to related parties are more favorable than those to third parties.

Purchase

	For the Three Months Ended March 31	
	2023	2022
Other related parties	$ 64	$ 1,699

The following balances of trade payables from related parties were outstanding at the end of the reporting period:

	March 31, 2023	December 31, 2022	March 31, 2022
Other related parties	$ 212	$ 425	$ 1,913

Purchase prices for related parties and third parties were similar. The outstanding balance of trade payables to related parties are unsecured and will be settled in cash.

Compensation of Key Management Personnel

	For the Three Months Ended March 31	
	2023	2022
Short-term benefits	$ 34,379	$ 32,599
Post-employment benefits	340	242
Share-based payments	77	1,421
	$ 34,796	$ 34,262

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

Lease Liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
Beijing Weisheng Yonghong Property Co., Ltd.	$ 26,857	$ -	$ -
Premier Investment & Consultant (Shanghai) Co., Ltd	4,018	7,064	15,149
VIA Technologies (China) Co., Ltd.	-	-	14,506
	$ 30,875	$ 7,064	$ 29,655

Finance Costs

	For the Three Months Ended March 31	
	2023	2022
Beijing Weisheng Yonghong Property Co., Ltd.	$ 278	$ -
Premier Investment & Consultant (Shanghai) Co., Ltd.	68	179
VIA Technologies (China) Co., Ltd.	-	140
	$ 346	$ 319

Lease Expense

	For the Three Months Ended March 31	
	2023	2022
Shenzhen Weisheng Shanghua Technology Co., Ltd.	$ 444	$ -
VIA Technologies Co., Ltd.	373	-
VIA Technologies (China) Co., Ltd.	113	224
Other related parties	23	54
	$ 953	$ 278

The Company leased offices, staff dormitory and meeting rooms owned by VIA Technologies (China) Co., Ltd., Beijing Weisheng Yonghong Property Co., Ltd., Premier Investment & Consultant (Shanghai) Co., Ltd., Shenzhen Weisheng Shanghua Technology Co., Ltd., VIA Technologies Co., Ltd. and other related party under an operating lease agreement, respectively. The rental payment is determined at the prevailing rates in the surrounding area.

Other Related-party Transactions

Other related parties provide property management, digital photography and consultancy service. The costs and fees were NT$2,310 thousand and NT$2,281 thousand for the three months ended March 31, 2023 and 2022, respectively.

As of March 31, 2023, December 31, 2022 and March 31, 2022, the outstanding balances of other payables to related parties were NT$989 thousand, NT$2,539 thousand and NT$395 thousand, respectively.

The Company collects property management fees and utility fees from other related companies. Other income was NT$3,129 thousand and NT$3,010 thousand for the three months ended March 31, 2023 and 2022, respectively.

32. PLEDGED ASSETS

As of March 31, 2023, December 31, 2022 and March 31, 2022, time deposits and demand deposits classified as other financial assets totaled NT$144,014 thousand, NT$145,300 thousand and NT$166,953 thousand, respectively. These deposits were provided as collateral for rental deposits, customs duties, patent litigation, supplier contract and performance bonds.

The following assets were pledged as collateral for bank borrowings:

	March 31, 2023	December 31, 2022	March 31, 2022
Property, plant and equipment			
Land	$ 3,337,100	$ 3,337,100	$ 3,337,100
Buildings	963,715	986,730	1,058,385
Investment properties	696,391	712,922	760,473
	$ 4,997,206	$ 5,036,752	$ 5,155,958

33. COMMITMENTS, CONTINGENCIES AND SIGNIFICANT CONTRACTS

On the basis of its past experience and consultations with its legal counsel, the Company has measured the possible effects of the contingent lawsuits on its business and financial condition.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information includes foreign currencies other than functional currencies of the group entities. Exchange rates between foreign currencies and respective functional currencies are disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

Unit: In Thousands of Each Foreign Currency

	March 31, 2023		December 31, 2022		March 31, 2022	
	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate
Financial assets						
Monetary items						
USD	$ 798,758	30.45	$ 479,431	30.72	$ 889,050	28.63
EUR	68,654	33.15	48,643	32.72	84,196	31.92
JPY	1,688,783	0.2287	1,000,081	0.2325	5,241,153	0.2353
RMB	1,211,776	4.43	1,186,854	4.41	1,640,779	4.51
GBP	181,722	37.66	175,617	37.07	217,442	37.60
SGD	199,723	22.9096	199,405	22.8749	200,106	21.1606
Non-monetary items						
USD	140,813	30.45	132,270	30.72	120,452	28.63
RMB	97,262	4.43	97,778	4.41	102,717	4.51
Investments accounted for using the equity method						
USD	4,391	30.45	6,502	30.72	7,818	28.63
RMB	21,024	4.43	21,109	4.41	21,290	4.51
Financial liabilities						
Monetary items						
USD	696,691	30.45	675,775	30.72	913,491	28.63
EUR	32,346	33.15	26,246	32.72	63,512	31.92
JPY	352,397	0.2287	617,796	0.2325	4,741,543	0.2353
RMB	114,685	4.43	95,982	4.41	616,156	4.51
GBP	4,639	37.66	-	37.07	44,564	37.60
SGD	2,722	22.9096	2,755	22.8749	2,809	21.1606

For the three months ended March 31, 2023 and 2022, realized and unrealized net foreign exchange gains were NT$12,104 thousand and NT$19,816 thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of foreign currency transactions and functional currencies of the Company’s entities.

35. SIGNIFICANT CONTRACTS

The Company specializes in the research, design, manufacture and sale of virtual reality devices and smart mobile devices. To enhance the quality of its products and manufacturing technologies, the Company has patent agreements, as follows:

Contract Type	Contractor	Term	Description	Restrictive Covenants
Patent License	Qualcomm Incorporated	December 20, 2000 to the following dates: a. If the Company materially breaches any agreement terms and fails to take remedial action within 30 days after Qualcomm's issuance of a written notice, the Company will be prohibited from using Qualcomm's property or patents. b. Any time when the Company is not using any of Qualcomm's intellectual property, the Company may terminate this agreement upon 60 days' prior written notice to Qualcomm.	Authorization to use CDMA technology to manufacture and sell units, royalty payment based on agreement.	No
Patent License	InterDigital Technology Corporation	December 31, 2003 to the expiry dates of these patents stated in the agreement.	Authorization to use TDMA and CDMA technologies; royalty payment based on agreement.	No
Patent License	KONINKLIJKE PHILIPS N.V.	December 23, 2019 - December 31, 2024	Authorization to use UMTS/LTE patents and portable feature patents; royalty payment based on agreement.	No

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others (None)

2) Endorsements/guarantees provided (None)

3) Marketable securities held (excluding investments in subsidiaries, associates and jointly controlled entities) (Table 1)

4) Marketable securities acquired or disposed of at cost or prices of at least NT$300 million or 20% of the paid-in capital (None)

5) Acquisition of individual real estate at cost of at least NT$300 million or 20% of the paid-in capital (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 2)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 3)

9) Trading in derivative instruments (Note 7)

10) Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and significant transactions between them (Table 7)

11) Information on investees (Table 4)

b. Information on investments in mainland China

1) Information on investee companies in mainland China, including the name, principal business activities, paid-in capital, accounting method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in mainland China (Table 5)

2) Significant transactions with investee companies in mainland China, either directly or indirectly through a third party, their prices, payment terms and unrealized gains or losses (Table 6):

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year

c) The amount of property transactions and the amount of the resulting gains or losses

d) The balance of negotiable instrument endorsements, guarantees or pledges of collateral at the end of the year and their purposes

e) The most significant balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

c. Information of major shareholders: Names of shareholders with ownership of 5% or more, number of shares owned and the percentage of ownership of each shareholder (Table 8).

37. SEGMENT INFORMATION

The Company is organized and managed as a single reportable business segment. The Company's operations are mainly in the research, design, manufacture and sale of virtual reality devices and smart mobile devices. Revenue from these operations is more than 90% of the total revenue. The Company is considered a single segment. The basis of information reported to the chief operating decision maker is the same as the financial statements. Thus, the segment revenue and results for the three months ended March 31, 2023 and 2022 can be found in the consolidated statements of comprehensive income and the segment assets and liabilities as of March 31, 2023 and 2022 can be found in the consolidated balance sheets.

HTC CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES)
MARCH 31, 2023
(In Thousands of New Taiwan Dollars)

Holding Company	Marketable Securities Type and Name of Issuer	Relationship of Issuer to the Holding Company	Financial Statement Account	At the End of the Year				Note
				Shares (In Thousand)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
HTC Corporation	Listed shares							
	VIA Technologies, Inc.	Its chairman is HTC's director	Financial assets at fair value through other comprehensive income - non-current	8.5	$ 735	-	$ 735	
	Unlisted shares							
	Hua-Chuang Automobile Information Technical Center Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	-	-	-	-	Note 1
	Bandrich, Inc.	-	〃	2,025	1,186	9.96	1,186	
	InfoKeyVault Technology Co., Ltd.	-	〃	1,000	100,000	14.29	100,000	
HTC Investment Corporation	Listed shares							
	Sino-American silicon products Inc.	-	Financial assets at fair value through other comprehensive income - non-current	65	10,140	0.01	10,140	
	Unlisted shares							
	Luminous Optical Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	501	17,853	10.02	17,853	
	HLJ technology Co., Ltd.	-	〃	948	19,046	1.02	19,046	
H.T.C. (B.V.I.) Corp.	Listed shares							
	SoundHound AI, Inc.	-	Financial assets at fair value through other comprehensive income - current	5,932	498,556	-	498,556	
	Unlisted equity investments							
	GSUO Inc.	-	Financial assets at fair value through other comprehensive income - non-current	30,888	-	10.32	-	
	KKCompany Inc.	-	〃	1	290,386	8.28	290,386	
	Magnet Systems, Inc.	-	〃	5,560	-	15.56	-	
	High Fidelity, Inc.	-	〃	451	35,497	1.40	35,497	
	WEVR, Inc.	-	〃	5,089	210,423	15.56	210,423	
	Baobab Studios Inc.	-	〃	433	53,290	2.02	53,290	
	Radd3, Inc.	-	〃	935	-	6.24	-	
	MobiSocial Incorporated	-	〃	121	7,689	0.41	7,689	
	EMISSIVE	-	〃	17	32,900	-	32,900	
	Bitmark Inc.	-	〃	1,306	20,707	3.31	20,707	
	MyndVR Inc.	-	〃	700	39,587	2.45	39,587	
	Engage XR Holdings PLC	-	〃	62,780	46,501	11.96	46,501	Note 2

(Continued)

Holding Company	Marketable Securities Type and Name of Issuer	Relationship of Issuer to the Holding Company	Financial Statement Account	At the End of the Year				Note
				Shares (In Thousand)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
H.T.C. (B.V.I.) Corp.	Unlisted equity investments							
	TransLink Capital Fund Partners II, L.P.	-	Financial assets at fair value through other comprehensive income - non-current	-	$ 438,049	-	$ 438,049	
	WI Harper Fund VII	-	〃	-	112,188	-	112,188	
	WI Harper Fund IX	-	〃	-	39,127	-	39,127	
	Race capital	The co-founder of the fund is a senior executive of the company	〃	-	242,771	-	242,771	
	Race capital II	〃	〃	-	24,933	-	24,933	
	Convertible bonds							
	Cognitive VR	-	Financial assets at fair value through profit or loss - non-current	-	7,613	-	7,613	
HTC Investment (BVI) Corp.	Listed shares							
	Intuit Inc.	-	Financial assets at fair value through other comprehensive income - current	1	20,310	-	20,310	
	Coinbase Global, Inc.	-	〃	7	14,961	-	14,961	
	Matterport, Inc.	-	〃	315	26,219	-	26,219	
	Vicarious Surgical Inc.	-	〃	619	42,815	-	42,815	
	Unlisted equity investments							
	Lumus Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	28	45,677	0.50	45,677	
	Event X	-	〃	1,466	121,806	6.80	121,806	
	Imverse SA	-	〃	-	33,064	-	33,064	
	XRHealth, Inc	-	〃	293	197,935	5.80	197,935	
	Anzu Virtual Reality Ltd.	-	〃	-	109,625	-	109,625	
	Tripp.Inc	-	〃	389	18,271	-	18,271	
	Inworld (Theai, Inc.)	-	〃	214	60,903	-	60,903	
	Unbound Technologies	-	〃	-	4,568	-	4,568	
	TxK Gaming Studios GmbH	-	〃	-	91	9.09	91	
	Felicis Ventures II LP	-	〃	-	75,215	-	75,215	
	Presence Capital Fund I, LP	-	〃	-	121,526	-	121,526	
	Rothenberg Ventures 2015 Fund, LLC	-	〃	-	-	-	-	
	Ally Bridge Group	-	〃	-	268,076	-	268,076	
	Ally Bridge Group-CMRCO	-	〃	-	289,023	-	289,023	
	BITKRAFT Ventures Fund II, L.P.	-	〃	-	53,514	-	53,514	
	Cherubic Ventures	-	〃	-	136,201	-	136,201	
	Section 32 Fund 5	-	〃	-	6,314	-	6,314	
	Sisu Ventures III, LP	-	〃	-	37,351	-	37,351	

(Continued)

Holding Company	Marketable Securities Type and Name of Issuer	Relationship of Issuer to the Holding Company	Financial Statement Account	At the End of the Year				Note
				Shares (In Thousand)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
HTC Investment (BVI) Corp.	Convertible bonds							
	Canopy Technologies Limited	-	Financial assets at fair value through profit or loss - non-current	-	$ 7,613	-	$ 7,613	
	Modrokkr Inc.	-	〃	-	182,709	-	182,709	
	Wonderland GmbH	-	〃	-	16,596	-	16,596	
HTC VIVE Investment (BVI) Corp.	Listed shares							
	COVER Corporation	-	Financial assets at fair value through other comprehensive income - current	325	100,264	-	100,264	Note 3
	Unlisted equity investments							
	Drop Software Inc.	-	Financial assets at fair value through other comprehensive income - non-current	813	-	10.00	-	
	Fish Bowl VR, Inc.	-	〃	36	-	6.00	-	
	Apmetrix, Inc.	-	〃	36	-	2.74	-	
	CleVR Forever, Inc.	-	〃	300	-	3.33	-	
	Immersv, Inc.	-	〃	655	-	2.21	-	
	Surreal VR, Inc.	-	〃	644	-	7.03	-	
	Augmented Intelligence, Inc.	-	〃	700	1,523	7.00	1,523	
	Opaque Productions, Inc.	-	〃	1	3,045	8.00	3,045	
	Glowstick Entertainment Inc.	-	〃	800	-	8.00	-	
	KALEIDOSCOPE VR INC.	-	〃	700	-	7.00	-	
	LyraVR, Inc.	-	〃	81	1,827	7.50	1,827	
	BreqLabs, Inc.	-	〃	261	-	8.00	-	
	LumiereVR, Inc	-	〃	870	761	8.00	761	
	The Metaverse Channel Inc.	-	〃	8	761	8.00	761	
	Metaverse Technology Limited	-	〃	8	792	8.00	792	
	Subdream Studios Inc.	-	〃	45	-	1.00	-	
	Appnori Inc.	-	〃	-	2,132	7.02	2,132	
	Snobal Pty Ltd	-	〃	-	1,219	6.54	1,219	
	VRANI Inc.	-	〃	17	1,523	4.00	1,523	
	COGNITIVE VR INC.	-	〃	280	-	2.01	-	
	Limitless Entertainment, Limited	-	〃	24	-	0.75	-	
	AuroraTech Company	-	〃	800	-	8.00	-	
	Realiteer Corp.	-	〃	720	-	6.00	-	
	Construct Studio Inc.	-	〃	565	-	7.00	-	
	Forbidden Mechanism Inc.	-	〃	354	-	10.00	-	
	Hyperfair Inc.	-	〃	835	-	4.00	-	
	bHaptics Inc.	-	〃	9	30	3.00	30	
	Opaque X PTY LTD	-	〃	1	3,045	7.50	3,045	
	Xikaku Inc.	-	〃	600	-	6.00	-	
	Broken Colors Inc.	-	〃	-	-	6.02	-	
	Soccer Science, S.L.	-	〃	6	-	5.00	-	

(Continued)

Holding Company	Marketable Securities Type and Name of Issuer	Relationship of Issuer to the Holding Company	Financial Statement Account	At the End of the Year				Note
				Shares (In Thousand)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
HTC VIVE Investment (BVI) Corp.	Unlisted equity investments							
	Fitix Visualization Ltd	-	Financial assets at fair value through other comprehensive income - non-current	129	$ -	6.00	$ -	
	PlusOne, Inc.	-	〃	538	-	7.00	-	
	Invrse Reality Limited	-	〃	1,600	-	8.00	-	
	ByondVR LTD	-	〃	18	-	1.50	-	
	Wondergate holding (Cayman) Limited	-	〃	2,041	-	2.00	-	
	Intugame Inc.	-	〃	490	745	7.00	745	
	ThermoReal Inc.	-	〃	-	-	3.00	-	
	Mixed Realms Pte. Ltd.	-	〃	-	1,827	4.00	1,827	
	Red Pill Lab Ltd.	-	〃	50	1,523	8.00	1,523	
	VRCOLLAB PTE. LTD.	-	〃	1	1,827	8.00	1,827	
	Looxid Labs Inc.	-	〃	2	318	1.00	318	
	360Stories Corp.	-	〃	213	2,132	-	2,132	
	Z-Emotion	-	〃	-	152	-	152	
	eLoupes, Inc.	-	〃	958	8,222	-	8,222	
	Fable Studio Inc.	-	〃	-	4,568	-	4,568	
	Emergent Entertainment Plc	-	〃	34	3,563	2.92	3,563	
	DatavizVR	-	〃	-	4,568	-	4,568	
	Neurable Inc.	-	〃	67	3,654	-	3,654	
	Nanome Inc.	-	〃	80	4,568	-	4,568	
	Mindesk Inc.	-	〃	944	3,654	-	3,654	
	Karuna Labs	-	〃	211	4,568	1.90	4,568	
	Talespin LLC	-	〃	1,116	9,135	-	9,135	
	Vivid Vision	-	〃	450	4,568	-	4,568	
	Apelab, Inc.	-	〃	16,081	4,568	8.70	4,568	
	Brinx Software	-	〃	-	4,568	-	4,568	
	Convertible bonds							
	Drop Software Inc.	-	Financial assets at fair value through profit or loss - non-current	-	2,436	-	2,436	
	Fish Bowl VR, Inc.	-	〃	-	-	-	-	
	Apmetrix, Inc.	-	〃	-	-	-	-	
	CleVR Forever, Inc.	-	〃	-	-	-	-	
	Surreal VR, Inc.	-	〃	-	-	-	-	
	Realiteer Corp.	-	〃	-	-	-	-	
	KALEIDOSOPE VR INC.	-	〃	-	3,654	-	3,654	
	COGNITIVEVR INC.	-	〃	-	3,654	-	3,654	
	Limitless Entertainment, Limited	-	〃	-	-	-	-	
	AuroraTech Company	-	〃	-	2,284	-	2,284	
	Construct Studio Inc.	-	〃	-	-	-	-	

(Continued)

Holding Company	Marketable Securities Type and Name of Issuer	Relationship of Issuer to the Holding Company	Financial Statement Account	At the End of the Year				Note
				Shares (In Thousand)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
HTC VIVE Investment (BVI) Corp.	Convertible bonds							
	Forbidden Mechanism Inc.	-	Financial assets at fair value through profit or loss - non-current	-	$ -	-	$ -	
	Hyperfair Inc.	-	〃	-	-	-	-	
	Broken Colors Inc.	-	〃	-	1,523	-	1,523	
	Soccer Science, S.L.	-	〃	-	2,284	-	2,284	
	Fitix Visualization Ltd	-	〃	-	1,523	-	1,523	
	PlusOne, Inc.	-	〃	-	1,523	-	1,523	
	Invrse Reality Limited	-	〃	-	-	-	-	
	ByondVR LTD	-	〃	-	3,045	-	3,045	
	Cloudgate Studio, Inc.	-	〃	-	3,654	-	3,654	
	Quantum Capture	-	〃	-	4,568	-	4,568	
	Intugame Inc.	-	〃	-	2,908	-	2,908	
	Pillow's Willow VR Studios B.V.	-	〃	-	2,284	-	2,284	
	Modal System Inc.	-	〃	-	3,045	-	3,045	
	MyndVR LLC	-	〃	-	4,179	-	4,179	
	Immersv, Inc.	-	〃	-	2,908	-	2,908	
	Yerba Buena VR	-	〃	-	3,045	-	3,045	
	Prime Software	-	〃	-	3,045	-	3,045	
	Kagenova Ltd	-	〃	-	4,025	-	4,025	
	JCR Group Ltd	-	〃	-	5,060	-	5,060	
	Extended Reality	-	〃	-	4,568	-	4,568	
	OramaVR	-	〃	-	4,568	-	4,568	
	Imaged Reality	-	〃	-	5,247	-	5,247	
	Exchange contracts							
	Realities.io Inc.	-	Financial assets at fair value through profit or loss - non-current	-	3,654	-	3,654	
	Subdream Studios Inc.	-	〃	-	4,568	-	4,568	
	Rogue Initiative, LLC	-	〃	-	6,090	-	6,090	
	Directive Games Limited	-	〃	-	1,523	-	1,523	
	Visby Camera Corporation	-	〃	-	-	-	-	
	LIV Inc.	-	〃	-	3,045	-	3,045	
	Six Degrees Space Ltd	-	〃	-	1,827	-	1,827	
	Shapes Corp.	-	〃	-	4,568	-	4,568	

(Continued)

Holding Company	Marketable Securities Type and Name of Issuer	Relationship of Issuer to the Holding Company	Financial Statement Account	At the End of the Year				Note
				Shares (In Thousand)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
HTC Electronics (Shanghai) Co., Ltd.	Unlisted equity investments							
	Kunqiao Phase II (Xiamen) Semiconductor Industry Equity Investment Partnership (Limited partnership)	-	Financial assets at fair value through other comprehensive income - non-current	-	$ 315,392	-	$ 315,392	
	Kunqiao Phase II (Suzhou) Emerging Industry Venture Capital Partnership (Limited Partnership)	-	〃	-	63,035	-	63,035	
HTC America Content Services, Inc.	Digital content investment agreement							
	Production Committee of "Birdie Wing-Golf Girl's Story"	-	Financial assets at fair value through profit or loss - non-current	-	11,369	-	11,369	

Note 1: Hua-Chuang Automobile Information Technical Center Co., Ltd. increased its share capital on August 17, 2020. The Company did not subscribe for these newly issued shares at its existing ownership percentage, thus its shareholding ratio decreased.

Note 2: Engage XR Holdings PLC issued new shares in March 2023. The Company did not subscribe for such newly issued shares at its existing ownership percentage, which decreased its ownership interest from 16.64% to 11.96%. After the decrease, the Company lost significant influence over Engage XR Holdings PLC and its subsidiary; therefore, it was reclassified as financial assets at fair value through other comprehensive income.

Note 3: COVER Corporation was listed on the Tokyo Stock Exchange on March 27, 2023.

(Concluded)

TABLE 2

HTC CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
HTC Corporation	HTC Communication Co., Ltd.	Grandson company	Sales	$ (105,234)	(15)	30 days	More favorable than unrelated parties	Similar to unrelated parties	$ 37,572	10	
HTC Communication Co., Ltd.	HTC Corporation	Parent company	Purchases	105,234	100	30 days	No comparable unrelated parties	Similar to unrelated parties	(37,572)	(100)	

TABLE 3

HTC CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debt
					Amount	Action Taken		
HTC EUROPE CO., LTD.	HTC Corporation	Parent company	$ 410,296	0.69	$ -	-	$ 468	$ -
HTC America Innovation Inc.	HTC Corporation	Parent company	367,327	0.60	-	-	-	-
HTC (Australia and New Zealand) PTY LTD.	HTC Corporation	Parent company	197,750	0.18	-	-	-	-
HTC HK, Limited	HTC Corporation	Parent company	167,763	0.13	-	-	-	-
HungXu TECH Corp.	HTC Corporation	Parent company	161,203	7.50	-	-	277,273	-

TABLE 4

HTC CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENTS IN MAINLAND CHINA)
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Business Activity	Original Investment Amount		At the End of the Year			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				Beginning Balance	Ending Balance	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
HTC Corporation	H.T.C. (B.V.I.) Corp.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	International holding company and general investing activities	$ 4,517,708	$ 4,517,708	1,476,202	100.00	$ 2,717,722	$ (34,425)	$ (34,425)	
	High Tech Computer Asia Pacific Pte. Ltd.	#13-00 Robinson 77 Singapore 068896	International holding company; marketing, repair and after-sales services	7,284,394	7,284,394	238,783	100.00	12,416,306	(31,389)	(31,389)	Note 1
	HTC Investment Corporation	1F., No. 88, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	General investing activities	300,000	300,000	30,000	100.00	144,642	309	309	
	HTC Holding B.V.	Van Boshuizenstraat 12, (unit 1.25), 1083BA Amsterdam, the Netherlands	International holding company	13	13	-	0.01	13	(30,378)	-	
	HTC Investment One (BVI) Corporation	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	Holding S3 Graphics Co., Ltd. and general investing activities	10,006,434	10,006,434	333,733	100.00	409,027	(200)	(200)	
	HTC Investment (BVI) Corp.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	General investing activities	832,990	832,990	26,000	100.00	3,672,770	(30,287)	(30,287)	
	HungXu Holding (BVI) Corp.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	International holding company	234,324	234,324	7,000	100.00	225,048	4,819	4,819	
	HTC VIVE Investment (BVI) Corp.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	General investing activities	302,807	302,807	10,000	100.00	382,439	(503)	(503)	
	DeepQ Holding (BVI) Corp.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	International holding company	498,565	498,565	16,500	100.00	254,224	(12,797)	(12,797)	
	HTC Smartphone (BVI) Corp.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	International holding company	1,004	1,004	33	100.00	532	-	-	
	HTC VR Content (BVI) Corp.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	International holding company	52,518	52,518	1,710	100.00	23,644	(1,887)	(1,887)	
	REIGN Technology Corporation	12F., No. 88, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	Construction, application and after-sales services of 5G	240,000	240,000	24,000	100.00	148,684	(27,527)	(27,527)	
	Viveport Digital Corporation	11F., No. 88, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	Interactive scenario experience services	350,000	260,000	35,000	100.00	70,321	(60,816)	(60,816)	
	VIVE Arts Corporation	15F., No. 88, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	Digital art	5,000	5,000	500	100.00	5,000	(4)	(4)	
	HTC EUROPE CO., LTD.	Salamanca Wellington Street Slough Berkshire England SL1 1YP	International holding company; marketing, repair and after-sales services	9,349,409	9,349,409	104,061	100.00	9,680,859	(151,674)	(151,674)	Note 2
H.T.C. (B.V.I.) Corp.	East West Artists, LLC	5200 W Century Blvd Suite 701, Los Angeles, CA 90045, US	Human resources management	38,386	38,386	1,200	30.00	-	-	-	
	Steel Wool Games Inc.	95 Linden St Suite 4, Oakland, CA 94607	Development of virtual reality contents	171,870	171,870	10,822	49.00	129,096	(47,989)	(23,515)	
	Surgical Theater, LLC	781 BETA DRIVE MAYFIELD VILLAGE, OHIO 44143 USA	Development of virtual reality contents	437,595	437,595	46	16.30	-	-	-	
	MOR Museum Inc.	1601-1252 Hornby Street, Vancouver, BC V6Z 0A3 Canada	Development of virtual reality contents	49,344	49,344	437	25.00	4,631	(766)	(191)	
	Engage XR Holdings PLC	Unit 9 Cleaboy Business Park, Old Kilmeaden Road, Waterford X91 Ax83, Ireland	Development of virtual reality contents	-	100,943	-	-	-	(37,806)	(6,291)	Note 3

(Continued)

Investor Company	Investee Company	Location	Main Business Activity	Original Investment Amount		At the End of the Year			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				Beginning Balance	Ending Balance	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
High Tech Computer Asia Pacific Pte. Ltd.	HTC (Australia and New Zealand) PTY LTD.	SUITE 1 LEVEL 7, 460-62 YORK STREET, SYDNEY NSW 2000	Marketing, repair and after-sales services	$ 117,871	$ 117,871	400	100.00	$ 192,150	$ 297	$ 297	
	HTC Philippines Corporation	UNIT 32 3/F WORLDNET BUSINESS CENTER ZETA BLDG 191, SALCEDO ST LEGASPI VILLAGE, MAKATI CITY 1229	Marketing, repair and after-sales services	6,596	6,596	859	100.00	6,451	-	-	
	PT. High Tech Computer Indonesia	PLAZA SEMANGGI 7th Floor, unit No. Z07-006 Kawasan Bisnis Granadha Jl. Jend. Sudirman Kav. 50 Jakarta-12930 Indonesia	Marketing, repair and after-sales services	-	-	-	-	-	-	-	
	HTC (Thailand) Limited	No. 87/1 Unit 1604-6, 16th Floor, Capital Tower, All Seasons Place, Wireless Road, Lumpini, Pathumwan, Bangkok 10330, Thailand	Marketing, repair and after-sales services	-	23,427	-	-	-	(169)	(169)	Note 4
	HTC India Private Limited	C-109 and C-110, First Floor, M3M, Cosmopolitan, Golf Course Expention Road, Gurugram, Haryana-122002	Marketing, repair and after-sales services	4,094	4,094	495	99.00	136,340	96	95	
	HTC Malaysia Sdn. Bhd.	UNIT 30-01, LEVEL 30, TOWER A, VERTICAL BUSINESS SUITE, AVENUE 3, BANGSAR SOUTH, NO. 8, JALAN KERINCHI, 59200 KUALA LUMPUR, MALAYSIA	Marketing, repair and after-sales services	-	-	-	-	-	-	-	
	HTC HK, Limited	31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong	International holding company; marketing, repair and after-sales services	151,634	151,634	37,626	100.00	4,445,474	8,245	8,245	
	HTC Holding B.V.	Van Boshuizenstraat 12 unit 1.25, 1083 BA Amsterdam, the Netherlands	International holding company	6,815,370	6,815,370	-	99.99	979,603	(30,378)	(30,378)	
HTC Investment One (BVI) Corporation	S3 Graphics, Co., Ltd.	P.O. Box 709 George Town Grand Cayman	Design, research and development of graphics technology	9,033,450	9,033,450	386,339	100.00	94,593	(149)	(149)	
HTC Holding B.V.	HTC Servicios DE Operacion Mexico, S.A DE C.V.	Paseo de la Reforma 505 piso 32 Col Cuauhtemoc. Cp 06500 Mexico DF.	Human resources management	37	37	1	1.00	66	(268)	(3)	
	HTC Netherlands B.V.	Van Boshuizenstraat 12, (unit 1.25), 1083BA Amsterdam, the Netherlands	International holding company; marketing, repair and after-sales services	7,050,037	7,050,037	143,882	100.00	1,023,115	(30,221)	(30,221)	
	HTC India Private Limited	C-109 and C-110, First Floor, M3M, Cosmopolitan, Golf Course Expention Road, Gurugram, Haryana-122002	Marketing, repair and after-sales services	39	39	5	1.00	1,377	96	1	
	HTC South Eastern Europe Limited liability Company	Kifissias 90, Marousi 15125, Athens, Greece	Marketing, repair and after-sales services	1	1	-	0.67	16	-	-	
	HTC Communication Solutions Mexico, S.A DE C.V.	Paseo de la Reforma 505 piso 32 Col Cuauhtemoc. Cp 06500 Mexico DF.	Marketing, repair and after-sales services	25	25	1	1.00	55	(11)	-	
HTC Netherlands B.V.	HTC EUROPE CO., LTD.	Salamanca Wellington Street Slough Berkshire England SL1 1YP	International holding company; marketing, repair and after-sales services	-	-	-	-	-	-	-	
	HTC Belgium BVBA/SPRL	Havenlaan 86/c, box 204 - 1000 Brussels	Marketing, repair and after-sales services	783	783	19	100.00	6,694	(27,914)	(27,914)	
	HTC NIPPON Corporation	The CORNER Nihonbashi east 5th floor, 1-9-1, Nihonbashi Bakurocho, Chuo-ku, Tokyo	Sale of virtual reality devices and smart mobile devices	154,810	154,810	56	100.00	246,818	(1,651)	(1,651)	
	HTC FRANCE CORPORATION	83-85 boulevard de Charonne 75011 Paris	Marketing, repair and after-sales services	459,161	459,161	11,000	100.00	36,837	(443)	(443)	
	HTC South Eastern Europe Limited liability Company	Kifissias 90, Marousi 15125, Athens, Greece	Marketing, repair and after-sales services	176	176	-	99.33	2,315	-	-	
	HTC Nordic ApS.	c/o Redmark, Sommervej 31 C, Hasle, 8210 Aarhus V	Marketing, repair and after-sales services	5,345	5,345	80	100.00	10,835	40	40	
	HTC Italia SRL	c/o Studio Gargani & Associati, Via Nicolò Tartagli, 11, 00197 Roma, Italy	Marketing, repair and after-sales services	51,056	51,056	-	100.00	2,291	(51)	(51)	

(Continued)

Investor Company	Investee Company	Location	Main Business Activity	Original Investment Amount		At the End of the Year			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				Beginning Balance	Ending Balance	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
HTC Netherlands B.V.	HTC Germany GmbH.	Friedrich-Ebert-Anlage 36 60325 Frankfurt am Main Germany	Marketing, repair and after-sales services	$ 24,550	$ 24,550	25	100.00	$ 111,154	$ 137	$ 137	
	HTC Iberia S.L.	Conde de Vilches, 19, Madrid, 28028, Spain	Marketing, repair and after-sales services	9,402	9,402	3	100.00	23,809	-	-	
	HTC Poland sp. z o.o.	Jerozolimskie Business Park, Al. Jerozolimskie 146A, 02-305 Warszawa, Poland	Marketing, repair and after-sales services	2,301	2,301	5	100.00	4,704	267	267	
	HTC Communication Canada, Ltd.	2900-550 Burrard Street, Vancouver BC V6C 0A3, Canada	Marketing, repair and after-sales services	43,915	43,915	1,500	100.00	71,520	461	461	
	HTC Communication Sweden AB	C/o Revideco AB Drottningholmsvägen 22 112 42 Stockholm	Marketing, repair and after-sales services	4,533	4,533	1,000	100.00	6,007	65	65	
	HTC Middle East FZ-LLC	DIC building no.3, office no.316, Dubai Internet City, Dubai	Marketing, repair and after-sales services	28,029	28,029	4	100.00	59,504	228	228	
	HTC Communication Solutions Mexico, S.A DE C.V.	Paseo de la Reforma 505 piso 32 Col Cuauhtemoc. Cp 06500 Mexico DF.	Marketing, repair and after-sales services	2,460	2,460	50	99.00	6,558	(268)	(265)	
	HTC Servicios DE Operacion Mexico, S.A DE C.V.	Paseo de la Reforma 505 piso 32 Col Cuauhtemoc. Cp 06500 Mexico DF.	Human resources management	3,690	3,690	50	99.00	5,542	(11)	(11)	
HTC EUROPE CO., LTD.	HTC America Holding Inc.	308 Occidental Ave S 3rd floor, Seattle, WA 98104	International holding company	6,341,332	6,341,332	371,617	100.00	2,758,072	(55,443)	(55,443)	Note 2
	DeepQ Holding Corporation	89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands	International holding company	1,536	1,536	4,450	100.00	1,523	-	-	
	VIVE Arts Holding Corporation	89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands	International holding company	1,536	1,536	5,560	100.00	1,523	-	-	
	Viveport Corporation	89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands	International holding company	153,170	153,170	8,028	100.00	149,801	(9,930)	(9,930)	
	REIGN Technology Corporation	89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands	International holding company	1,536	1,536	8,998	100.00	1,523	-	-	
Viveport Corporation	Viverse Limited (UK)	Salamanca, Wellington Street, Slough Sl1 1YP	International holding company	153,565	153,565	4,022	100.00	146,757	(9,821)	(9,821)	
Viverse Limited (UK)	Viverse Limited (Ireland)	10 Earlsfort Terrace, Dublin 2, Republic of Ireland	Market development and sale of virtual reality contents	150,495	150,495	3,762	100.00	119,375	(9,365)	(9,365)	
HTC America Holding Inc.	HTC America Inc.	308 Occidental Ave S 3rd floor, Seattle, WA 98104	Sale of virtual reality devices and smart mobile devices	1,114,451	1,114,451	1	100.00	1,305,582	12,095	12,095	Note 2
	One & Company Design, Inc.	308 Occidental Ave S 3rd floor, Seattle, WA 98104	Design, research and development of application software	191,052	191,052	60	100.00	2,880	-	-	
	HTC America Innovation Inc.	308 Occidental Ave S 3rd floor, Seattle, WA 98104	Design, research and development of application software	93,780	93,780	1	100.00	572,649	6,390	6,390	
	Dashwire, Inc.	850 New Burton Road, Suite 201 Dover DE 19904	Design and management of cloud synchronization technology	600,501	600,501	0.1	100.00	(54,625)	-	-	
	HTC America Content Services, Inc.	308 Occidental Ave S 3rd floor, Seattle, WA 98104	Online/download media services	2,414,274	2,307,650	31	100.00	37,752	(74,313)	(74,313)	
	Inquisitive Minds, Inc.	308 Occidental Ave S 3rd floor, Seattle, WA 98104	Development and sale of digital education platform	388,982	388,982	0.1	100.00	28,212	(8)	(8)	
HungXu Holding (BVI) Corp.	HungXu Technology (BVI) Corp.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	International holding company	43,206	43,206	3,000	100.00	21,664	4,819	4,819	
HungXu Technology (BVI) Corp.	HungXu TECH Corp.	8F., No. 88, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	Research and development of virtual reality devices	1,000	1,000	100	100.00	21,085	4,818	4,818	
HTC VIVE TECH (HK) Limited	VIVE Arts Limited	Salamanca, Wellington Street, Slough, Berkshire, United Kingdom SL1 1YP	Digital art	182,325	182,325	6,000	100.00	141,903	(8,223)	(8,223)	

(Continued)

Investor Company	Investee Company	Location	Main Business Activity	Original Investment Amount		At the End of the Year			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				Beginning Balance	Ending Balance	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
DeepQ Holding (BVI) Corp	DeepQ (BVI) Corp.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110	International holding company	$ 497,868	$ 497,868	164,700	100.00	$ 253,854	$ (12,652)	$ (12,652)	
DeepQ (BVI) Corp.	DeepQ Technology Corp.	13F., No. 207-5, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City	Medical technology and health care	395,212	395,212	39,521	100.00	167,599	(11,735)	(11,735)	
HTC Investment (BVI) Corp.	VRChat. Inc.	288 Bryn Mawr Cir, Houston TX 77024, USA	Development of virtual reality contents	391,860	391,860	79,257	36.20	777,569	(81,379)	(29,459)	
	HTC VIVE TECH (HK) Limited	Unit 1606, 16/F., Citicorp Centre, No. 18 Whitfield Road, Causeway Bay, Hong Kong	Research, development and sale of virtual reality devices	206,924	206,924	68,000	100.00	163,950	(8,870)	(8,870)	
HTC VR Content (BVI) Corp.	Uomo vitruviano Corp.	11F., No. 88, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	Development of virtual reality contents	50,000	50,000	5,000	100.00	21,665	(1,868)	(1,868)	

Note 1: The carrying amount excludes unrealized profit of NT$1,638 thousand at the end of the current period.

Note 2: The carrying amount excludes unrealized profit of NT$182,918 thousand at the end of the current period.

Note 3: Engage XR Holdings PLC issued new shares in March 2023. The Company did not subscribe for such newly issued shares at its existing ownership percentage, which decreased its ownership interest from 16.64% to 11.96%. After the decrease, the Company lost significant influence over Engage XR Holdings PLC and its subsidiary; therefore, it was reclassified as financial assets at fair value through other comprehensive income.

Note 4: The dissolution of HTC (Thailand) Limited was approved in its shareholders' meeting held on March 1, 2023. The liquidation process was completed on March 10, 2023.

(Concluded)

HTC CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars)

Investee Company	Main Business Activity	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of the Beginning of the Year	Investment Flows		Accumulated Outflow of Investment from Taiwan as of the End of the Year	Net Income (Loss) of the Investee	Percentage of Ownership (%)	Investment Gain (Loss)	Carrying Amount	Accumulated Inward Remittance of Earnings
					Outflow	Inflow						
High Tech Computer Corp. (Suzhou) (Note 4)	Manufacture and sale of smart mobile devices	US$ -	Investment in company located in mainland China indirectly through H.T.C. (B.V.I.) Corp.	$ 3,312 (US$ 100)	$ -	$ -	$ 3,312 (US$ 100)	$ -	-	$ -	$ -	$ -
HTC Corporation (Shanghai WGQ)	Smart mobile devices examination and after-sale services and technique consultations	US$ 1,500	Investment in company located in mainland China indirectly through HTC HK, Limited.	49,845 (US$ 1,500)	-	-	49,845 (US$ 1,500)	(943)	100.00	(943)	84,757	-
HTC Electronics (Shanghai) Co., Ltd. (Note 5)	Manufacture and sale of virtual reality devices and smart mobile devices	US$ 2,909	〃	4,106,585 (US$ 133,000)	-	-	4,106,585 (US$ 133,000)	8,512	100.00	8,512	4,188,228	-
HTC Communication Co., Ltd.	Sale of virtual reality devices and smart mobile devices and after-sales services	US$ 127,500	Investment in company located in mainland China indirectly through High Tech Computer Asia Pacific Pte. Ltd.	4,125,897 (US$ 127,500)	-	-	4,125,897 (US$ 127,500)	(16,662)	100.00	(16,662)	1,675,844 (Note 3)	-
HTC Communication Technologies (Shanghai) Limited	Design, research and development of application software	US$ 4,000	〃	120,799 (US$ 4,000)	-	-	120,799 (US$ 4,000)	4,478	100.00	4,478	554,383	-
Ji Jhih Suo Sin Si Technology (Shanghai) Co., Ltd.	Design and system integration of computer software and wholesale and retail of peripheral equipment software	US$ 51,550	Investment in company located in mainland China indirectly through GSUO Inc.	249,678 (US$ 8,000)	-	-	249,678 (US$ 8,000)	-	10.32	-	-	-
HTC Communication (BJ) Tech Co.	Design, research and development of application software	RMB 10,500	Investment in company located in mainland China through the own funds of HTC Communication Technologies (Shanghai) Limited.	-	-	-	-	1,510	100.00	1,510	114,822	-
Gui Zhou Wei Ai Technology Group Co., Ltd.	Development and sales of virtual reality contents	RMB 11,775	Investment in company located in mainland China through the own funds of HTC Communication Co., Ltd.	-	-	-	-	(1,449)	26.05	(378)	93,182	-

(Continued)

Investee Company	Main Business Activity	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of the Beginning of the Year	Investment Flows		Accumulated Outflow of Investment from Taiwan as of the End of the Year	Net Income (Loss) of the Investee	Percentage of Ownership (%)	Investment Gain (Loss)	Carrying Amount	Accumulated Inward Remittance of Earnings
					Outflow	Inflow						
Beijing Transmission Weiku Technology Co., Ltd.	Research and development of virtual reality contents	RMB 64	Investment in company located in mainland China through the own funds of HTC Communication Co., Ltd.	$ -	$ -	$ -	$ -	$ -	6.00	$ -	$ 741	$ -
Beijing Seven Vision Virtual Technology Co., Ltd.	Research and development of virtual reality contents	RMB 1,087	〃	-	-	-	-	-	8.00	-	741	-
YC Virtual Reality Technology Co., Ltd.	Research and development of virtual reality contents	RMB 5,342	〃	-	-	-	-	-	1.32	-	-	-
Shenzhen Shengda Education Technology Co., Ltd.	Research and development of virtual reality contents	RMB 950	〃	-	-	-	-	-	6.88	-	1,551	-
Shanghai Duowei Network Technology Co., Ltd.	Research and development of virtual reality contents	RMB 133	〃	-	-	-	-	-	5.00	-	2,291	-
Shanghai Chaoshi Business Management Partnership (Limited Partnership)	Research and development of virtual reality contents	RMB 100	〃	-	-	-	-	-	20.00	-	1,241	-
Beijing WEWOD Entertainment Technology Co., Ltd.	Research and development of virtual reality contents	RMB 1,812	〃	-	-	-	-	-	1.50	-	6,648	-
Zhijing (Shanghai) Technology Co., Ltd.	Research and development of virtual reality contents	RMB 4,771	〃	-	-	-	-	-	2.00	-	284	-
Shanghai Judao Network Technology Co., Ltd.	Research and development of virtual reality contents	RMB 142	〃	-	-	-	-	-	2.00	-	2,227	-
Shanghai Lenqiy Information Technology Co., Ltd.	Research and development of virtual reality contents	RMB 3,000	〃	-	-	-	-	-	3.00	-	1,471	-
Beijing Yuanji Technology Co., Ltd.	Research and development of virtual reality contents	RMB -	〃	-	-	-	-	-	5.00	-	2,216	-
Qinhuangdao Shiyi Technology Co., Ltd.	Research and development of virtual reality contents	RMB 685	〃	-	-	-	-	-	5.00	-	2,216	-
Hefei Yao An Technology Co., Ltd.	Research and development of virtual reality contents	RMB 12,208	〃	-	-	-	-	-	2.00	-	4,432	-
Red Landmark (Beijing) Culture Technology Co., Ltd.	Production of radio and television programs	RMB 12,077	〃	-	-	-	-	-	3.00	-	26,593	-
HTC VIVE TECH (Beijing)	Research, development and sale of virtual reality devices	US$ 800	Investment in company located in mainland China indirectly through HTC VIVE TECH (HK) Limited	24,067 (US$ 800)	-	-	24,067 (US$ 800)	(260)	100.00	(260)	22,345	-

(Continued)

Investee Company	Main Business Activity	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of the Beginning of the Year	Investment Flows		Accumulated Outflow of Investment from Taiwan as of the End of the Year	Net Income (Loss) of the Investee	Percentage of Ownership (%)	Investment Gain (Loss)	Carrying Amount	Accumulated Inward Remittance of Earnings
					Outflow	Inflow						
DeepQ Technology (Beijing)	Development and marketing of software technology	US$ 3,000	Investment in company located in mainland China indirectly through DeepQ (BVI) Corp.	$ 89,732 (US$ 3,000)	$ -	$ -	$ 89,732 (US$ 3,000)	$ (993)	100.00	$ (993)	$ 81,398	$ -

Accumulated Investment in Mainland China for the Years Ended	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on Investment
$ 8,462,472 (US$ 277,900)	$ 8,483,788 (US$ 278,600)	$ 15,156,170

Note 1: Investment amounts authorized by the Investment Commission, MOEA: The remitted amount is translated at the exchange rate of the original remittance and the unremitted amount is converted at the exchange rate of NT$30.4515 to US$1 at March 31, 2023.

Note 2: Investment gains (losses) and the carrying amount as of March 31, 2023 are based on reviewed financial statements. Gains and losses are translated at the average exchange rate from January to March 2023 of NT$4.441587 to RMB1. The carrying amount is translated at the exchange rate on March 31, 2023 at NT$4.43214 to RMB1.

Note 3: The carrying amount excludes unrealized profit of NT$1,638 thousand at the end of the current period.

Note 4: The company liquidated on July 5, 2019.

Note 5: HTC Electronics (Shanghai) Co., Ltd. reduced its share capital by US$130,000 thousand on September 2019. As of March 31, 2023, the refunded capital has not been repatriated to Taiwan.

(Concluded)

TABLE 6

HTC CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH SUBSIDIARIES IN MAINLAND CHINA INCLUDING DIRECT AND INDIRECT TRANSACTIONS THROUGH OTHER REGIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars)

Related Party	Relationship with the Company	Nature of Transaction	Amount	Terms			Notes/Accounts Payable or Receivable		Unrealized Profit
				Price	Payment Terms	Comparison with Normal Transactions	Ending Balance	% of Total	
HTC Communication Co., Ltd.	Grandson company	Sales	$ 105,234	More favorable than unrelated parties	OA 30 days	The transaction terms are similar to those of general customers.	$ 37,572	-	$ 1,638
HTC Communication Technologies (Shanghai) Limited	Grandson company	Service fee	23,286	No comparable unrelated parties	OA 45 days	The transaction terms are similar to those of general customers.	(7,846) Note	-	-
HTC Communication Beijing Tech Co.	Grandson company	Service fee	19,783	No comparable unrelated parties	OA 45 days	The transaction terms are similar to those of general customers.	(14,529) Note	-	-

Note: Classified under other payables.

HTC CORPORATION AND SUBSIDIARIES

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

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms (Note 4)	% of Total Sales or Assets (Note 5)
	For the three months ended March 31, 2023						
0	HTC Corporation	HTC Communication Co., Ltd.	a	Sales	$ 105,234	More favorable than unrelated parties	11
		HTC EUROPE CO., LTD.	a	Accrued expenses	410,296	-	1
		HTC America Innovation Inc.	a	Accrued expenses	367,327	-	1
		HTC HK, Limited	a	Accrued expenses	167,763	-	-
		HTC (Australia and New Zealand) Pty. Ltd.	a	Accrued expenses	197,750	-	-
		HungXu TECH Corp.	a	Accrued expenses	161,203	-	-
			a	Service fee	239,287	-	-

Note 1: Parties to the intercompany transactions are identified and numbered as follows:

a. "0" for HTC Corporation.
b. Subsidiaries (Numbered consecutively from "1".)

Note 2: Transactions are categorized as follows:

a. From a parent company to its subsidiary
b. Between subsidiaries.

Note 3: All internal transactions between consolidated companies have been eliminated from the consolidated financial statements.

Note 4: Unless otherwise specified, it is the same as the unrelated parties.

Note 5: Percentage of consolidated total assets is calculated by dividing the amount of a particular asset or liability account by the consolidated total of assets as of March 31, 2023.
Percentage of consolidated total revenues is calculated by dividing the amount of a particular revenue or cost or expense account by the consolidated total operating revenues for the three months ended March 31, 2023.

Note 6: The standard for disclosure of information on business transactions between related parties requires a disclosure of the following financial items if the transaction is at least NT$100 million or 20% of the paid-in-capital: Purchases (expenses), sales and receivables (payments). Financial items other than the above will not be disclosed.

TABLE 8

HTC CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
MARCH 31, 2023
(Number of Shares: Shares)

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Way Chih Investment Co., Ltd.	43,819,290	5.27

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