

Stock Code : 6741



91APP, Inc.

2022 Annual Report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Market Observation Post System : <https://mops.twse.com.tw>

Company Website : <https://ir.91app.com/tw/>

Publication Date : April 28, 2023

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Chairman	Ho, Ying-Chi	ROC	MBA, National Taiwan University General Manager of e-Commerce Division of YAHOO! TAIWAN Chairman of Monday Technology
Director	Yang, Ming-Fang	ROC	MBA, National Sun Yat-sen University Senior Chief Operating Officer of e-Commerce Division of YAHOO! TAIWAN Operation Vice President of Monday Technology
Director	Lee, Kuen-Mou	ROC	Bachelor of Information Management, National Taiwan University Founder and President of Leguo Information Limited CEO and Founder of Nexdoor Inc.
Director	Chuang, Fong-Ping	ROC	M.S. of Operations Research, Columbia University, USA Director of Grand Tech Director of The CID Group
Director	Cheng, Po-Jen	ROC	Bachelor of Information Management, National Taiwan University Founder & Managing Partner of Cherubic Ventures
Director	Lin, Chih-Chen	ROC	MBA, NYU Stern School of Business Co-founder and Chief Product Officer of Social Sauce Associate, HSS Ventures Associate, HSS Ventures Co-founder and President of the Greater China Region of Intumit

Title	Name	Nationality	Education and Work Experience
Independent Director	Lu, Hsi-Peng	ROC	Ph.D. of Industrial Engineering, University of Wisconsin, USA Distinguished Professor, Department of Information Management, National Taiwan University of Science and Technology
Independent Director	Huang, Chun-Yao	ROC	Ph.D., London Business School Professor, College of Management, National Taiwan University
Independent Director	Chih, Mei-Na	ROC	Bachelor of Accounting, Tamkang University CFO of I POINT CO., LTD.

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1. Letter to Shareholders

Dear Shareholders,

The world has changed and global markets have faced very big challenges over the course of the past year. However, the D2C (Direct to Consumer) e-Commerce demand in Taiwan has increased, and e-Commerce has become an industry standard. 91APP continues to provide high-quality products, services, and solutions, assisting many large enterprise-level retail brands in digital transformation. The number of key accounts has steadily increased and the high renewal rate resulting in a continuous contribution to revenue and profit. It also encourages more high-level professionals to join 91APP, and drives the company's overall operation to grow steadily.

Aiming towards the global D2C trend, as the most important arsenal for retail digital transformation, 91APP has already taken the lead in laying the foundations, assisting brands to face the D2C wave, providing SaaS cloud solutions, and satisfying large-scale enterprise-level brick-and-mortar brands and channels with the unique "Products X Services" model in order to satisfy the high-level needs of D2C. 91APP assists clients on the front line and also observes that in the best profit-making modules of brick-and-mortar retailers, about 30% to 50% of profits come from e-Commerce sales, and the growth is driven by OMO (Offline-Merge-Online). Although Taiwan's online e-Commerce sales still only account for about 10% of the overall retail market, more and more brick-and-mortar brands and channels continue to digitize and embrace e-Commerce and are actively joining D2C e-Commerce operations. There remains to be realized a huge potential for growth in the future, and 91APP is focusing on this massive D2C market and actively promoting it.

Therefore, in 2023, 91APP's significant operational plans will focus on the following key factors: continuing to deepen the consumers' penetration rate of e-commerce, launching two unique "Commerce" and "Marketing" solutions, exerting a huge synergy, and expanding the service base from retail to food and beverage. The direction will continue to grow rapidly on the basis of steady operation and development.

The operating status of the Company over the past year and the business plan in 2023 are stated as follows:

1. Business Results in 2022:

(1) Operation Results

The Consolidated Revenue in 2022 was NTD 1.26 billion, an increase of 14.7% year-on-year. The Gross margin and operating margin were maintained at 75.1% and 32.5%, respectively, which were comparable to the same period last year, and both remained in a stable range. The net profit was NTD 340 million, continued to hit a record high, and earnings per share was NTD 2.83, showing steady growth in operations.

(2) Operational Priorities:

1). Digital alliance deepens cooperation and expands market power.

91APP continues to use the digital alliance strategy to link resources and integrate forces to provide clients with more comprehensive services and expand the market through strategic alliances. In addition to continuing to develop partners, during the last year, we deepened cooperation with Taiwan's leading enterprise management software service provider, "Digiwin", as well as global enterprise application software solution service provider "SAP" respectively, and jointly introduced a number of well-known brick-and-mortar retailers and brands; not only assisting the brands to upgrade the omni-channel operational efficiency and MarTech benefits, but also further promoting performance growth momentum and e-Commerce penetration rate.

2). The first launched the "Food & Beverage e-Commerce" in the market.

Domestic Food & Beverage (F&B) groups generally face the core problems of "fragmentation of member data" and "dispersion of resources". Effective omni-channel integration and a set of large-scale operation and management methods are urgently needed by medium and large F&B groups. Last year, 91APP was the first to launch "F&B e-Commerce" to help medium and large F&B brand operators build a "member traffic pool" and "data monetization power". At present, several well-known domestic F&B groups have become 91APP clients, and 91APP will continue to deepen this market this year. 91APP will continue to expand the service base, and provide more F&B services across industries based on past achievements in retail-related services.

3). The scope of the e-Commerce outsourcing operation service has expanded to 9 major industries.

In 2022, 91APP's one-stop e-Commerce outsourcing operation service worked to assist many types of clients that cover nine major industries, including channel types, fashion apparel brands, life and health brands, fresh foods, and others. 91APP not only assists brand clients in the operation of D2C e-Commerce, but also assists clients in operating large-scale comprehensive e-Commerce platforms. The one-stop e-Commerce outsourcing operation strategy drives clients' operating efficiency and performance growth.

4). Won the Google Annual Best Partner Of The Year Award.

91APP has been assisting brand clients with advertising agency services for a very long time, continuously assisting brand traffic growth and conversion rate improvement, and effectively assisting brand clients to optimize growth in digital marketing and business expansion. 91APP's professional services are not only favored by clients, but have also received the Google Annual "The Best Partner Award" for the year 2022. "Google Premier Partner Awards 2022" is an index service provider in the field of digital marketing, recognizing excellence in the industry.

5). Involving with industrial public welfare to promote the development of Taiwan's e-Commerce.

In 2022, 91APP took over the industry service responsibility of the Taiwan Internet and e-Commerce Industry Development Association (TiEA); leading the association to actively promote the development of Taiwan's SaaS, e-Commerce, digital software, etc., and involved with the industrial public welfare. TiEA is an industrial organization that gathers together the largest number of industry players in Taiwan. It focuses on initiatives such as online e-Commerce and digital software, digital transformation and empowerment, and industrial innovation, and jointly promotes and supports the development of Taiwan's new economy.

(3) Impact of External Competition, Legal Environment, and Overall Business Environment.

In the face of changes such as global inflation, interest rate hikes, Covid-19, wars, and territorial conflicts, the economy is a phase of sluggish. Although the overall environment is still at risk, the epidemic has forced changes in consumer behavior. With the maturity of e-

Commerce and digital technology, the transformation of retail and F&B industries will be accelerated to digitization and e-Commerce. D2C is still the significant empowerment of transformation for brick-and-mortar retailers, and the OMO is the most effective way to achieve D2C. During the recent severe epidemic, many clients used 91APP's services and made good use of these services. OMO dispatched entities and e-Commerce to respond and have achieved very favorable results. 91APP focuses on assisting the growth of brand performance and provides SaaS software systems and large enterprise-level solutions that meet high-level needs. 91APP assists large-scale brick-and-mortar brands and channels operator to use 91APP products and services in a more effective way and create a positive sales cycle for the future. 91APP continues to assist enterprises in digital transformation and create new sales growth momentum.

2. Summary of Business Plan in 2023

(1) Actively continue assisting clients to increase the penetration rate of e-Commerce.

In Taiwan's overall retail e-Commerce market, e-Commerce penetration rate only accounts for about 10%, and there is still huge room for growth. A few of the key points of 91APP's business strategy in 2023 will be to focus on large-scale brick-and-mortar brands and channels, continue to deepen the penetration rate of clients' e-Commerce, and accelerate the growth of the D2C market. The enterprise-level solutions provided by 91APP are industry-leading in terms of technical specifications, functionality, usability, reliability, and information security level; the first OMO operation model has been introduced by 91APP, and it has successfully been approved from the operation results of several large enterprise-level brand clients. With this exclusive advantage, 91APP will continue to deepen various business priorities such as product service, marketing, and business development, and expand the market.

(2) Two major unique solutions to create huge synergies: "Commerce Solution" & "Marketing Solution".

Focusing on the D2C development of large-scale brick-and-mortar brands and channel clients, 91APP is expected to officially launch the "Marketing Solution" this year, in addition to its existing "Commerce Solution". The two solutions are based on the advantages of 91APP's unique model of "products X services" to help clients; from the Commerce Solution:

generating orders, and accumulating first-party data, to the Marketing Solution: connecting third-party data for in-depth analysis. Brands can also use the Marketing Solution to accurately place advertisements and import more traffic back to the Commerce Solution to generate new sales. Therefore, these two solutions drive the overall sales cycle and create huge synergies.

(3) Expanding the client sectors from the retail industry to the food and beverage industry.

91APP has assisted many large-scale brick-and-mortar retailers to digitally transform into Offline-Merge-Online, and it has achieved outstanding results. 91APP's mature service experience in the retail industry will continue to be introduced into the food and beverage industry this year, helping more large-scale food and beverage groups solve the problems of fragmented member data and dispersion of resources, building the completed operational management method of the omni-channel effectively, establishing the first-party data, achieving the operation efficiency, and promoting the growth of new performance.

3. Future Development Strategies of the Company.

Facing the ever-changing future of the market, 91APP's original intention of establishing a good industrial environment, and supporting professional talents remains unchanged. 91APP will continue to implement sustainable management and cultivate more domestic software professionals. 91APP's SaaS software and technology will be deepened. In terms of market expansion, 91APP is expected to expand into other industries besides the retail market; in overseas markets, the Company continues to explore business opportunities in other Asian regions, and quickly and effectively start operations through strategic alliances. In addition, 91APP continues to improve the e-Commerce penetration rate of large-scale brick-and-mortar brands and channel clients, has promoted the increase in the scale of e-Commerce transactions, and the scale of revenue has also been enlarged, achieving economies of scale and steadily improving profitability.

D2C is the mega trend of the world, and leading international brands are entering the market one after another. In contrast, domestic D2C development is just about ready to start now. The current base period is still low, and the take-off period has not yet arrived. However, market demand has emerged, and the number of large retail brands actively seeking various effective solutions to enter D2C e-Commerce is increasing day by day. 91APP is at the forefront, focusing on the latest digital technology, continuing to provide retail and even food and beverage clients with various

effective solutions, accelerating digital transformation, and grasping new opportunities for growth. Looking forward to the future, 91APP will continue to lead the market, establish itself across borders, and create world-class competitiveness among Taiwan SaaS software service providers.

Ho, Ying-Chi
Chairman of 91APP, Inc.

2.Introduction of the Company

2.1 Date of Establishment and Company Profile

2.1.1 Date of Incorporation: The company was established on July 8, 2013.

2.2.2 Company profile:

91APP is Taiwan's first retail software cloud service company with Offline-Merge-Online (OMO), and is also the leading brand of OMO digital transformation services in Taiwan. In 2021, it became the first successfully listed SaaS service company in Taiwan. The operating headquarters is located in Taipei, Taiwan and there are two overseas operating bases in Hong Kong and Malaysia.

The main business model of 91APP is to help brick-and-mortar brands and channel clients do OMO operations. To create growth momentum, and use SaaS (Software-as-a-Service, software as a service) as the framework with a unique "Products X Services" mode, providing two major solutions for Commerce and Marketing; providing brick-and-mortar retailers with highly flexible and scalable SaaS-based services, and assisting brick-and-mortar brands and channels to quickly enter the D2C e-Commerce market, realize digital transformation, and achieve omni-channel operation to enhance efficiency and increase profitability.

2.2 Milestones of the Company

Year	Milestones
June, 2012	Established the Omni-Channel Retail System Corporation
July, 2013	Established N Squared Holdings, Inc.
September, 2013	The team of Omni-Channel Retail System Corporation and the team of Nexdoor Inc., Ltd. jointly established 91APP(TAIWAN), INC., which is 100% owned by the N Squared Holdings, Inc. in the Cayman Islands.
January, 2014	91APP took the lead in obtaining a brand new type of patent for the "App Store Platform", laying the foundation for the exclusive advantages of native APP system technology. Thereby connecting the APP with Web front-end and back-end multi-mechanism functions. This has allowed for a very high degree of integration and development.
April, 2014	Launched the 91APP store opening platform to help brands build their own mobile shopping APPs.
May, 2014	Generated Responsive Web Design (RWD) technology with mobile phones and obtained a new patent for "Server Apparatus".

Year	Milestones
June, 2014	With the innovative research and development of an automatic generation of APP production technology, a new type of patent for "Application Program Generator" was obtained.
August, 2014	Completed Round A of special stock raising, with a total amount of USD 9,000,000.
April, 2015	The official brand.com WEB service was launched. The unique and effective cross-device service for "official brand.com WEB + official EC APP" was introduced into the market.
May, 2015	The parent company's original name, N Squared Holdings, Inc. was now officially changed to 91APP, Inc.
September, 2015	Created the exclusive Omni-Channel front-end sales mechanism, featuring "official brand.com WEB + official EC APP + offline stores". 91APP launched O2O solutions ahead of the market.
April, 2016	For the first time, 91APP was the recipient of the "Future Commerce Award", the "Best Omni-Channel Experience Silver Award", and the "Best Business Model of the Future Commerce exhibition" co-hosted by the Taipei City Government's Bureau of Industry and Development and Digital Times.
July, 2016	In order to support domestic small and medium-sized retailers, the company launched the "one-dollar store opening plan" into the market, at the same time promoting the "self-service store opening official website" service. In its first year of operation, the number of registered users exceeded 10,000.
February, 2017	Became Google Premier Partner.
June, 2017	Created an O2O sales cycle for the retail brands through the very efficient digital service tool called the "In-Store Portal". After connecting consumers' mobile phones in series, retail brands are then able to accumulate bonus points for consumers. 91APP obtained the invention patent for "Reward System for User Accounts".
July, 2017	Won the "Future Commerce Awards" Innovative Commerce Award - Best Business Model Innovation for the second time.
September, 2017	Within the domain of the Japanese market, 91APP obtained the invention patent of "An Operation and Management System For E-Commerce Application on Mobile Device, Method, and Application Generator". We also developed a unique native APP system technology and high integration system, which has been recognized by Japanese patents.

Year	Milestones
November, 2017	91APP launched a new service, the "Omni-Channel Membership Management System" (Omni-CRM, which was later incorporated into the Omni-Marketing Cloud) to assist retailers in developing omni-channel membership operations.
January, 2018	Became the official recognized agent for Meta (Facebook), the world's largest social media platform.
February, 2018	91APP is recognized as the only retail system service provider in Taiwan that has passed SOC 2 information security verification.
February, 2018	Successfully completed Round A-1 of special stock offering with a total amount of USD \$9,000,000.
March, 2018	Successfully pioneered the "Store Referral" function mechanism and obtained the invention patent for "Wireless Communication Based Method for Commercial Promotion and Client Management and Apparatus". 91APP successfully integrated Bluetooth technology to bind the store clerks' digital tool "In-Store Portal" with the consumer's mobile APP. This facilitates store clerks in providing valuable services, whether online or offline. Profit-sharing bonuses can be obtained, which can accelerate the OMO virtual cycle and greatly improve the operating efficiency of the OMO.
March, 2018	Took the lead in obtaining the Chinese invention patent for " An Operation and Management System For E-Commerce Application on Mobile Device, Method, and Application Generator ". The technology and high integration of the native APP system have been recognized by Chinese patents.
March, 2018	Became the official strategic partner of the very popular LINE shopping app.
April, 2018	Won the "Future Commerce Awards" Innovative Commerce Award - Best Business Model Innovation for the third time!
May, 2018	Officially launched the "Online-Merge-Offline (OMO: Online-Merge-Offline) Solution" specially designed for the brand's new retail Omni-Channel environment.
November, 2018	Formed an alliance with the global advertising giant "Dentsu Aegis Network" and became the only designated strategic partner of "Retail Offline-Merge-Online" in Taiwan.
March, 2019	Won the Rising Star Award from LinkedIn, a globally recognized professional network and knowledge community platform.
April, 2019	Won the "Future Commerce Awards" Innovative Commerce Award for the fourth time - Best Business Model Innovation.

Year	Milestones
March, 2020	Launched the "360 Brands Digital Agency Operation Service", including "brand official website operation and product management", " e-Commerce platform operation of large-scale hyper mall", "payment, logistics and customer service", "digital advertising operation", "Omni-Channel CRM operation data analysis", and "Brand OMO Consultant". This has provided one-stop digital third-party services for all of our participating retail brands to accelerate the digital transformation of OMO.
April, 2020	In response to the relief of the novel coronavirus epidemic, 91APP officially becomes an approved service provider of the "Ministry of Economic Affairs' Promotion Plan for e-Commerce Services in Retail Industry".
July,2020	Won the "Future Commerce Awards" Innovative Commerce Award - Best Business Model Innovation for the fifth time!
November,2020	Acquired a 27.3% stake in EASYSTORE COMMERCE SDN. BHD., a major brand official website SaaS service provider in Malaysia. This was achieved through share conversion and cash capital increase, with 100% equity of 91APP SDN. BHD.
December,2020	Became the first official certified business partner with the "Meta Business Partner - Commerce, Agency & Conversion Data Partner Badge in Taiwan".
December,2020	Incorporated with Japanese Company AFTEE to introduce a "buy now, pay later" service for OMO service providers, making it the first to adopt this service among OMO providers.
March, 2021	In response to the level three alert of the domestic epidemic, the "Guidelines for Response to the Epidemic of the Retail Industry" were launched to help brick-and-mortar retailers use the OMO method for the operational response, and the "Covid 19 Business Toolkit" was launched. The innovative and pioneering "In-Store Portal" tool was created to allow store staff to use mobile phones to work from home. Even with the physical store closed, the power of the store staff can be mobilized to continue to serve their frequent consumers through the e-Commerce system.
May, 2021	Listed on the TPEx market under the stock code of 6741.
August, 2021	Established a formal strategic alliance with Data Systems Consulting Co., Ltd., the leading enterprise management software service provider in Taiwan.
August, 2021	Won the " Certificate of Registration as a Technology Service Organization /e-Commerce Technology" by the Industrial Development Bureau of the Ministry of Economic Affairs.

Year	Milestones
September, 2021	Increased the capital of EASYSTORE COMMERCE SDN. BHD. Increased to USD 2,000,000 in cash and increased the shareholding ratio from 27.3% to 36.35%.
September, 2021	Won the 6th "Potential Taiwan Mittelstand Award" of the Industrial Development Bureau of the Ministry of Economic Affairs.
October, 2021	Received the "2021 Award for Business Entity Issuing Uniform Invoices Honestly" by the " National Taxation Bureau of Taipei and the "2021 Award for Business Entity Issuing Uniform Invoices" by the Ministry of Finance. The number of invoices issued by 91APP's collection and payment service has reached the level of large-scale channels.
October, 2021	Notably awarded the "Startup Island TAIWAN 2021" recognition, the only e-Commerce category to be recognized by the national award.
November, 2021	Chairman of 91APP, Mr. Ho Ying-Chi, won the top ten Super MVP awards in the "2021 Manager 100MVP".
December, 2021	Chairman of 91APP, Mr. Ho, Ying-Chi, won the "2021 Ernst & Young Entrepreneur Award" and "Digital Forward-looking Entrepreneur Award".
December, 2021	Mastered OMO core and OMO Loop operation technology to integrate various online and offline information technologies and applications that are related to operational transactions. 91APP took the lead in obtaining the invention patent of "System for Saving Omni-Channel Consumption Intentions and Method for Operating".
December, 2021	Developed in-depth technology for online and offline performance integration, creating the unique "Store Referrer" reward performance mechanism, and obtained the invention patent for "Method and System for Performance Management for Services via Multiple Sales Channels".
January, 2022	In order to ensure the safety of APP software used by brand clients, the APP developed by 91APP has passed the "Mobile Application Security Checklist" as stipulated by the "Mobile Application Security Alliance", to ensure that the company's APP meets the basic security requirements of domestic mobile application App's Safety norms. The "Mobile Application Security Alliance" was established by inviting domestic experts in the field of information security from the Industrial Bureau of the Ministry of Economic Affairs. 91APP's APP software, including Android and iOS versions, has passed the above-mentioned information security testing, and has obtained the highest L3 transaction level label of the "Mobile Application Basic Security".
March, 2022	Ho, Ying-Chi, chairman of 91APP, was elected as the fourth chairman of the "TiEA Taiwan Internet and e-Commerce Industry Development Association", which brings together the largest number of industry players.

Year	Milestones
	He led the association and the government to establish a communication platform to jointly promote the development of Taiwan's digital industry.
April, 2022	Cooperating with SAP, the global enterprise application software solution leader, to assist retail brand clients to introduce AI marketing automation, and promoting the brand's own first-party data to play a greater role.
April, 2022	The first launched "Food & Beverage e-Commerce" in the market, providing a set of highly integrated and large-scale management methods to help F&B companies solve the problems of "fragmented member data" and "scattered digital resources".
April, 2022	Listed as one of the key service providers in the "Taiwan MarTech Landscape 2022" by AMT Asia-Pacific Marketing Digital Transformation Alliance Association.
May, 2022	91APP released the "2022 Beauty Brand Business Report", which became the standard reference for the trend of beauty industry indicators in the first half of the year.
August, 2022	91APP announced "2022 D2C Brand Business Report".
September, 2022	91APP released the "Taiwan MarTech Landscape 2022", which has attracted great attention from the industry.
November, 2022	Ho, Ying-Chi, chairman of 91APP, won the "Tatler Asia's Most Influential" award.
November, 2022	Obtained the "Payment Card Industry Data Security Standard (PCI DSS)" that complies with global regulations to protect cardholder data security.
December, 2022	Won the Google Premier Partner Awards 2022, highly recognized for its professional skills and innovative performance in helping clients expand their business, and develop and maintain new customers through APP.
December, 2022	91APP HK won the 2022 "OMO Enterprise Solution Award" from the Hong Kong Retail Management Association (HKRMA).
February, 2023	Ranked as one of the key service providers in the "2023 Taiwan MarTech Landscape" of the AMT Asia-Pacific Marketing Digital Transformation Alliance Association, and listed in the "e-Commerce Platform" and "Member Marketing and Management" of Business and Sales, and Data and Analysis of "Marketing Cloud".
February, 2023	91APP HK won "The Most Innovated OMO Integrated E-commerce Solution of the Year" award" in 2022.

2.3 Organization of the Group

Please refer to page 144.

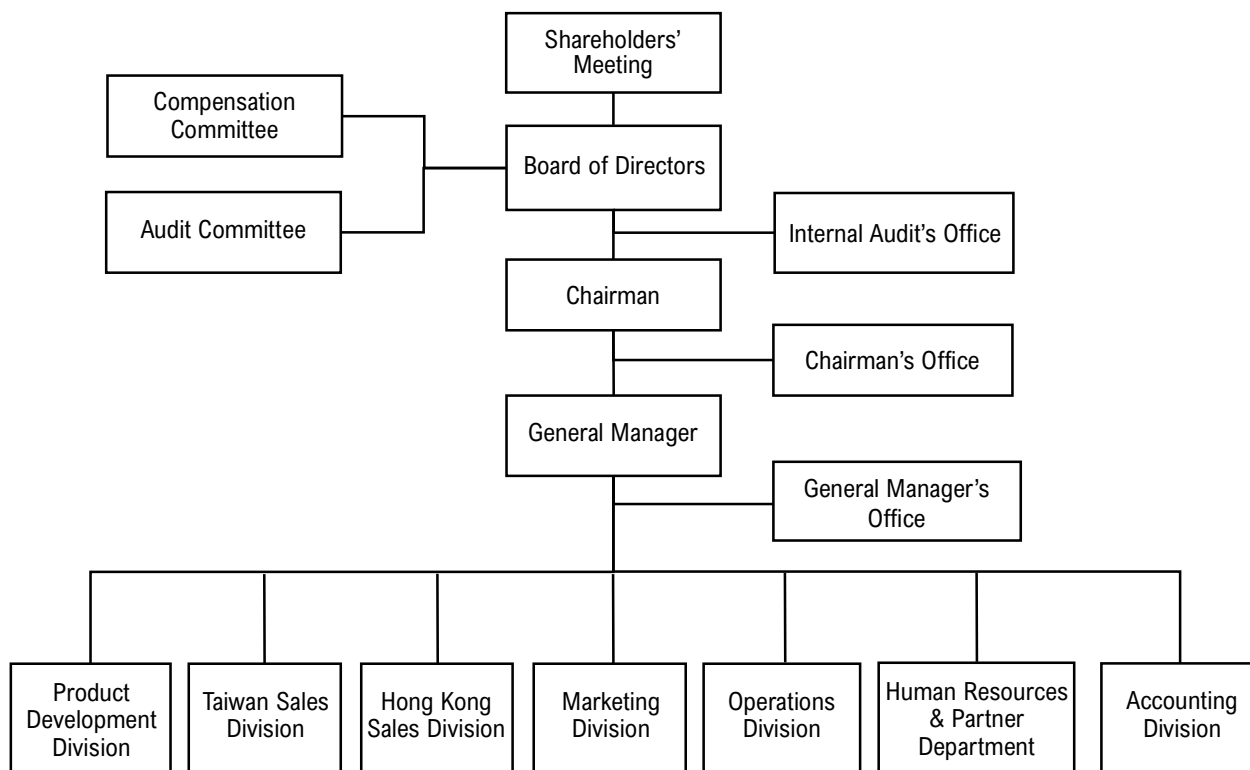
2.4 Risk Matters

Please refer to pages 134~143.

3. Corporate Governance Report

3.1 Organization

3.1.1 Organization Chart



3.1.2 Organization Functions

Division	Functions
Internal Audit's Office	Assessment of the internal risk control system, an inspection of the completeness of the system and effectiveness of execution, and ensured compliance with company policies and procedures, and government regulations.
Chairman's Office	1. Investor relations. 2. Business strategy analysis and management. 3. Strategic corporate investment. 4. Overseas business development.
General Manager's Office	1. Establishment of the group management system and organizational structure. 2. Implementation of the Board of Directors' resolutions, management of the Company's affairs, and achievement of the group's managerial performance and goals. 3. Corporate external relations and brand communication management. 4. Corporate legal affairs.
Product Development Division	1. Plan research and development, overall product functions, product interfaces, and user interaction designs; is responsible for product

Division	Functions
	<ul style="list-style-type: none"> development, operation, and maintenance cycles. 2.Assist clients in carrying out product introduction work and keeps abreast of clients' feedback on product use. 3.Keep abreast of product usage data and industry trends. 4.Test product front- and back-end designs, development, maintenance, and overall products. 5.Construct data service platforms and manages cloud infrastructure. 6.Deploy operations and monitors programs and implements the Company's overall information security governance.
Taiwan/Hong Kong Sales Division	<ul style="list-style-type: none"> 1.Plan clients' development direction and strategy. 2.Seek potential clients with business opportunities through development of new clients. 3.Introduce systems and sells solutions to clients to help them adopt the Company's products. 4.Performance growth consulting services. 5.Oversee the formulation or implementation of the offline-merge-online channel operation strategy. 6.Brand digital operation and management services. 7.Collect and analyze market and popular brand information, keep abreast of trends, and facilitate discussion on products.
Marketing Division	<ul style="list-style-type: none"> 1.Manage market and client information, integrate data, research and develop marketing tools. 2.Oversee digital media strategic alliance (Meta, Google, Line.. etc.). 3.Plan product marketing, events for distribution channels, and membership events. 4.Responsible for brand digital advertising of third-party operation. 5.Marketing data consulting services.
Operations Division	<ul style="list-style-type: none"> 1.Oversees client maintenance and service management. 2.Responsible for brands' product consultation service and reply to and handle order queries, event information, consumer disputes, and membership rights. 3.Responsible for administration and general affairs, environmental protection and public security, and labor health and safety. 4.Oversee logistics service alliance. 5.Operates brand logistics and customer service for third-party services.
Human Resources & Partner Department	<ul style="list-style-type: none"> 1.Utilize and integrate human resources. 2.Plan and implement matters related to salary and benefits. 3.To be responsible for employees' training and development program. 4.Coordinate labor relations.
Accounting Division	<ul style="list-style-type: none"> 1.Corporate governance affairs. 2.The Board of Directors' meetings and the shareholders' meetings related affairs. 3.Accounting management, the tax management and fund/asset management. 4.Stock affairs related.

3.2 Board of Directors and Management Team

3.2.1 Board of Directors

1. Directors' Information

As of April 11, 2023; Unit: Share

Title	Nationality	Name	Gender Age	Date of Elected	Term	Date of First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position
							Shares	%	Shares	%	Shares	%	Shares	%		
Chairman	R.O.C.	Ho, Ying-Chi	Male 51-60	2022.06.09	3	2013.07.08	800,000	0.66	800,000	0.66	-	-	-	-	MBA, National Taiwan University General Manager of e-Commerce Division of YAHOO! TAIWAN Chairman of Monday Technology	(Note 1)
Director	R.O.C.	Yang, Ming-Fang	Male 51-60	2022.06.09	3	2013.07.08	400,000	0.33	400,000	0.33	-	-	-	-	MBA, National Sun Yat-sen University Senior Chief Operating Officer of e-Commerce Division of YAHOO! TAIWAN Operation Vice President of Monday Technology	Director and General Manager of 91APP(TAIWAN), INC. Director of OMNI-CHANNEL RETAIL SYSTEM CORPORATION Director of 91APP HK Limited
Director	R.O.C.	Chuang, Fong-Ping	Male 41-50	2022.06.09	3	2020.06.20	650,000	0.54	650,000	0.54	774,777	0.64	-	-	M.S. of Operations Research, Columbia University, USA Director of The CID Group Director of Grand Tech	Chairman of Venture+ Asset Management Inc. Chairman of Venture Plus Fund I Taiwan Inc. Supervisor of Chia Yi Co., Ltd. Supervisor of Bin Li Co., Ltd.
Director	R.O.C.	Lee, Kuen-Mou	Male 41-50	2022.06.09	3	2014.04.24	431,740	0.36	379,740	0.31	16,000	0.01	-	-	Bachelor of Information Management, National Taiwan University Founder and President of Leguo Information Limited CEO and Founder of Nexdoor Inc.	Senior Vice President of Product Development Division, 91APP(TAIWAN), INC.
Director	R.O.C.	Cheng, Po-Jen	Male 41-50	2022.06.09	3	2014.04.24	1,253,318	1.04	1,253,318	1.04	-	-	-	-	Bachelor of Information Management, National Taiwan University Founder & Managing Partner of Cherubic Ventures	Director of Cherubic Ventures
Director	R.O.C.	Lin, Chih-Chen	Male 41-50	2022.06.09	3	2015.04.30	20,000	0.02	53,000	0.04	-	-	-	-	MBA, NYU Stern School of Business Co-founder and Chief Product Officer of Social Sauce Associate, HSS Ventures Co-founder and President of the Greater China Region of Intumit	(Note 2)

Title	Nationality	Name	Gender Age	Date of Elected	Term	Date of First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position
							Shares	%	Shares	%	Shares	%	Shares	%		
Independent Director	R.O.C.	Lu, Hsi-Peng	Male 51-60	2022.06.09	3	2019.06.27	-	-	-	-	-	-	-	-	Ph.D. of Industrial Engineering, University of Wisconsin, USA Distinguished Professor, Department of Information Management, National Taiwan University of Science and Technology	Independent Director of YFY Inc. Independent Director of Taiwan Mobile Co., Ltd.
Independent Director	R.O.C.	Huang, Chun-Yao	Male 51-60	2022.06.09	3	2019.06.27	-	-	-	-	-	-	-	-	Ph.D., London Business School Professor, College of Management, National Taiwan University	Independent Director of E.SUN FINANCIAL HOLDING COMPANY, LTD. Independent Director of E.SUN COMMERCIAL BANK, LTD.
Independent Director	R.O.C.	Chih, Mei-Na	Female 51-60	2022.06.09	3	2022.06.09	-	-	-	-	-	-	-	-	Bachelor of Accounting, Tamkang University CFO of GAMESPARCS CO., LTD.	Chairman of LI-HSIN Consultant Co., Ltd. CFO of I POINT CO., LTD. Supervisor of Venture Plus Fund I Taiwan Inc.

● Any Executive, Director, or supervisor who is a spouse or relative within the second degree of kinship: None.

● If the chairman, president or personnel with equivalent position (chief manager) are the same person, spouses or relatives within one degree of kinship, the reasons, reasonability, necessity and measures to be taken accordingly shall be addressed: None.

Note 1 : Chairman of 91APP(TAIWAN), INC. ∙ Chairman of OMNI-CHANNEL RETAIL SYSTEM CORPORATION ∙ Director of 91APP HK Limited ∙ Representative Director of EasyStore Commerce Sdn. Bhd. ∙ Representative Director of Jinghong Inc. ∙ Independent Director of E-LIFE CORPORATION. ∙ Representative Director of Omnichat Limited. ∙ Director of NineYi Capital Inc. ∙ Director of N-Team, Inc. ∙ Director of Venture Plus Fund I Taiwan Inc.

Note 2 : Director and President of Taiwan Mobile Co., Ltd. ∙ Director of momo.com Inc. ∙ Chairman of AppWorks Ventures Co., Ltd. ∙ Chairman of AppWorks Fund IV(TW) Admin Co., Ltd. ∙ Chairman of AppWorks Fund II Co., Ltd. ∙ Chairman of AppWorks Fund III Co., Ltd. ∙ Chairman of APPWORKS SCHOOL CO., LTD. ∙ Chairman of Chen Feng Investment Ltd. ∙ Chairman of Chen Yun Co., Ltd. ∙ Chairman, Chen Men Investment Ltd. ∙ Director of AppWorks IV Limited ∙ Director of AppWorks Fund IV Admin Global Limited ∙ Director of AWTH Limited ∙ Director of AppWorks Ventures II Limited ∙ Director of AppWorks Ventures III Limited ∙ Director of Winbond Electronics Corp. ∙ Director of Dcard Holdings Ltd ∙ Director of EZTable, Ltd. ∙ Director of VIV3 Inc ∙ Director of Line Bank Taiwan Ltd. ∙ Director and President of Taiwan Cellular Co., Ltd. ∙ President of TWM Venture Co., Ltd. ∙ Chairman of Taiwan Mobile Film Co., Ltd. ∙ Chairman and President of Taiwan Stampede Franchise Film Co., Ltd. ∙ Director and President of Wealth Media Technology Co., Ltd. ∙ Director of Taipei New Horizon Co., Ltd. ∙ Chairman of Fu Sheng Digital Co., Ltd. ∙ President of Taiwan Fixed Network Co., Ltd. ∙ Chairman of Taiwan Teleservices & Technologies Co., Ltd. ∙ President of TCC Investment Co., Ltd. ∙ Chairman of Taiwan Digital Service Co., Ltd. ∙ Director of Taihsin Property Insurance Agent Co., Ltd. ∙ Director and President of TFN Media Co., Ltd. ∙ Chairman and President of Global Forest Media technology Co., Ltd. ∙ Chairman and President of Global Wealth Media technology Co., Ltd. ∙ Chairman of Win TV Broadcasting Co., Ltd. ∙ President of TFN Union Investment Co., Ltd. ∙ President of TCCI Investment and Development Co., Ltd. ∙ Chairman of Taiwan Kuro Times Co., Ltd. ∙ Chairman of Yeong Jia Leh Cable TV Co., Ltd. ∙ Chairman of Phoenix Cable TV Co., Ltd. ∙ Chairman of Union Cable TV Co., Ltd. ∙ Chairman of Globalview CATV Co., Ltd. ∙ Director of Bridge Mobile Pte Ltd. ∙ Director of WeMo Corp.

2. Major Shareholders of 91APP's institutional shareholders: Not applicable.

3. Information of Directors' professional qualification and independent status:

Name	Criteria	Professional Qualifications and Experience (Note 1)	Independent Status	Number of the other public companies where the person holds the title as independent director concurrently
Chairman Ho, Ying-Chi		Once served as the President of the Yahoo E-Commerce Business Group and the Chairman of Monday Technology. Is equipped with more than 20 years of experience in the field of e-commerce as well as e-commerce, operations management, risk management, information technology, financial accounting, leadership, and decision-making capabilities.	Not applicable	1
Director Yang, Ming-Fang		Once served as the Senior Director Of Operations of the Yahoo E-Commerce Business Group and the Vice President of Operations of Monday Technology. Currently serves as the President of the Company. Is equipped with at least 20 years of experience in the field of e-commerce as well as e-commerce, operations management, risk management, information technology, financial accounting, leadership, and decision-making capabilities.		0
Director Chuang, Fong-Ping		Once served as a director of the CID Group and Grandtech C.G. Systems Inc. for at least five years. Is equipped with specialties in investment management and e-commerce, operations management, risk management, financial accounting, leadership, and decision-making capabilities.		0
Director Lee, Kuen-Mou		Once served as the founder and the President of the Leguo Information Limited. and the Nexdoor Inc. Currently serves as the Chief Product Officer of the Company. Is equipped with at least 15 years of experience in the field of e-commerce and information technology as well as e-commerce, operations management, risk management, information technology, marketing, leadership, and decision-making capabilities.		0
Director Cheng, Po-Jen		Once served as the founding executive partner of Cherubic Ventures, the earliest investor and Chief Strategy Officer of Tian Ge Interactive Holdings Limited publicly listed in Hong Kong, and the Founding President of Fotoable. Currently serves as a director of Cherubic Ventures. Is equipped with at least 15 years of experience in investing in startups as well as investment management, e-commerce, operations management, risk management, business, leadership, and decision-making capabilities.		0
Director Lin, Chih-Chen		Currently serves as a director and the President of Taiwan Mobile Co., Ltd. and the Chairman of Appworks Ventures Co., Ltd., while concurrently serving as a director of a number of publicly listed companies. Is equipped with at least 15 years of experience in investing in startups, e-commerce, and network communication industries, as well as operations management, business mergers and acquisitions, risk management, information technology, business, leadership, and decision-making capabilities.		0
Independent Director Lu, Hsi-Peng		Currently serves as a distinguished professor of the Department of Information Management, National Taiwan University of Science and Technology, while concurrently serving as an independent director of YFY Inc., and Taiwan Mobile Co., Ltd. Is equipped with at least seven years of experience in serving as an independent director of publicly listed companies, as well as corporate governance, information technology, and information management capabilities to improve the quality of supervising the Board and create a synergy effect through his supervisory experience in different industries.		Meets independence criteria (Note 2)
Independent Director Huang, Chun-Yao		Currently serves as a full-time professor at the College of Management, National Taiwan University and an independent director of E.Sun Financial Holding Co., Ltd. and E.Sun Commercial Bank, Ltd. Is equipped with at least five years of experience in serving as an independent director of publicly listed companies, as well as corporate governance, business management, and industry knowledge and capabilities to increase the synergy effect of supervising the Board through his experience and perspectives in the financial industry.	Meets independence criteria (Note 2)	2
Independent Director Chih, Mei-Na		Once served as the CFO of GameSparcs Co., Ltd. for more than 8 years, and is currently the CFO of I POINT Co., Ltd. and the Chairman of LI-HSIN Consultant Co., Ltd. Has more than 10 years of experience in financial accounting and auditing, as well as professional capabilities in business management and corporate governance, and will thus help improve the quality of supervision by the Audit Committee and enhance the overall effectiveness of supervising the Board of Directors.	Meets independence criteria (Note 2)	0

Note 1 : All Directors of the Company has no meet the circumstances of Article 30 of the Company Act.

Note 2 : The Company's independent directors, their spouses and relatives within the second degree of kinship are not directors, supervisors or employees of the Company or its affiliates; the Company's independent directors, their spouses and relatives within the second degree of kinship (or in the name of other persons) do not own the Company's outstanding shares, nor are directors, supervisors or employees of companies which have specific relationship with the Company; the Company's independent directors, their spouses and relatives within the second degree of kinship do not provide the Company and its affiliates with services of business, legal affairs, finance and accounting in the past two years to get payment.

4. Board diversity and independence:

(1) Board diversity:

A. Board Diversity Policy:

According to Article 20 of the Company's "Principles of Corporate Governance Best Practice", the composition of the board of directors shall be determined by taking diversity into consideration, it is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

- (A) Basic requirements and values: Gender, age, nationality, and culture.
- (B) Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties.

To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

- (A) Ability to make sound business judgments.
- (B) Ability to conduct accounting and financial analyses.
- (C) Operation and management ability.
- (D) Crisis management ability.
- (E) Industry knowledge.
- (F) International market perspectives.
- (G) Leadership.
- (H) Decision-making ability.

B. Board diversity goals and its implementation as follows:

Goals	Implementation
Pays attention to gender equality among directors, and the Board should include at least one female director.	Achieved
Focuses on operational judgment, business management, and crisis management capabilities, and more than two-thirds of the directors should have the abilities related to relevant core projects.	Achieved
To maintain the independence of independent directors, the tenure of independent directors should not exceed three consecutive terms.	Achieved
The number of the directors who concurrently serve as employees of the Company or the parent company should not be exceed one-third (included) of the total number of directors to achieve the purpose of supervision.	Achieved

C. The implementation status of Board Diversity Policy:

Core of diversity Name	Title	Basic Composition				Professional Background					Professional Competence						
		Nationality	Gender	Employee	Age	Legal	Accounting	Marketing and Technology	eCommerce	Operational judgment capability	Accounting and Finance Analysis	Business management capability	Risk management capability	Industry knowledge	International market outlook	Leadership	Decision-making
Ho, Ying-Chi	Chairman	R.O.C.	Male		51-60 years old		V	V	V	V	V	V	V	V	V	V	V
Yang, Ming-Fang	Director	R.O.C.	Male	V	51-60 years old			V	V	V	V	V	V	V	V	V	V
Lee, Kuen-Mou	Director	R.O.C.	Male	V	41-50 years old			V	V	V	V	V	V	V	V	V	V
Chuang, Fong-Ping	Director	R.O.C.	Male		41-50 years old		V		V	V	V	V	V	V	V	V	V
Cheng, Po-Jen	Director	R.O.C.	Male		41-50 years old			V	V	V	V	V	V	V	V	V	V
Lin, Chih-Chen	Director	R.O.C.	Male		41-50 years old		V	V	V	V	V	V	V	V	V	V	V
Lu, Hsi-Peng	Independent Director	R.O.C.	Male		51-60 years old			V	V	V	V	V	V	V	V	V	V
Huang, Chun-Yao	Independent Director	R.O.C.	Male		51-60 years old			V	V	V	V	V	V	V	V	V	V
Chih, Mei-Na	Independent Director	R.O.C.	Female		51-60 years old		V		V	V	V	V	V	V	V	V	V

(2) Board diversity and independence: The Board of Directors of this term is composed of 9 directors, including 3 independent directors, account for 33.33% of all Board members. All independent directors meet the qualifications in accordance with Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and they have no meet the circumstances of Paragraph 3 and 4, Article 26-3 of the Securities and Exchange Act. About their independence, please refer to page 18.

3.2.2 Management Team

As of April 11, 2023 ; Unit: Share

Title	Nationality	Name	Gender	Date of Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
					General Manager	ROC	Yang, Ming-Fang	Male	2013.07.08	400,000			0.33	-	-	
Senior Vice President & CPO	ROC	Lee, Kuen-Mou	Male	2013.07.08	379,740	0.31	16,000	0.01	-	-	Bachelor of Information Management, National Taiwan University Founder and President of Leguo Information Limited CEO and Founder of Nexdoor Inc.	Senior Vice President of Product Development Division, 91APP(TAIWAN), INC.	-	-	-	-
Senior Vice President & CISO	ROC	Lin, Ta-Wei	Male	2013.07.08	400,370	0.33	14,000	0.01	-	-	Master of Information Management, National Taiwan University Chief Operation Officer of Nexdoor Inc. Software Engineer of IBM	Senior Vice President of Product Development Division, 91APP(TAIWAN), INC.	-	-	-	-
Senior Vice President	ROC	Wang, Chun-Yu	Male	2013.07.08	144,740	0.12	-	-	-	-	Bachelor of Financial Engineering and Actuarial Mathematics, Soochow University Product Development Director of e-Commerce Division of YAHOO! TAIWAN Product Manager of Monday Technology	Senior Vice President of Taiwan Sales Division, 91APP(TAIWAN), INC.	-	-	-	-
Senior Vice President	ROC	Li, Chao-Chi	Male	2013.07.08	432,740	0.36	-	-	-	-	Bachelor of Commercial Design, Chung Yuan Christian University Marketing Director of e-Commerce Division of YAHOO! TAIWAN Marketing Vice President of Monday Technology	Senior Vice President of Marketing Division, 91APP(TAIWAN), INC.	-	-	-	-
Senior Special Assistant	ROC	Lin, Chih-Hung	Male	2013.07.08	436,740	0.36	-	-	-	-	Master of Information and Computer Engineering, Chung Yuan Christian University Technical Director of e-Commerce Division of YAHOO! TAIWAN Chief Technical Officer of Monday Technology	Senior Special Assistant of General Manager's Office, 91APP(TAIWAN), INC. Director of OMNI-CHANNEL RETAIL SYSTEM CORPORATION	-	-	-	-
Senior Special Assistant	ROC	Mei, Li-Chieh	Male	2014.09.09	293,620	0.24	78,401	0.07	-	-	Master of Visual Communication Design, National Yunlin University of Science and Technology Operating Director of e-Commerce Division of YAHOO! TAIWAN Product Development Senior Manager of Monday Technology	Senior Special Assistant of General Manager's Office, 91APP(TAIWAN), INC.	-	-	-	-
Senior Vice President & CFO	ROC	Kao, Li-Ling	Female	2023.04.10	-	-	-	-	-	-	Bachelor of Business Administration, National Taiwan University Foreign exchange trader of CTBC Bank Founder of Shinewant Technology Co., Ltd Department head of LINE Taiwan Limited	Chairman of Kao & Company Co., Ltd. Chairman of Newbloom Venture Co., Ltd.	-	-	-	-

Title	Nationality	Name	Gender	Date of Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Vice President & Accounting Officer	ROC	Pu, Mei-Hsien	Female	2015.04.01	202,480	0.17	-	-	-	-	Chungyu Institute of Technology Finance Manager of e-Commerce Division of YAHOO! TAIWAN Finance Director of Monday Technology	Financial and Accounting officer of 91APP(TAIWAN), INC. Director of 91APP HK Limited	-	-	-	-
Vice President	ROC	Yu, Po-Shou	Male	2020.03.16	-	-	-	-	-	-	Bachelor of Electromechanical Engineering, George Brown College, Canada Operation Director of e-Commerce Division of YAHOO! TAIWAN Operation Senior Manager of Senao International	Senior Director of Operation Division, 91APP(TAIWAN), INC.	-	-	-	-
Vice President	ROC	Fang, Yen-Chin	Male	2021.02.22	1,000	0.00	-	-	-	-	Master of Human Resource Management, National Central University Human Resource Manager of TSMC	Senior Director of Human Resource & Partner Department, 91APP(TAIWAN), INC.	-	-	-	-
Internal Audit Officer	ROC	Wei, Hsin-I	Female	2018.03.05	16,500	0.01	-	-	-	-	Bachelor of Accounting, National Dong Hwa University Assistant manager of PricewaterhouseCoopers Taiwan Audit manager of Mr. Onion International Co., Ltd	Audit officer of 91APP(TAIWAN), INC.	-	-	-	-

3.3 Remuneration Paid to Directors, President and Vice president (including Independent Directors)

3.3.1 Directors' Remuneration (including Independent Directors')

As of December 31, 2022; Unit: NT\$ thousands; Thousand Shares

Title	Name	Directors' Remuneration								Amount and Ratio of Total Remuneration (A+B+C+D) and proportion of Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Amount and Ratio of Total Compensation (A+B+C+D+E+F+G) and proportion of Net Income (%)		Compensation from Other Non-Consolidated Entities Invested by the Company				
		Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)										
		The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	Cash	Stock	Cash	Stock	The Company	Companies in the Consolidated Financial Statements					
Chairman	Ho, Ying-Chi																									
Director	Yang, Ming-Fang																									
Director	Lee, Kuen-Mou	0	3,849	0	0	0	0	0	0	0	3,849	0.00%	1.14%	0	7,436	0	162	204	0	291	0	204	11,738	0.06%	3.47%	None
Director	Chuang, Fong-Ping																									
Director	Cheng, Po-Jen																									
Director	Lin, Chih-Chen																									
Independent Director	Lu, Hsi-Peng																									
Independent Director	Huang, Chun-Yao	2,000	2,000	0	0	0	0	0	0	2,000	2,000	0.59%	0.59%	0	0	0	0	0	0	0	0	2,000	2,000	0.59%	0.59%	None
Independent Director	Lee, Hui-Ju (Note 1)																									
Independent Director	Chih, Mei-Na (Note 2)																									

1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: The Company's independent directors' remuneration is handled in accordance with the Directors' and Functional Committee Members' Remuneration Regulations. In addition to the annual fixed remuneration, the Company will provide additional remuneration according to the Company's Articles of Association after the Remuneration Committee submits a proposal based on factors, including but not limited to values of their services, the Company's operating conditions, and the remuneration levels of other companies in the same industry and the Board resolves a decision to execute it.
2. In addition to the above information disclosed, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements and reinvestment companies in the most recent year to compensate directors for their services, such as being independent contractors: None.

Note 1: The Independent Director, Lee, Hui-Ju, resigned on June 9, 2022, and the above information is disclosed up to the resignation date.

Note 2: Independent Director, Chih, Mei-Na newly elected on June 9, 2022.

Range of Remunerations

Remuneration range for each director	Name of Director			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements
Lower than NT\$1,000,000	Ho, Ying-Chi 、 Yang, Ming-Fang 、 Lee, Kuen-Mou 、 Chuang, Fong-Ping 、 Cheng, Po-Jen 、 Lin, Chih-Chen 、 Lu, Hsi-Peng 、 Huang, Chun-Yao 、 Lee, Hui-Ju 、 Chih, Mei-Na	Yang, Ming-Fang 、 Lee, Kuen-Mou 、 Chuang, Fong-Ping 、 Cheng, Po-Jen 、 Lin, Chih-Chen 、 Lu, Hsi-Peng 、 Huang, Chun-Yao 、 Lee, Hui-Ju 、 Chih, Mei-Na	Ho, Ying-Chi 、 Yang, Ming-Fang 、 Lee, Kuen-Mou 、 Chuang, Fong-Ping 、 Cheng, Po-Jen 、 Lin, Chih-Chen 、 Lu, Hsi-Peng 、 Huang, Chun-Yao 、 Lee, Hui-Ju 、 Chih, Mei-Na	Cheng, Po-Jen 、 Lin, Chih-Chen 、 Lu, Hsi-Peng 、 Huang, Chun-Yao 、 Lee, Hui-Ju 、 Chih, Mei-Na
NT\$1,000,000(inclusive) ~ NT\$2,000,000(exclusive)	-	-	-	Chuang, Fong-Ping
NT\$2,000,000(inclusive) ~ NT\$3,500,000(exclusive)	-	-	-	Yang, Ming-Fang 、 Lee, Kuen-Mou 、
NT\$3,500,000(inclusive) ~ NT\$5,000,000(exclusive)	-	Ho, Ying-Chi	-	Ho, Ying-Chi
NT\$5,000,000(inclusive) ~ NT\$10,000,000(exclusive)	-	-	-	-
NT\$10,000,000(inclusive) ~ NT\$15,000,000(exclusive)	-	-	-	-
NT\$15,000,000(inclusive) ~ NT\$30,000,000(exclusive)	-	-	-	-
NT\$30,00,000(inclusive) ~ NT\$50,000,000(exclusive)	-	-	-	-
NT\$50,000,000(inclusive) ~ NT\$100,000,000(exclusive)	-	-	-	-
NT\$100,000,000 or more	-	-	-	-
Total	10	10	10	10

3.3.2 President and Vice President's Remuneration

As of December 31, 2022; Unit: NT\$ thousands; Thousand Shares

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Amount and Ratio of Total Compensation (A+B+C+D) and proportion of Net Income (%)		Compensation From Other Non-Consolidated Entities Invested by the Company
		The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company		Companies in the Consolidated Financial Statements		The Company	Companies in the Consolidated Financial Statements	
								Cash	Stock	Cash	Stock			
General Manager	Yang, Ming-Fang	0	25,709	0	918	0	2,807	836	0	1,195	0	836 0.25%	30,628 9.06%	None
Senior Vice President	Chuang, Fong-Ping (Note 1)													
Senior Vice President & CPO	Lee, Kuen-Mou													
Senior Vice President & CISO	Lin, Ta-Wei													
Senior Vice President	Wang, Chun-Yu													
Senior Vice President	Li, Chao-Chi													
Senior Vice President	Fang, Hui-Fen (Note 2)													
Senior Special Assistant	Lin, Chih-Hung													
Senior Special Assistant	Mei, Li-Chieh													
Vice President & Accounting Officer	Pu, Mei-Hsien													

Note 1 : The Senior Vice President, Chuang, Fong-Ping, resigned on June 30, 2022, and the above information is disclosed up to the resignation date.

Note 2 : The Senior Vice President, Fang, Hui-Fen, resigned on March 31, 2023, and the above information is disclosed up to the resignation date.

Range of Remunerations

Remuneration range for each President and Vice President	Name of President and Vice President	
	The Company	Companies in the Consolidated Financial Statements
Lower than NT\$1,000,000	Yang, Ming-Fang ∙ Chuang, Fong-Ping ∙ Lee, Kuen-Mou ∙ Lin, Ta-Wei ∙ Wang, Chun-Yu ∙ Li, Chao-Chi ∙ Fang, Hui-Fen ∙ Lin, Chih-Hung ∙ Mei, Li-Chieh ∙ Pu, Mei-Hsien	-
NT\$1,000,000(inclusive) ~ NT\$2,000,000(exclusive)	-	Chuang, Fong-Ping
NT\$2,000,000(inclusive) ~ NT\$3,500,000(exclusive)	-	Yang, Ming-Fang ∙ Lee, Kuen-Mou ∙ Lin, Ta-Wei ∙ Wang, Chun-Yu ∙ Li, Chao-Chi ∙ Fang, Hui-Fen ∙ Lin, Chih-Hung ∙ Mei, Li-Chieh ∙ Pu, Mei-Hsien
NT\$3,500,000(inclusive) ~ NT\$5,000,000(exclusive)	-	-
NT\$5,000,000(inclusive) ~ NT\$10,000,000(exclusive)	-	-
NT\$10,000,000(inclusive) ~ NT\$15,000,000(exclusive)	-	-
NT\$15,000,000(inclusive) ~ NT\$30,000,000(exclusive)	-	-
NT\$30,00,000(inclusive) ~ NT\$50,000,000(exclusive)	-	-
NT\$50,000,000(inclusive) ~ NT\$100,000,000(exclusive)	-	-
NT\$100,000,000 or more	-	-
Total	10	10

3.3.3 Employees' Profit Sharing Bonus Paid to Management Team

As of December 31, 2022; Unit: NT\$ thousands; %

Title	Name	Stock	Cash	Total	Ratio of Total Profit Sharing Bonus to Net Income (%)
General Manager	Yang, Ming-Fang	0	836	836	0.25
Senior Vice President & CPO	Lee, Kuen-Mou				
Senior Vice President & CISO	Lin, Ta-Wei				
Senior Vice President	Wang, Chun-Yu				
Senior Vice President	Li, Chao-Chi				
Senior Vice President	Fang, Hui-Fen				
Senior Special Assistant	Lin, Chih-Hung				
Senior Special Assistant	Mei, Li-Chieh				
Vice President & Accounting Officer	Pu, Mei-Hsien				

3.3.4 Comparison of Remuneration for Directors, President and Vice Presidents in the Most Recent Two Years and Remuneration Policy for Directors, President and Vice Presidents

1. Total remuneration as a percentage of net income paid to directors, presidents and vice presidents of the Company and all companies included in the consolidated financial statements for the most recent two years.

Unit: NT\$ thousands; %

Item/Year	2021		2022	
	Amount	Percentage of net income	Amount	Percentage of net income
Directors	4,772	1.60	5,849	1.73
President and Vice Presidents	30,553	10.24	30,628	9.06

2. The policies, standards, and portfolios for payment of remuneration for Directors, procedures for determining remuneration, and correlations with business performance and risks.
 - (1) The policies, standards, and portfolios for payment of remuneration

The remuneration and compensation of the directors (including independent directors) of the Company are handled in accordance with the Articles of Association and the Directors' and Functional Committee Members' Remuneration Regulations.

A. Directors' remuneration: The factors to be considered should include but not limited to the value of their services, the Company's operating conditions, and the remuneration levels of other companies in the same industry. The Remuneration Committee submits a proposal and the Board resolves a decision to execute it.

B. Directors' compensation: When the Company makes a profit, it will pay compensation according to the percentage specified in the Company's Articles of Association.
 - (2) Procedures for determining remuneration

A. Directors' compensation: As per the Company's Articles of Association, if the Company makes a profit in the year, the directors' compensation to be distributed should not exceed 3% of the profit for the year. However, when the Company still has a cumulative deficit, it shall reserve the amount to compensate it in advance.

- B. Directors' remuneration: It is handled as per the Company's Directors' and Functional Committee Members' Remuneration Regulations.
- (3) Correlations with business performance and risks
The compensation paid by the Company to the directors is based on the Company's profitability in the year and the percentages specified in the Articles of Association. The Remuneration Committee makes a proposal on the amount of remuneration for individual directors after evaluating their participation in the Board and contribution to operations as per the Rules of the Performance Evaluation of the Board of Directors and Managers and submits it to the Board for discussion.
3. The policies, standards, and portfolios for payment of remuneration for President and Vice Presidents, procedures for determining remuneration, and correlations with business performance and risks.
- (1) The policies, standards, and portfolios for payment of remuneration
The remuneration of the Company's managers is handled in accordance with the Managers Remuneration Management Regulations, including fixed salary and variable rewards. In principle, the salary structure is limited to the execution of the Company's internal business, and the reasonableness of the managers' remuneration should be adjusted appropriately based on performance evaluation criteria, their responsibilities, achievement of targets, and contributions. Variable rewards are provided based on the Company's operations and the achieving status of the business performance after a reviewed by the Remuneration Committee and approval by the Board.
- (2) Procedures for determining remuneration
- A. Employee compensation is provided as per the Company's Articles of Association. If the Company makes a profit in the year, the employee compensation to be distributed should not be lower than 3% of the profit for the year. However, when the Company still has a cumulative deficit, it shall reserve the amount to compensate it in advance.
- B. Managers' remuneration: The fixed salary is paid by the Company in cash on a monthly basis. The variable rewards are paid according to the operations.
- (3) Correlations with business performance and risks
The managers' remuneration is closely linked to the Company's operations, operating results, and managers' individual performance and reported to the Board after the reasonableness is reviewed and evaluated by the Remuneration Committee.

3.4 Corporate Governance Practices

3.4.1 Operations of the Board of Directors

A total of 7 meetings of the Board of Directors were held in 2022. The attendances of directors were as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Chairman	Ho, Ying-Chi	7	0	100	Re-elected
Director	Yang, Ming-Fang	7	0	100	Re-elected
Director	Lee, Kuen-Mou	7	0	100	Re-elected
Director	Chuang, Fong-Ping	7	0	100	Re-elected
Director	Lin, Chih-Chen	7	0	100	Re-elected
Director	Cheng, Po-Jen	5	2	71	Re-elected
Independent Director	Lu, Hsi-Peng	7	0	100	Re-elected
Independent Director	Huang, Chun-Yao	7	0	100	Re-elected
Independent Director	Chih, Mei-Na	4	0	100	Newly elected on June 9, 2022
Independent Director(former)	Lee, Hui-Ju	3	0	100	Term expired on June 9, 2022

Other mentionable items:

- If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:
 - Matters referred to in Article 14-3 of the Securities and Exchange Act: Not applicable.
 - Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors: None.
- If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Date of Meeting	Motion Details	Directors Recused	Reason for Recusal	Details during voting
2022.03.10	To release the directors and their representatives from non-competition restrictions.	Ho, Ying-Chi Yang, Ming-Fang Chuang, Fong-Ping Lin, Chih-Chen Lu, Hsi-Peng	The rescued directors were the parties of this non-competition matter.	Recusal during discussion and resolution of motion.
	To release the manager from non-competition restrictions.	Yang, Ming-Fang	The rescued director was the party of this non-competition matter.	Recusal during discussion and resolution of motion.
2022.08.17	Appointed the members of the Company's 2 nd session Remuneration Committee.	Lu, Hsi-Peng Huang, Chun-Yao Chih, Mei-Na	The rescued directors were the parties of this proposal	Recusal during discussion and resolution of motion.
	The proposal for remuneration to Independent Directors.	Lu, Hsi-Peng Huang, Chun-Yao Chih, Mei-Na	The rescued directors were the parties of this proposal.	Recusal during discussion and resolution of motion.
2022.11.10	The proposal for year-end bonus to the Company's Chairman.	Ho, Ying-Chi	The rescued director was the party of this proposal	Recusal during discussion and resolution of motion.
	The proposal for salary and year-end bonus to the Company's managers.	Yang, Ming-Fang Lee, Kuen-Mou	The rescued directors were the parties of this proposal.	Recusal during discussion and resolution of motion.

3. The interval, period, scope, method, content, and implementation of the self-evaluation (or peer evaluation made by the Company's Board of Directors and the external evaluation):

(1) Implementation Status of Board Evaluations:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Annually	2022/06/09~2022/12/31	Overall board of directors, individual board members and functional committees. (including Audit Committee and Remuneration Committee)	Self-evaluation of the board and members	<p>1.The criteria for Board performance evaluation cover the following 5 aspects:</p> <ul style="list-style-type: none"> (1) Participation in the operation of the company; (2) Improvement of the quality of the board of directors' decision making; (3) Composition and structure of the board of directors; (4) Election and continuing education of the directors; (5) Internal control. <p>2.The criteria for Board members performance evaluation cover the following 6 aspects:</p> <ul style="list-style-type: none"> (1) Alignment of the goals and missions of the company; (2) Awareness of the duties of a director; (3) Participation in the operation of the company; (4) Management of internal relationship and communication; (5) The director's professionalism and continuing education; (6) Internal control. <p>3.The criteria for functional committees' performance evaluation cover the following 5 aspects:</p> <ul style="list-style-type: none"> (1) Participation in the operation of the company; (2) Awareness of the duties of the functional committee; (3) Improvement of quality of decisions made by the functional committee; (4) Composition of the functional committee and election of its members; (5) Internal control.

(2) Evaluation results: The Company has completed the performance evaluation of the Board of Directors and Functional Committees for the year 2022. The evaluation results have been submitted to the Remuneration Committee and the Board of Directors on March 9, 2023, as a basis for review and improvement. The average performance self-evaluation score of the Board of Directors and Functional Committees falls between 4.89~5 points (out of 5 points), indicating that the Directors acknowledge the operation results, and that the overall operation is in good condition.

4. Measures taken to strengthen the functionality of the board:

(1) The Board of Directors approved the "Rules of Procedure for the Board of Directors Meetings" on June 27, 2019, as the standard operating procedure for the Board of Directors Meetings. In line with relevant laws and regulations, the committee continues to formulate and revise relevant regulations and procedures to strengthen the functions of the Board of Directors. The actual outcome in the current year and the most recent year is as follows:

Date and Sessions	Formulate or Revise the Related Regulations and Procedures
<p>2022/03/10 (14th meeting of 3rd session)</p>	<ol style="list-style-type: none"> 1. Amendments to the Internal Control System and Implementation Rules for Internal Audits. 2. Amendments to the Memorandum of Association and Articles of Association. 3. Amendments to the Procedures for Acquisition and Disposal of Assets. 4. Amendments to the Regulations and Procedures of Shareholder Meetings. 5. Amendments to the Procedures for Preparation of Financial Statements. 6. Amendments to the Procedures for Transaction with Related Parties, Specific Companies and Business Group Companies. 7. Amendments to the Management of the Company's Stock Affairs. 8. Amendments the Procedures for Reporting the Insider Appointed or Discharged. 9. Amendments to the Procedures for Supervision and Management of Subsidiaries. 10. Amendments to the Procedures for Reporting Illegal Unethical and Dishonest.
<p>2022/05/12 (16th meeting of 3rd session)</p>	<ol style="list-style-type: none"> 1. Amendments to the Principles of Corporate Governance Best Practice. 2. Amendments to the Procedures for Supervision and Management of Subsidiaries. 3. Amendments to the Remuneration Payment Procedure for Directors and Functional Committee Members.
<p>2022/11/10 (4th meeting of 4th session)</p>	<ol style="list-style-type: none"> 1. Amendments to the Rules of Procedure for Board of Directors Meetings. 2. Amendments to the Procedures for Preventing Insider Trading (renamed as Procedures for Processing Material Internal Information and Preventing Insider Trading). 3. Amendments to the Principles of Corporate Social Responsibility Best Practice. (Renamed as Principles of Sustainable Development Best Practice.) 4. Amendments to the Rules of the Performance Evaluation Procedures for Board of Directors and Managers (renamed as Rules of the Performance Evaluation Procedures for Board of Directors, Functional Committees and Managers). 5. Established the Risk Management Policies and Procedures.
<p>2023/03/09 (5th meeting of 4th session)</p>	<ol style="list-style-type: none"> 1. Amendments to the Articles of Association. 2. Amendments to the Procedures for Lending Funds to Other Parties. 3. Amendments to the Procedures for Endorsements and Guarantees. 4. Amendments to the Operational Procedures for Acquisition and Disposal of Assets. 5. Established the Review Procedures for the Pre-approval of Non-Assurance Services Provided by Certified Public Accountants.

- (2) The Company's Board of directors approved the establishment of the Audit Committee and Remuneration Committee on July 18, 2019, which should exercise the responsibility of supervision in an objective and professional manner and report regularly to the Board.
- (3) The Chairman of the Company does not concurrently serve as a manager of the Company, and there is a clear division of responsibilities between the Chairman and the President; the Chairman and the directors on the Board are not relatives within the second degree of kinship. All of this has improved the check-and-balance mechanism and the operations of the Board.
- (4) To implement the directors' continuing education, the Company actively invites instructors to give lectures at the Company. In 2022, we commissioned the Taiwan Corporate Governance Association to offer 2 courses of "Understanding Related Party Transactions and Unconventional Transactions through practical cases" and "Discussion of the strategies and applications of Employee Incentive Schemes". We also arranged directors to take courses offered by other institutions. All of our directors completed the number of training hours under the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies with 60 hours of training in total (Schedule 1).
- (5) The Company established a corporate governance team in January 2022 to coordinate CSR and ESG related issues and implementation and reported to the Board on the implementation situation in 2022 and the 2023 operational plan on March 9, 2023.

Schedule 1: Continuing education or training of Directors in 2022.

Title	Name	Date	Organizer	Course name	Hours
Chairman	Ho, Ying-Chi	2022.09.30	Taiwan Corporate Governance Association	Understanding Related Party Transactions and Unconventional Transactions through practical cases	3.0
		2022.10.28		Discussion of the strategies and applications of Employee Incentive Schemes	3.0
Director	Yang, Ming-Fang	2022.09.30	Taiwan Corporate Governance Association	Understanding Related Party Transactions and Unconventional Transactions through practical cases	3.0
		2022.10.28		Discussion of the strategies and applications of Employee Incentive Schemes	3.0
Director	Lee, Kuen-Mou	2022.09.30	Taiwan Corporate Governance Association	Understanding Related Party Transactions and Unconventional Transactions through practical cases	3.0
		2022.10.28		Discussion of the strategies and applications of Employee Incentive Schemes	3.0
Director	Chuang, Fong-Ping	2022.09.30	Taiwan Corporate Governance Association	Understanding Related Party Transactions and Unconventional Transactions through practical cases	3.0
		2022.10.28		Discussion of the strategies and applications of Employee Incentive Schemes	3.0
Director	Cheng, Po-Jen	2022.09.30	Taiwan Corporate Governance Association	Understanding Related Party Transactions and Unconventional Transactions through practical cases	3.0
		2022.10.28		Discussion of the strategies and applications of Employee Incentive Schemes	3.0
Director	Lin, Chih-Chen	2022.10.17	Taiwan Corporate Governance Association	Global Sustainable Finance Trends and Responses	3.0
		2022.11.25	Taiwan Independent Director Association	New Financial Era: Development Trends and Coping Strategies of Digital Technology	3.0
Independent Director	Lu, Hsi-Peng	2022.03.22	Taiwan Corporate Governance Association	Fundamental Concepts and Applications of Metaverse, NFTs, Web3.0 and Social Media	3.0
		2022.08.09	Taiwan Investor Relations Institute	Accelerators for Corporate Sustainability - CSR, ESG, and SDGs	3.0
Independent Director	Huang, Chun-Yao	2022.07.27	Taiwan Academy of Banking and Finance	Corporate Governance Forum - Principle of fair treatment	3.0
		2022.09.30	Taiwan Corporate Governance Association	Understanding Related Party Transactions and Unconventional Transactions through practical cases	3.0
Independent Director	Chih, Mei-Na	2022.09.06	Accounting Research and Development Foundation	Relevant legal liability and case analysis related to "Contests for Corporate Control"	3.0
		2022.09.13		Reading the TCFD report: grasping key points of information	3.0
		2022.09.30		Conceptual Analysis of ISSB S1 Standard "General Requirements for Disclosure of Sustainability-Related Financial Information"	3.0
		2022.10.07		ESG Information Disclosure Trends and Relevant Regulations	3.0

3.4.2 Composition, Responsibilities and Operations of the Audit Committee

1. Composition of the Audit Committee

Since July 18, 2019, in accordance with Article 14-4 of the Securities and Exchange Act, the Company has established an Audit Committee composed entirely of independent directors. The main function of the Audit Committee is to supervise the following matters:

- (1) Fair presentation of the financial reports of this Corporation.
- (2) The hiring (and dismissal), independence, and performance of certificated public accountants of this Corporation.
- (3) The effective implementation of the internal control system of this Corporation.
- (4) Compliance with relevant laws and regulations by this Corporation.
- (5) Management of the existing or potential risks of this Corporation.

In accordance with Article 14-5 of the Securities and Exchange Act and Article 6 of the Company's Audit Committee Charter, The Audit Committee is responsible for periodic review of the following important annual matters:

- (1) Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- (2) Assessment of the effectiveness of the internal control system.
- (3) Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
- (4) A matter bearing on the personal interest of a director.
- (5) A material asset or derivatives transaction.
- (6) A material monetary loan, endorsement, or provision of guarantee.
- (7) The offering, issuance, or private placement of any equity-type securities.
- (8) The hiring or dismissal of a certified public accountant, or their compensation.
- (9) The appointment or discharge of a financial, accounting, or internal audit officer.
- (10) Annual financial reports and second quarter financial reports that must be audited and attested by a CPA, which are signed or sealed by the chairperson, managerial officer, and accounting officer.
- (11) Any other material matter so required by the company or the Competent Authority.

2. Responsibilities of the Audit Committee

- (1) Review financial reports.
- (2) Engaging and removing the Company's independent auditors and accessing such auditors' remuneration and independence.
- (3) Effective evaluation of Internal control system.
- (4) Evaluation of major investment proposal.

3. Operations of the Audit Committee

A total of 4 meetings of the Audit Committee were held in 2022. The attendances of independent directors were as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Convener	Chih, Mei-Na	2	0	100	Newly elected on June 9, 2022
Convener (former)	Lee, Hui-Ju	2	0	100	Term expired on June 9, 2022
Member	Huang, Chun-Yao	4	0	100	Re-elected
Member	Lu, Hsi-Peng	4	0	100	Re-elected

Other mentionable items:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:

(1) Matters referred to in Article 14-5 of the Securities and Exchange Act.

Date and Session	Content of Motion
2022/03/10 13 th meeting of 1 st session	1. 2021 Business Report and Financial Statements. 2. 2021 Earnings Distribution. 3. The proposal for 2021 Internal Control Statement. 4. To release the directors and their representatives from non-competition restrictions. 5. Amendments to the Internal Control System and Implementation rules for internal audits. 6. Amendments to the Procedures for Acquisition and Disposal of Assets. 7. The proposal for 2022 appointment of remuneration to CPA. 8. To release the manager from non-competition restrictions.
2022/05/12 14 th meeting of 1 st session	The proposal for the first quarter of 2022 Financial Statements.
2022/08/17 1 st meeting of 2 nd session	1. The proposal for the second quarter of 2022 Financial Statements. 2. The proposal for the Company to replace CPAs.
2022/11/10 2 nd meeting of 2 nd session	The proposal for the third quarter of 2022 Financial Statements.

A. Independent Director expressed objection or reservation: None.

B. Resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion: Unanimously approved as proposed by all attending members upon the Chairman's inquiry, and the board approved all motions upon suggestions of the Audit Committee.

C. Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.

2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Name	Content of Motion	Reason for Recusal	Details during voting
Lu, Hsi-Peng	To release the directors and their representatives from non-competition restrictions.	The rescued directors were the parties of this non-competition matter.	Recusal during discussion and resolution of motion.

3. Communications between the independent directors, the Company's internal auditor officer and CPAs (e.g., the material items, methods and results of audits of corporate finance or operations, etc.): In addition to provide internal audit report to each independent director for review, internal audit officer shall report the implementation to Board meeting by quarterly. CPA of the company shall attend the Audit Committee and Board meeting to present the opinion and contact independent director as needed.

(1) Communications of Independent Directors with Internal Audit Officer in 2022:

Date	Communication with Internal Audit	Results
2022/03/10	1. To report the implementation of the fourth quarter of 2021 internal audit plan.	Noted
	2. The proposal for 2021 Internal Control Statement.	After deliberation, submitting to the Board of Directors for resolution
	3. Amendments to the Internal Control System and Implementation rules for internal audits.	After deliberation, submitting to the Board of Directors for resolution
2022/05/12	To report the implementation of the first quarter of 2022 internal audit plan.	Noted
2022/08/17	To report the implementation of the second quarter of 2022 internal audit plan.	Noted
2022/11/10	1. To report the implementation of the third quarter of 2022 internal audit plan.	Noted
	2. The proposal for 2023 internal audit plan.	After deliberation, submitting to the Board of Directors for resolution

(2) Communications of Independent Directors with CPA in 2022:

Date	Communication with Internal Audit	Results
2022/03/10	To report the opinion of 2021 financial report.	Noted
2022/05/12	To report the opinion of the first quarter of 2022 financial report.	Noted
2022/08/17	To report the opinion of the second quarter of 2022 financial report.	Noted
2022/11/10	1. To report the opinion of the third quarter of 2022 financial report.	Noted
	2. To review the CPA's independence and capability.	After deliberation, submitting to the Board of Directors for resolution

3.4.3 Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company's Board of Directors approved to establish the Principles of Corporate Governance Best Practice on June 27, 2019, and disclosed it on the Company's website and TWSE Market Observation Post System. The latest revision was approved by the Board of Directors on November 10, 2022, and will be reported at the 2023 shareholders' meeting.	None
2. Shareholding Structure & Shareholders' Rights				
(1) Does the Company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		Relevant rules have been stipulated in the Company's Principles of Corporate Governance Best Practice, and we have engaged a spokesperson and an acting spokesperson as per the rules to deal with shareholders' suggestions and problems. If legal issues are involved, it will be forwarded to the legal unit for response.	None
(2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		The Company has a dedicated stock affairs specialist in place and appointed stock affairs agency to regularly keep abreast of the list of the Company's major shareholders with actual control over the Company, and we make announcements and file declarations according to laws and regulations.	None
(3) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	V		The Company has formulated the Procedures for Transaction with Related Parties, Specific Companies, and Business Groups Companies, the Subsidiary Supervision and Management	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons								
	Yes	No	Abstract Illustration									
			Regulations, the Procedures for Acquisition or Disposal of Assets, the Procedures for Loaning of Funds to Others, and the Procedures for Endorsements and Guarantees, to regulate the business transactions between the Company and its affiliates and establish appropriate and effective risk control mechanisms and firewall mechanisms.									
(4) Does the Company establish internal rules against insiders trading with undisclosed information?	V		<p>To govern the Company's Directors, executives, and all employees, as well as anybody who may have access to the Company's information based on occupation or control relationship, the Company has created Procedures for Processing Material Internal Information and Preventing Insider Trading. The procedure prohibits any conduct that may involve insider trading and regularly informs and promotes relevant laws and regulations to internal personnel.</p> <p>2022 insider trading prevention awareness-raising achievements:</p> <table border="1"> <thead> <tr> <th>Course Name</th> <th>Date</th> <th>Hours</th> <th>Number of Person</th> </tr> </thead> <tbody> <tr> <td>Understanding Related Party Transactions and Unconventional Transactions through practical cases</td> <td>2022/09/30</td> <td>42</td> <td>14</td> </tr> </tbody> </table>	Course Name	Date	Hours	Number of Person	Understanding Related Party Transactions and Unconventional Transactions through practical cases	2022/09/30	42	14	None
Course Name	Date	Hours	Number of Person									
Understanding Related Party Transactions and Unconventional Transactions through practical cases	2022/09/30	42	14									

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
3. Composition and Responsibilities of the Board of Directors				
(1) Does the Board develop and implement a diversified policy for the composition of its members?	V		<p>(1) Board diversity: According to Article 20 of the Company's Principles of Corporate Governance Best Practice, the composition of the board of directors shall be determined by taking diversity into consideration, it is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:</p> <p>A. Basic requirements and values: Gender, age, nationality, and culture.</p> <p>B. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties.</p> <p>To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:</p> <p>A. Ability to make sound business judgments.</p>	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			<p>B. Ability to conduct accounting and financial analyses.</p> <p>C. Operation and management ability.</p> <p>D. Crisis management ability.</p> <p>E. Industry knowledge.</p> <p>F. International market perspectives.</p> <p>G. Leadership.</p> <p>H. Decision-making ability.</p> <p>(2) Board diversity goals:</p> <p>A. Pays attention to gender equality among directors, and the Board should include at least one female director.</p> <p>B. Focuses on operational judgment, business management, and crisis management capabilities, and more than two-thirds of the directors should have the abilities related to relevant core projects.</p> <p>C. To maintain the independence of independent directors, the tenure of independent directors should not exceed three consecutive terms.</p> <p>D. The number of the directors who concurrently serve as employees of the Company or the parent company should not be exceed one-third (included) of the total number of directors to achieve the purpose of supervision.</p> <p>(3) Please refer to page 19 for the implementation of the Company's Board diversity policy, and such information is also disclosed on the Company's website.</p>	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(2) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		The Company has established the Remuneration Committee and Audit Committee in accordance with the law. We will set up other functional committees in due course in the future in accordance with operational needs or laws and regulations.	None
(3) Does the Company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?	V		The Company has formulated the Rules of the Performance Evaluation of the Board of Directors, Functional Committees and Managers and regularly conducts performance evaluations of the Board and individual directors at the end of each year. The evaluation results are submitted to the Remuneration Committee and the Board as a reference for the nomination and re-election in the future, to improve the effectiveness of corporate governance. The Company's 2022 annual evaluation of the Board's and Functional Committees performance are excellent, and the overall operations are good; the evaluation results have been submitted to the Remuneration Committee and the Board on March 9, 2023.	None
(4) Does the Company regularly evaluate the independence of CPAs?	V		In compliance with Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", the Company regularly evaluates the independence and suitability of Certified Public Accountants (CPAs) annually. The evaluation is conducted in accordance with the Bulletin of Norm of Professional Ethics for Certified Public	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			<p>Accountant of the Republic of China No.10 on "Integrity, Objectivity, and Independence". The evaluation criteria and methods are established based on the "Audit Quality Indicator (AQI) Disclosure Framework and Template" issued by the Financial Supervisory Commission on August 19, 2021 (details are provided in Schedule 2)."</p> <ol style="list-style-type: none"> 1. CPA's resume and statement of independence every year. 2. Not serving as a director, supervisor, manager, or a position with significant influence or conflicts of interest in the Company or its subsidiaries. 3. Not being appointed for seven consecutive years. 4. Not involved in major lawsuits or the competent authority's rectification. 5. The CPA firm's scale and reputation. 6. Effective interaction with management and internal chief auditor. <p>According to the assessment by the Accounting Division of the Company, all CPAs have met the independence standards, and the Audit Committee and the Board reviewed and approved the independence and suitability of the CPAs on March 9, 2023.</p>	
4. Does the Company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (eg, including but not limited to	V		The Company's Accounting Division is responsible for matters pertaining to internal corporate governance. The highest executive of the Board of Directors' office is responsible for supervising this department, and a	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?			<p>corporate governance supervisor will be appointed within the statutory time frame. The matters related to corporate governance in the preceding paragraph include the following:</p> <ol style="list-style-type: none"> 1. Establishes effective corporate governance systems to implement compliance and enhance internal management. 2. Handles matters related to the shareholders' meeting, the Board and Functional Committees meeting. 3. Conducts change registration. 4. Establishes and maintains the information in both Chinese and English on the Company's website, and discloses information and results related to the Company's finances, operations, and corporate governance. 5. Assists directors with the materials required for their appointment and task execution and arranges continuing education for directors. 6. Assists directors with compliance. 7. Reports to the Board about reviewing the qualifications of independent directors during the tenure. 8. Handles matters related to the changes of directors. 	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
5. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		The Company has a section dedicated to stakeholders on the Company's website to establish a communication channel with stakeholders and has appointed dedicated personnel to receive messages from various stakeholders and respond appropriately. Starting in 2022, the Company will regularly report to the Board of Directors on the status of communication with stakeholders. The communication status for the year 2022 has been reported to the Board of Directors on November 10, 2022, and detailed information has been disclosed on the Company's website (https://ir.91app.com/tw/stakeholder-communication-status.php)	None
6. Does the Company appointed a professional shareholder services agent to deal with shareholder affairs?	V		The Company has appointed Yuanta Securities Co., Ltd., a professional shareholder services agent, to handle the shareholder affairs.	None
7. Information Disclosure				
(1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?	V		The Company has set up a corporate website in Chinese and English to disclose the Company's information on finances and corporate governance for investors' reference.	None
(2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system,	V		The Company has set up an English website with dedicated personnel responsible for the collection and real-time disclosure of the Company's information, including information on the investor's conference. We have also adopted a spokesperson and acting spokesperson system as per the	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
webcasting investor conferences)?			regulations.	
(3) Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?		V	The Company's annual financial statements and quarterly financial statements are announced and reported prior to the deadline stipulated by laws and regulations.	None
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?	V		<p>1. Employee rights and interests: The Company has harmonious labor-management relations and protects employees' legitimate rights and interests in accordance with the labor laws and regulations at each operating location. The Company did not involve in any major labor disputes and was not punished by the competent authority for material labor problems or major violations of labor laws.</p> <p>2. Employee care: The Company provides competitive salaries and compensation to employees and regularly includes employees in the Company's profit-sharing scheme. In addition to holding regular labor-management meetings, we provide diverse communication channels to ensure instant communication and transparency, thereby allowing employees to fully express their suggestions to the Company and maintaining mutual trust</p>	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			<p>between labor and management.</p> <p>3. Investor relations: The Company has set up a corporate website for investors to further understand the relevant information of the company's investors and adopted a spokesperson and acting spokesperson mechanism and set up a stock affairs unit to deal with shareholders' suggestions or disputes. The Company's all material information is published on the MOPS in both Chinese and English, and we provide financial information in both Chinese and English regularly to ensure the consistency of information disclosed.</p> <p>4. Supplier relations: The Company insists on ethical management, conducts fair transactions with suppliers, and maintains a long-term positive partnership with suppliers.</p> <p>5. Stakeholders' rights: The Company places great emphasis on the rights and interests of stakeholders, maintains smooth and effective communication with stakeholders through a variety of channels, and pays attention to significant issues of concern to stakeholders so it can properly handle the opinions of stakeholders with integrity and with a responsible manner, aiming to comprehensively fulfill its corporate social responsibility.</p>	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			<p>6. Directors' continuing training: To implement directors' continuing education, the Company offers training courses for the directors at the Company every year, covering topics related to insider trading and corporate governance. Directors' continuing education in 2022 has been disclosed on the MOPS and this annual report (please refer to page 33).</p> <p>7. Implementation of the risk management policy and the risk measurement standards: The Company's Board of Directors approved to establish the Risk Management Policies and Procedures on November 10, 2022. The implementation of risk management in 2022 was reported to the Board on November 10, 2022.</p> <p>8. Implementation of customer policy: The Company is committed to providing the best services and products to clients and has set up a dedicated customer service hotline to respond to clients' problems.</p> <p>9. The Company has purchased directors' liability insurance: The Company has purchased directors' liability insurance to enhance the protection of shareholders' rights and interests and has reported the insurance coverage to the Board on August 17, 2022.</p>	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
<p>9. Please describe improvements in accordance with corporate governance assessment results issued by the Corporate Governance Center, TWSE in the most recent year, and provide priority emphasizes and action plans for items that have not yet improved:</p>				
<p>Indicators of the 9th Corporate Governance Evaluation that have yet to be improved and have been prioritized for improvement</p>				
Number	Indicator		Improvement Method	
1.3	Did more than half of the Company's Directors (including at least one Independent Director) and the convener of the Audit Committee (or at least one supervisor) attend the regular shareholders' meeting in person and disclose the attendance list in the minutes?		More than half of the Directors and the convener of the Audit Committee will be invited to attend the 2023 shareholders' general meeting in person.	
2.18	Does the Company regularly conduct internal performance evaluations on its Functional Committees (which include at least the Audit Committee and the Salary and Compensation Committee) every year, and disclose the implementation status and evaluation results on the Company's website or its annual report?		The internal performance evaluation of the Functional Committees has been completed by the end of February 2023, and the implementation status and evaluation results have been reported to the Board of Directors on March 9, 2023.	
2.21	Has the Company appointed a Corporate Governance Officer who is responsible for matters relating to corporate governance and explained their scope of authority and eligibility status on the Company website and annual report?		The Company will complete the appointment of a dedicated Corporate Governance Officer by the end of June 2023.	

Schedule 2 : Assessment items for the Independence and Suitability of Certified Public Accountants (CPAs)

Evaluation Items	Assessment outcome	Whether the Independence or Suitability requirements were met
A. Independence Assessment		
1. Not an employee of the Company or any related entities.	Yes	Yes
2. Not a Director of the Company or its affiliates (excluding Independent Directors of the Company, its parent company, or subsidiaries where the Company directly or indirectly holds more than 50% of voting rights).	Yes	Yes
3. Does not hold one percent or more of the total issued shares of the Company or is among the top ten natural person shareholders (restriction pertains to the individual, the spouse, and any minor children or any other person who holds the shares under their name.)	Yes	Yes
4. Is not a spouse, a relative within the second degree of kinship, or a lineal blood relative within the third degree of kinship of the individuals listed in the preceding three clauses.	Yes	Yes
5. Not a Director, supervisor, or employee who directly holds 5% or more of the total issued shares of the Company, nor a Director, supervisor, or employee of any of the top five corporate shareholders who holds the most shares.	Yes	Yes
6. Not a Director, Supervisor, Executive, or Shareholder who owns more than 5% of the total issued shares of a specific company or organization that has financial or operational transactions with the Company.	Yes	Yes
7. Not a spouse or a relative within the second degree of kinship with any other Directors.	Yes	Yes
8. Not falling under any of the circumstances listed in Article 30 of the Company Act.	Yes	Yes
9. Not designated as a proxy of a government agency shareholder, a juristic person shareholder, or their representative as stipulated in Article 27 of the Company Act.	Yes	Yes
10. Has not served as a Director, executive, or a position that has had a significant impact on the audit cases of the Company in the past two years.	Yes	Yes
11. Has not been involved in the management functions that formulate decisions for the Company.	Yes	Yes
B. Suitability Assessment		
1. Whether the CPA has sufficient auditing experience to perform audit work. (Audit Quality Indicators 1-1)	Yes	Yes

Evaluation Items	Assessment outcome	Whether the Independence or Suitability requirements were met
2. Whether the CPA received sufficient education and training to continually acquire professional knowledge and skills. (Audit Quality Indicators 1-2)	Yes	Yes
3. Whether the workload of the CPA is reasonable. (Audit Quality Indicators 2-1)	Yes	Yes
4. Whether the CPA and supervisory auditing staff spent a reasonable amount of time on each step of the audit. (Audit Quality Indicators 2-2)	Yes	Yes
5. Whether the accounting firm to which the CPA belongs has sufficient quality control personnel to support the audit team. (Audit Quality Indicators 2-4)	Yes	Yes
6. The CPA has not been subject to disciplinary actions or sanctions in the past two years. (Audit Quality Indicators 4-1)	Yes	Yes
7. Whether the accounting firm to which the CPA belongs has adopted or made initiatives to improve their audit quality in the past two years. (Audit Quality Indicators 5-1)	Yes	Yes

3.4.4 Composition, Responsibilities and Operations of the Remuneration Committee

1. Remuneration Committee members

As of April 11, 2023

Identity	Condition	Professional qualifications and experience	Independent status				Number of the other public companies where the person holds the title as independent director concurrently
			Including but not limited to whether they, their spouses, second-degree relatives serve as a director, supervisor or employer in the Company or affiliates.	The proportion of shares held by the independent director himself/herself, their spouses, or second-degree relatives (or in the name of others)	Whether the independent director serves as a director, supervisor or an employee of a company with which the Company has a specific relationship. (Note 1)	Amount of remuneration receive for commercial, legal, financial, and accounting services provided by the Company or its affiliates in the past two years.	
Name							
Independent Director (Convener)	Lu, Hsi-Peng	Currently serves as a distinguished professor of the Department of Information Management, National Taiwan University of Science and Technology, while concurrently serving as an independent director of YFY Inc., and Taiwan Mobile Co., Ltd., as well as a member of the Remuneration Committee. Is equipped with at least seven years of experience in serving as a member of publicly listed companies' remuneration committee, as well as corporate governance, information technology, and information management capabilities to improve the quality of supervising the Board and create a synergy effect through his supervisory experience in different industries.	No	0 shares 0.00%	No	0	2
Independent director	Huang, Chun-Yao	Currently serves as a full-time professor at the College of Management, National Taiwan University and an independent director of E.Sun Financial Holding Co., Ltd. and E.Sun Commercial Bank, Ltd. Is equipped with at least five years of experience in serving as a member of publicly listed companies' remuneration committee, as well as corporate governance, business management, and industry knowledge and capabilities to increase the synergy effect of supervising the Board through his experience and perspectives in the financial industry.	No	0 shares 0.00%	No	0	2
Independent director	Chih, Mei-Na	Once served as the CFO of GameSparcs Co., Ltd. for more than 8 years, and is currently the CFO of I POINT Co., Ltd. and the Chairman of LI-HSIN Consultant Co., Ltd. Has more than 10 years of experience in financial accounting and auditing, as well as professional capabilities in business management and corporate governance, and will thus help improve the quality of supervision by the Audit Committee and enhance the overall effectiveness of supervising the Board of Directors.	No	0 shares 0.00%	No	0	0

Note 1: Specific affiliated companies refer to the provisions under Article 6, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.

Note 2: All members of the Company have no meet the circumstances of Article 30 of the Company Act.

2. Responsibilities and Operations of the Remuneration Committee

The Committee shall exercise the care of a good administrator to faithfully perform the following duties and present its recommendations to the board of directors for discussion:

- (1) Periodically reviewing this Charter and making recommendations for amendments.
- (2) Establishing and periodically reviewing the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure for the compensation of the directors and managerial officers of this Corporation and disclose the contents of the performance assessment standards in the annual report.
- (3) Periodically assessing the degree to which performance goals for the directors and managerial officers of this Corporation have been achieved, setting the types and amounts of their individual compensation based on the results of the reviews conducted in accordance with the performance assessment standards. The annual report shall disclose the results of the individual performance assessments of the directors and managerial officers and the connection between and reasonableness of the contents and amounts of their individual compensation and performance assessment results and making a report at a shareholders' meeting.

3. Operations of the Remuneration Committee

- (1) The Company has a Remuneration Committee composed of 3 members.
- (2) Term of the current Committee: From August 17, 2022, to June 8, 2025. The Company convened 4 Remuneration Committee meetings in 2022 with the following attendance:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Convener	Lu, Hsi-Peng	4	0	100	Re-elected
Member	Huang, Chun-Yao	4	0	100	Re-elected
Member	Chih, Mei-Na	2	0	100	Newly elected on August 17, 2022
Member (former)	Lu, Wen-Hsiu	2	0	100	Term expired on June 9, 2022

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified:

(1) Discussion items in 2022:

Date of Meeting	Content of Motions
2022/03/10	The proposal for 2021 distribution of employee compensation and remuneration to Directors.
2022/05/12	Amendments to the Remuneration Payment Procedure for Directors and Functional Committee Members.
2022/08/17	The proposal for remuneration to Independent Directors.
2022/11/10	1. Amendments to the Rules of the Performance Evaluation Procedures for Board of Directors and Managers (renamed as Rules of the Performance

	<p>Evaluation Procedures for Board of Directors, Functional Committees and Managers).</p> <p>2. The proposal for year-end bonus to the Company's Chairman.</p> <p>3. The proposal for year-end bonus to the Company's Managers.</p>
<p>All above matters were reviewed and/or approved by the Remuneration Committee.</p> <p>(2) In 2022 the Board of Directors adopted all recommendations of the Remuneration Committee without modification.</p> <p>(3) There were no written or otherwise recorded resolutions on which any member of the Compensation Committee had a dissenting or qualified opinion.</p>	

3.4.5 Implementation of sustainable development promotion and deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."

Promotion Item	Implementation			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Does the Company establish a governance structure to promote sustainable development, established a dedicated (part-time) unit to promote sustainable development; and did the Board of Directors authorize senior management to handle it and report the supervisory status to the Board of Directors?	V		The Company created a Corporate Governance Team in January 2022 to establish good sustainable development management. The team is convened by the General Manager and includes executives from various functional departments. The Accounting Division is responsible for promoting sustainable development operations and constantly monitoring domestic and international sustainable development-related standards and changes in the corporate environment. When deemed necessary, external experts and consultants are consulted, and the progress and results of the operation plan are to be reported to the Board of Directors regularly. It has reported relevant operations to the Board on March 9, 2023.	None

Promotion Item	Implementation			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
2. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	V		<p>The "Risk Management Policy and Procedures" was accepted as the top guiding concept for the Company's risk management on November 10, 2022, at the 7th Meeting of the 4th Board of Directors. The Company regularly undertakes risk assessments every year based on the principle of materiality and evaluates risks related to our operations, including environmental, social, and corporate governance issues. The Company develops risk management policies covering management goals, organizational structures, responsibility assignment, and risk management procedures, and implements them to effectively identify, measure, and control all risks that the Company may face. This aids in controlling the risks associated with our business activities within acceptable bounds. The Company promises to integrate and manage all potential risks, including varied strategies, operations, financial, and hazard risks, proactively and cost-effectively to minimize their influence on our business operations and financial results. The goal is to provide proper risk management for all stakeholders through the establishment of an enterprise risk management initiative.</p>	None

Promotion Item	Implementation			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
3. Environmental Issues				
(1) Does the Company establish an appropriate environmental management system according to its industrial characteristics?	V		In the e-commerce industry, the Company has formulated the Occupational Safety and Health Code and engaged occupational safety and health personnel to regularly inspect the operational environment and equipment and plan and implement the safety and health management work while being committed to complying with the government's environmental protection laws and regulations, thereby implementing and achieving safety and health management goals.	None
(2) Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		The Company encourages employees to classify resources, strengthen resource recycling, and improve the utilization efficiency of various resources.	None
(3) Does the Company evaluate the potential risks and opportunities in climate change regarding the present and future of its business, and take appropriate action to related issues?	V		Since the Company offers D2C solutions as a SaaS service, it doesn't have any unique sources of pollution. Additionally, the Company continually improves its environmental-friendly practices and supports sustainable business growth inside the organization.	None

Promotion Item	Implementation			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons																								
	Yes	No	Abstract Illustration																									
(4) Does the Company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?		V	<p>1. Greenhouse Gas emissions</p> <p>Historical electricity consumption and greenhouse gas emissions:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Electricity consumption (hundred-kilowatt hours)</td> <td>6,779</td> <td>6,671</td> <td>6,777</td> </tr> <tr> <td>Total greenhouse gas emission (metric tons)</td> <td>340.31</td> <td>339.56</td> <td>344.95</td> </tr> <tr> <td>Average number of people</td> <td>428</td> <td>463</td> <td>502</td> </tr> <tr> <td>Average electricity consumption per capita (hundred-kilowatt hours)</td> <td>15.84</td> <td>14.41</td> <td>13.50</td> </tr> <tr> <td>Average greenhouse gas emission per capita (metric tons)</td> <td>0.80</td> <td>0.73</td> <td>0.69</td> </tr> </tbody> </table> <p>The average greenhouse gas emission per capita in 2021 decreased by 0.07 metric tons compared to 2020, a decrease of approximately 8.75%.</p> <p>The average greenhouse gas emission per capita in 2022 decreased by 0.04 metric tons compared to 2021, a decrease of approximately 5.48%.</p> <p>Due to the impact of the COVID-19 pandemic in the years 2021 and 2022, employees spent the majority of their time working from home, which led to a higher decline. In the future, the Company aims to reduce greenhouse gas emissions per capita by 2% annually.</p> <p>2. Water usage</p> <p>The Company rents its office space, and the water bill is included in the rental cost. There is no information on the allocation of the water bill.</p>	Year	2020	2021	2022	Electricity consumption (hundred-kilowatt hours)	6,779	6,671	6,777	Total greenhouse gas emission (metric tons)	340.31	339.56	344.95	Average number of people	428	463	502	Average electricity consumption per capita (hundred-kilowatt hours)	15.84	14.41	13.50	Average greenhouse gas emission per capita (metric tons)	0.80	0.73	0.69	None
Year	2020	2021	2022																									
Electricity consumption (hundred-kilowatt hours)	6,779	6,671	6,777																									
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Promotion Item	Implementation		Abstract Illustration	Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons																										
	Yes	No																												
			<p>3. Waste management</p> <p>The Company is a SaaS service provider that offers D2C solutions with no production of tangible products. Therefore, the Company does not generate any industrial waste.</p> <p>The Company separates its waste into two categories, with the first being general waste and the second being recyclables.</p> <p>The Company regularly disposes of electronics and paper documents every year. The recycling statistics for the past two years are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2">Items/Years</th> <th colspan="2">Unit: Kilograms</th> </tr> <tr> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Desktop Computer</td> <td>16.0</td> <td>24.0</td> </tr> <tr> <td>Laptop Computer</td> <td>210.0</td> <td>230.0</td> </tr> <tr> <td>Tablet Computer</td> <td>1.8</td> <td>0.6</td> </tr> <tr> <td>Computer monitor</td> <td>81.0</td> <td>126.0</td> </tr> <tr> <td>Smartphone</td> <td>3.8</td> <td>1.4</td> </tr> <tr> <td>Disposal of paper documents</td> <td>250.0</td> <td>348.0</td> </tr> <tr> <td>Total</td> <td>562.6</td> <td>730.0</td> </tr> </tbody> </table> <p>4. Additional information:</p> <p>The Company also promotes energy-saving and carbon reduction awareness among employees in all departments and implements various energy-saving measures to meet energy-conserving and greenhouse gas emissions reduction policy targets, to reduce the impact on the environment and fulfill its corporate social responsibility for environmental protection.</p>	Items/Years	Unit: Kilograms		2021	2022	Desktop Computer	16.0	24.0	Laptop Computer	210.0	230.0	Tablet Computer	1.8	0.6	Computer monitor	81.0	126.0	Smartphone	3.8	1.4	Disposal of paper documents	250.0	348.0	Total	562.6	730.0	
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Promotion Item	Implementation			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
4. Social Issues				
(1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		<p>The Company agrees with and supports the United Nations Universal Declaration of Human Rights (UDHR) and various international human rights standards, including the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines For Multinational Enterprises, and the United Nations Global Compact (UNGC), to be committed to creating an environment where human rights are fully protected. The Company also works with suppliers and partners to avoid any infringements and violations of human rights, to allow members inside and outside the Company to be treated with fairness and dignity.</p> <p>The Company's human rights policy and specific management policy are as follows:</p> <p>1. Support for the International Bill of Human Rights</p> <p>The Company supports and honors international human rights, ensures no violation of human rights within the Company, prohibits any form of discrimination, prohibits forced labor and child labor, and does not</p>	None

Promotion Item	Implementation			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			<p>impede employees' freedom of association. As for the work environment, the Company is committed to providing employees with a safe and healthy work environment and continuously improves the safety and health of the work environment as per relevant laws and regulations to prevent accidents and reduce the risk of occupational accidents.</p> <p>2. Emphasis on human rights in the workplace</p> <p>The Company facilitates diversity in the workplace, eliminates any discrimination in employment, provides equal treatment, regardless of individuals' gender, sexual orientation, race, class, age, marriage, language, ideology, religion, party affiliation, place of origin, place of birth, appearance, facial features, and physical disabilities, to jointly create a work environment where employees are safe, equal, treated with dignity, and free from harassment. All employees sign a written labor contract in accordance with the law, and the Company complies with all regulations on applicable wages and working hours and protect the labor rights and interests of disadvantaged groups, including indigenous peoples,</p>	

Promotion Item	Implementation			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			<p>women, migrant workers, contract workers, and people with disabilities.</p> <p>3. Assistance to employees in maintaining physical and psychological health and work-life balance</p> <p>The Company has developed an open communication environment and management model, provides employees with diverse channels for dialogue, and supports and assists them in maintaining their physical and psychological health and work-life balance through various training activities or club subsidies outside work.</p> <p>4. Confidentiality of personal data</p> <p>The Company protects human rights and privacy and has complete control over the access to and processing, transmission, and storage of clients' data, to ensure the safety of their data. The Company implements complete and thorough protection mechanisms and management processes for all links involving personal data.</p>	
(2) Does the Company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee	V		The Company has formulated the work rules, which cover the Company's employment in compliance with the provisions of the Labor Standards Act. The Company also holds various employee welfare	None

Promotion Item	Implementation			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
salaries?			activities through the Employee Welfare Committee, and adjusts salary and distribute various bonuses based on the Company's operations and individual performance.	
(3) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		<p>The Company implements the occupational safety and health policy, regularly holds labor-management meetings, and formulates and implements relevant measures to prevent occupational accidents and protect employees' safety and health. The items implemented are as follows:</p> <ol style="list-style-type: none"> 1. Occupational safety and health: <ol style="list-style-type: none"> (1) Complies with safety and health laws and regulations and other rules. (2) Conducts work environment inspections at least twice a year, including office environment illuminance and carbon dioxide concentration. (3) Provides safety and health education and training to new employees. (4) Holds activities, such as employee health consultations and lectures, every two years and holds lectures on common abnormal items in health checks to raise employees' health awareness and self-management. 	None

Promotion Item	Implementation			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			<p>(5) The Company conducts an annual workplace safety inspection to reduce potential hazards in the workplace and minimize the likelihood of occupational accidents.</p> <p>(6) Completed the establishment of four major projects (human-induced hazard prevention, abnormal workload prevention, illegal harm prevention, and maternity protection) according to laws and regulations to prevent occupational accidents and care for employees and announced the implementation of the four projects.</p> <p>2. Health and exercise promotion:</p> <p>(1) The Company conducts employee health checkups every two years.</p> <p>(2) The Company employs professional medical personnel to provide health consultations and emergency first aid and treatment.</p> <p>(3) The Company organizes staff health consultations and seminars on an annual basis in conjunction with occupational medical specialists. The company regularly holds seminars to improve employee's abilities for managing their health,</p>	

Promotion Item	Implementation			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			<p>especially with regard to health issues that have a higher occurrence of abnormal results from employee health checkups.</p> <p>(4) The Company sends relevant information through its internal communication platform from time to time about issues relating to workplace safety and employee health care, based on current events and trending topics.</p> <p>(5) Encourage the formation of sports clubs and provide adequate funding based on annual performance evaluation. The Company also introduces external resources to promote the exercising culture and ensure the physical and mental health of employees.</p>	
(4) Does the Company provide its employees with career development and training Terms?	V		<p>The Company's employees begin to receive training on various departments' professional skills and knowledge from the first day of employment. They learn on the job and their supervisors observe their work ability and potential at any time to adjust their positions in a timely manner, enabling them to be putting their skills to good use.</p> <p>The Company also plans leadership-related training courses for supervisors to help them effectively</p>	None

Promotion Item	Implementation			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			manage the organization and personnel, which will thus improve overall organizational effectiveness.	
(5) Does the Company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	V		The Company provides products and services in accordance with relevant laws and regulations and international standards and has a unit dedicated to responding to clients' opinions, to ensure the best services for clients and achieve the purpose of protecting their rights and interests.	None
(6) Does the Company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	V		<p>The Company has formulated the Suppliers' Corporate Social Responsibility Management Regulations, to require our suppliers to comply with relevant laws and regulations on labor rights and interests and human rights, labor health and safety, environmental protection, and ethical management, to facilitate the sustainable development of and the balance between economy, society, and environment.</p> <p>The Company attaches great importance to collaboration with suppliers and manages to understand suppliers' awareness and implementation results of these regulations through interviews, questionnaires, and education and training when necessary.</p>	None

Promotion Item	Implementation			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			When the Company signs contracts with major suppliers, the content may include compliance with both parties' corporate social responsibility policies and the condition that if the supplier is involved in violation of such policies with a significant impact on the environment and the community where the source of supply is located, it must submit an improvement plan, and if the violation cannot be improved or the circumstances are serious, the Company may terminate or cancel the contract.	
5. Does the Company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate sustainability reports? Do the reports above obtain assurance from a third party verification unit?		V	The Company is preparing to publish a sustainability report and will publish it as needed in the future.	None
6. Describe the difference, if any, between actual practice and the corporate sustainability principles, if the company has implemented such principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies: The Company has formulated the Principles of Corporate Social Responsibility Best Practice and operates the business and implements relevant standards for material issues of the environment, society, and corporate governance. There is no major deviation from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.				
7. Other useful information for explaining the status of corporate sustainability practices: (1) The Company is well aware that one of the crucial elements for long-term business operations is whether information security is thoroughly implemented. The Company follows				

Promotion Item	Implementation			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
<p>the strictest standard requirements, regardless of whether they relate to internal information security needs or external information security threats.</p> <p>The Company continues to invest resources to strengthen our security measures, including personnel education and training, development of standards and guidelines, access control, data encryption, monitoring mechanisms, and so on. The Company also collaborates with the information security organization "TWCERT" and the well-known industry security testing company "DEVCORE" to obtain crucial information security intelligence and regularly simulate attacker behavior to ensure product security.</p> <p>The Company has also appointed "Ernst & Young" to conduct SOC2 information security audit operations. Through regular external audits, the Company objectively evaluate its current information security practices and continuously optimizes and promotes them.</p> <p>To ensure the safety of the consumers using our app, the Company has developed the app in compliance with the "Mobile Application Basic Security Test" set by the "Mobile Application Security Alliance." The app has also received the highest L3 transaction level certification to ensure that it meets the national mobile application basic security requirements for information security regulations.</p> <p>(2) As a member of the "Taiwan Internet and E-commerce Development Association (TiEA)", 91APP assumed a significant obligation to support the sector in 2022. The Company will help gather and integrate the opinions of members, establish communication bridges with the government, promote the development of Taiwan's digital industries such as internet software and e-commerce, and strive for a healthy business environment for the digital industry.</p>				

3.4.6 Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of Ethical Corporate Management Policies and Programs				
(1) Does the Company have a Board approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	V		The Company has formulated the Procedures for Ethical Corporate Management and the Guidelines for the Adoption of Codes of Ethical Conduct, which have been approved by the Board as the Company's policy and operating guidelines on ethical management.	None
(2) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	V		The Company's Procedures for Ethical Corporate Management have specified the regulations prohibiting directors, managers, and all employees from engaging in the various acts under Article 7, Paragraph 2 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.	None
(3) Does the Company clearly provide the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the Company enforce the programs above effectively and perform regular reviews and amendments?	V		The Company's Procedures for Ethical Corporate Management have required directors, managers, employees, and appointees not to directly or indirectly offer, promise, demand, or accept any illegitimate benefits nor to engage in unethical conduct that violates good faith or fiduciary duty or is illegal, and clearly specified prevention plans and operating	None

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			procedures.	
2. Fulfill Operations Integrity Policy				
(1) Does the Company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	V		Before business transactions with counterparties, the Company will do our best to investigate their ethical business operations and clearly specify the terms of ethical management in relevant business contracts.	None
(2) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	V		1. There are the Audit Committee, the Remuneration Committee, and the Internal Audit Office under the Board to supervise and audit the compliance with ethical corporate management according to their powers and responsibilities. With the General Manager’s Office as the overall planning and management entity, the General Manager as the convener instructs the Human Resources, audit, and legal affairs units to formulate ethical management policies and regulations and implement education and prevention programs, to ensure the implementation of the Ethical Corporate Management Best Practice Principles, while reporting to the Board at least once a year on each responsible unit’s implementation to ensure the implementation of the highest guiding principle of ethical management under the supervision of the Board. The dedicated unit reported on its implementation to the Board on March 9, 2023.	None

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies" and Reasons
	Yes	No		
			<p>2. The Company's execution of the ethical management policy</p> <p>(1) To implement the ethical management philosophy and actively prevent unethical conduct, the Company has formulated the Ethical Corporate Management Best Practice Principles, the Codes of Ethical Conduct, and the Procedures for Insider Trading Prevention.</p> <p>(2) To implement the Procedures for Ethical Corporate Management and the Guidelines for the Adoption of Codes of Ethical Conduct, the Company encourages reporting of any non-compliance and violations of the Procedures for Ethical Corporate Management and the Guidelines for the Adoption of Codes of Ethical Conduct, or other internal regulations. To protect whistleblowers' rights and interests, the Company has formulated the Procedures for Reporting Illegal Unethical Dishonest and disclosed it on the Company's official website, to clearly define the unit that accepts reports, reporting channels, and handling procedures, to effectively establish the internal and external reporting channels and handling systems. As such, the Company's</p>	

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			Procedures for Ethical Corporate Management and Guidelines for the Adoption of Codes of Ethical Conduct can be implemented properly. The Internal Audit Office's direct e-mails are disclosed. If a report involves a director or a top-level manager, it will send the report to the independent directors directly. The Company has also established a whistleblower protection system, through which whistleblowers' identity and the content of reports will be kept confidential and they will not be treated improperly due to the reporting.	
(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		The Company has specified rules on the recusal from conflicts of interest in the Guidelines for the Adoption of Codes of Ethical Conduct to prevent personnel from making decisions that are not in alignment with the Company's integrity principles. If an employee violates relevant regulations, before the Company makes a formal decision on disciplinary actions, the relevant investigation units and decision-making managers will give the party involved an opportunity for an explanation.	None

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(4) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	V		The Company has established an effective accounting system and an internal control system, and the internal auditors regularly audit the compliance of the systems. The CPA firm will also audit the Company's internal control system every year.	None
(5) Does the Company regularly hold internal and external educational trainings on operational integrity?	V		<p>To ensure that the Directors, managers, and employees of the Company are aware of and adhere to the principles of business integrity, the Company conducts orientation training for new employees and organizes annual online courses and tests to strengthen the Company's integrity system and culture. In addition, the Company requires all employees to implement the principles of integrity in their daily business activities.</p> <p>The Company holds online courses and assessments for our employees each year. The courses aim to reinforce the Company's integrity system and culture. Employees are required to complete the courses and achieve a score of at least 80 points to pass the assessment. In 2022, the core courses included information security, trade secrets, as well as integrity and anti-corruption. A total of 525 employees participated in the courses, with a total course time of</p>	None

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			525 hours. All of the Company's employees completed the online courses and passed the assessment, achieving a 100% completion rate.	
3. Operation of the Integrity Channel				
(1) Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		The Company has established the Procedures for Reporting Illegal Unethical and Dishonest, and whistleblowers file a report through three channels: in person, by phone, and by letter", and has a unit dedicated to accepting reports and a complaint email (audit@91app.com) in place. Relevant reporting matters will be handled by the Internal Audit Office as per the system and procedures, and the Company has established the whistleblower protection and relevant incentive measures. The Company did not receive any report in 2022.	None
(2) Does the Company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	V		The Company has established the Procedures for Reporting Illegal Unethical and Dishonest. For discovery or receipt of reports of unethical conduct by the Company's personnel, the Company has established standard operating procedures to keep whistleblowers' name and identity confidential.	None
(3) Does the Company provide proper whistleblower protection?	V		The Company keeps whistleblowers' identity and the content of reports confidential and has set up a unit dedicated to accepting reports to protect the whistleblowers from being treated	None

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			improperly due to the reporting.	
4. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	V		The Company has disclosed the content of the Procedures for Ethical Corporate Management on the official website and the MOPS and disclosed the implementation in the annual report to enhance the concept of integrity and self-discipline.	None
5. If the company has established the ethical corporate management procedures based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: None.				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies: (1) The Company has incorporated its integrity policies and culture into service contracts and service policies to inform customers of the principles of ethical business practices, prevent corrupt, illegal, and unethical partnerships, and establish reporting channels and investigation procedures that align with the United Nations Convention against Corruption's anti-corruption and anti-money laundering regulations, and other important international laws and regulations. (2) The Company is committed to technological innovation in virtual and physical integration and has made progress in related research and development. In order to maintain and strengthen the Company's intellectual property capacity, and effectively manage and maintain intellectual property for sustainable development, management systems are developed for different aspects such as patents, copyrights, trademarks, and trade secrets. The results of intellectual property management planning are regularly reported to the Board of Directors in the first quarter of each year.				

3.4.7 Corporate Governance Guidelines and Regulations: The Company has formulated the "Principles of Corporate Governance Best Practice", "Procedures for Elections of Directors", "Regulations and Procedures of Shareholders' Meeting", "Rules of Procedure for Board of Director Meetings", "Audit Committee Charter", "Remuneration Committee Charter", "Procedures for Processing Material Internal Information and Preventing Insider Trading", "Procedures for Ethical Corporate Management", "Guidelines for the Adoption of Codes of Ethical Conduct", "Principles of Sustainable Development Best Practice", "Rules for Performance Evaluation Procedures of Board of Directors, Functional Committees and Managers", "Procedures for Reporting Illegal Unethical and Dishonest" and "Risk Management Policies and Procedures" disclosed them on the Company's official website, please refer to <https://ir.91app.com/tw/index.php>.

3.4.8 Other Important Information Regarding Corporate Governance:

1. The Company's managers and division heads participated in courses related to corporate governance in 2022, and the details are as follows:

Title	Name	Date	Organizer	Course Name	Hours
General Manager	Yang, Ming-Fang	2022/09/30	Taiwan Corporate Governance Association	Understanding Related Party Transactions and Unconventional Transactions through practical cases	3.0
		2022/10/28		Discussion of the strategies and applications of Employee Incentive Schemes	3.0
Senior Vice President & CPO	Lee, Kuen-Mou	2022/09/30	Taiwan Corporate Governance Association	Understanding Related Party Transactions and Unconventional Transactions through practical cases	3.0
		2022/10/28		Discussion of the strategies and applications of Employee Incentive Schemes	3.0
Vice President & Accounting Officer	Pu, Mei-Hsien	2022/09/30	Taiwan Corporate Governance Association	Understanding Related Party Transactions and Unconventional Transactions through practical cases	3.0
		2022/10/28		Discussion of the strategies and applications of Employee Incentive Schemes	3.0
		2022/11/07	Accounting Research and Development Foundation	Common deficiencies in company internal control management and practical case analysis	6.0
		2022/12/12	The Institute of Internal Auditors-Chinese Taiwan	The policy analysis and practical discussion of self-compiled financial statements and sustainability reports in relation to internal audit and control	6.0
Vice President	Fang, Yen-Chin	2022/10/28	Taiwan Corporate Governance Association	Discussion of the strategies and applications of Employee Incentive Schemes	3.0
Internal Audit Officer	Wei, Hsin-I	2022/09/30	Taiwan Corporate Governance Association	Understanding Related Party Transactions and Unconventional Transactions through practical cases	3.0
		2022/10/28		Discussion of the strategies and applications of Employee Incentive Schemes	3.0
		2022/12/07	The Institute of Internal Auditors-Chinese Taiwan	How to use digital technology to explore and improve operational processes and fraud detection	6.0
		2022/12/14		Information Technology Business Audit Practice Workshop	6.0

2. To improve information transparency, the Company has set up a section dedicated to "Investors Relations" on the Company's official website to provide relevant information in both Chinese and English in real time and participates in and holds investor's conference from time to time. In 2022, the Company held a total of six investor's conferences.

3.4.9 Implementation of Internal Control Systems:

1. Disclosures Required for the Implementation of the Internal Control System: Please refer to page 153.
2. If a Certified Public Accountant (CPA) was engaged to conduct a special audit of the internal control system, provide its audit report: Please refer to pages 154~155.

3.4.10 If there has been any legal penalty against the Company or its internal personnel, or any disciplinary penalty by the Company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year preceding the annual report publication date, where the result of such penalty may have a material effect on shareholder equity or securities prices, the penalty, the main shortcomings, and conditions for improvement: None.

3.4.11 Major resolutions of the Shareholders' meeting and the Board of Directors meeting

1. Major resolutions of the 2022 Shareholders' meeting

The Company held its 2022 annual shareholders' meeting on June 9, 2022. The resolutions adopted by the shareholders and their implementation are as follows:

- Approved the 2021 Business Report and Financial Statements.

Implementation: The 2021 annual business report and financial statements were approved. The total consolidated revenue was approximately NT\$ 1,100,926 thousand, net profit after tax was NT\$ 298,409 thousand, and earnings per share was NT\$ 2.58.

- Approved the 2021 Earnings Distribution.

Implementation: The 2021 earnings distribution proposal was approved (wherein the cash dividends were approved and announced by the Board of Directors and reported to the shareholders' meeting). The cash dividend per share is NT\$0.48. The ex-dividend date was set at July 26, 2022, with cash dividends distributed on August 11, 2022.

- Approved the amendments to the Memorandum of Association and Articles of Association. (Special Resolution)

Implementation: The resolution was approved and will be implemented in accordance. The revised articles have been disclosed on the Company's website.

- Approved the amendments to the Operational Procedures for Acquisition and Disposal of Assets.

Implementation: The resolution was approved and will be implemented in accordance. The revised articles have been disclosed on the Company's website.

- Approved the amendment to the Regulations and Procedures of Shareholder Meetings.

Implementation: The resolution was approved and will be implemented in accordance. The revised articles have been disclosed on the Company's website.

- Proposal: Election of nine Directors (including three Independent Directors)

Elected Directors: Ho, Ying-Chi, Yang, Ming-Fang, Chuang, Fong-Ping, Lee, Kuen-Mou, Cheng, Po-Jen, Lin, Chih-Chen, Lu, Hsi-Peng (Independent Director), Huang, Chun-Yao (Independent Director), Chih, Mei-Na (Independent Director)

- Approve the removal of the non-competition restriction on incoming Directors.

Implementation: The resolution to remove the non-compete clauses on Directors Ho, Ying-Chi, Yang, Ming-Fang, Chuang, Fong-Ping, Lin, Chih-Chen, and Independent Directors Lu, Hsi-Peng and Chih, Mei-Na has been approved.

2. Major resolutions of the Board of Directors meeting during the most recent year and up to the publication date:

Date	Major Resolutions
<p>2022/03/10 14th meeting of 3rd session</p>	<ol style="list-style-type: none"> 1. The proposal for 2021 distribution of employee compensation and remuneration to Directors. 2. The proposal for 2021 Business Report and Financial Statements. 3. The proposal for 2021 Earnings Distribution. 4. The proposal for 2021 Internal Control Statement”. 5. To elect nine Directors (including three independent Directors). 6. To nominate and review the candidates of directors. 7. To release the directors and their representatives from non-competition restrictions. 8. Amendments to the Internal Control System and Implementation rules for internal audits. 9. Amendments to the Memorandum of Association and Articles of Association. (special resolution) 10. Amendments to the Operational Procedures for Acquisition and Disposal of Assets. 11. Amendments to the Regulations and Procedures of Shareholder Meetings. 12. Amendments to the Procedures for Preparation of Financial Statements. 13. Amendments to the Procedures for Transaction with Related Parties, Specific Companies and Business Group Companies. 14. Amendments to the Management of the Company’s Stock Affairs. 15. Amendments to the Procedures for reporting the insider appointed or discharged. 16. Amendments to the Procedures for Supervision and Management of Subsidiaries. 17. Amendments to the Procedures for Reporting Illegal Unethical and Dishonest. 18. The proposal for 2022 appointment of remuneration to CPA. 19. To release the manager from non-competition restrictions. 20. To appoint the Company’s Chief Information Security Officer. 21. The proposal for convening 2022 Annual Shareholders’ Meeting.
<p>2022/05/03 15th meeting of 3rd session</p>	<ol style="list-style-type: none"> 1ST shares repurchase program.
<p>2022/05/12 16th meeting of 3rd session</p>	<ol style="list-style-type: none"> 1. The proposal for the first quarter of 2022 Financial Statements. 2. Amendments to the Principles of Corporate Governance Best Practice. 3. Amendments to the Procedures for Supervision and Management of Subsidiaries. 4. Amendments to the Regulations of Directors’ and Functional Committee Members’ Remuneration.

Date	Major Resolutions
	5. The proposal for applying the short term credit lines with banks.
2022/06/09 1 st meeting of 4 th session	To elect the Company's Chairman of the Board.
2022/08/17 2 nd meeting of 4 th session	To appoint the members of the Company's 2 nd session Remuneration Committee.
2022/08/17 3 rd meeting of 4 th session	<ol style="list-style-type: none"> 1. The proposal for the second quarter of 2022 Financial Statements. 2. The proposal for the Company to change CPAs. 3. The proposal for remuneration to Independent Directors.
2022/11/10 4 th meeting of 4 th session	<ol style="list-style-type: none"> 1. The proposal for the third quarter of 2022 Financial Statements. 2. The proposal for 2023 budget and business plan. 3. The proposal for 2023 internal audit plan. 4. The proposal to assess the independence and suitability of the CPAs. 5. Amendments to the Rules of Procedure for Board of Directors Meetings. 6. Amendments to the Procedures for Preventing Insider Trading including its name changing. 7. Amendments to the Principles of Corporate Social Responsibility Best Practice including its name changing. 8. Amendments to the Rules for Performance Evaluation Procedures of Board of Directors and Managers including its name changed. 9. Established to the Rick Management Policies and Procedures. 10. The proposal for year-end bonus to the Company's Chairman. 11. The proposal for salary and year-end bonus to the Company's managers. 12. The proposal for the Company to acquire the equity of eLand Information Co., Ltd.
2023/03/09 5 th meeting of 4 th session	<ol style="list-style-type: none"> 1. The proposal for 2022 distribution of employee compensation and remuneration to Directors. 2. The proposal for 2022 Business Report and Financial Statements. 3. The proposal for 2022 Earnings Distribution. 4. The proposal for 2022 Internal Control Statement. 5. To release the directors from non-competition restrictions. 6. To release the manager from non-competition restrictions. 7. To appoint the Company's Chief Financial Officer. 8. Amendments to the Articles of Association. 9. Amendments to the Procedures for Lending Funds to Other Parties. 10. Amendments to the Procedures for Endorsements and Guarantees. 11. Amendments to the Operational Procedures for Acquisition and Disposal of Assets. 12. The proposal for 2022 evaluation for the independence and suitability of the CPAs. 13. The proposal for 2023 appointment of remuneration to CPA.

Date	Major Resolutions
	14. Established the Review Procedures for the Pre-approval of Non-Assurance Services Provided by Certified Public Accountants. 15. The proposal for the Company to subscribe for All Win Fintech Company Limited's capital increase in cash. 16. The proposal for convening 2023 Annual Shareholders' Meeting.

3.4.12 Major Issues of Record or Written Statements Made by Any Director or Independent Director Dissenting to Important Resolutions Passed by the Board of Directors: None.

3.4.13 Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit, Corporate Governance and R&D :

As of April 28, 2023

Title	Name	Date of Appointment	Date of Termination	Reasons for Resignation or Dismissal
Financial Officer	Chuang, Fong-Ping	2016/10/01	2022/03/31	Position adjustment

3.5 Certified Public Accountant (CPA) Fee Information

3.5.1 Certified Public Accountant (CPA) Fee Information

Amount Unit: NT\$ thousands

Name of CPA Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee	Total	Remark
Deloitte Taiwan	Lin, Yi-Hui Tseng, Chien-Ming	2022/01/01~2022/06/30	4,350	1,500	5,850	Special audit of internal control system: NT\$1.2million; Tax Compliance Audit: NT\$300 thousands
	Tseng, Chien-Ming Wang, Pan-Fa	2022/07/01~2022/12/31				

3.5.2 If the CPA firm changes, and the audit fee paid in the year of such change is reduced from the audit fee of the previous year, the amount of the audit fee before and after such change and the reason of such change should be disclosed: None.

3.5.3 If the audit fee is reduced by more than 10% from last year, the amount, ratio, and reason for the reduction of the audit fee should be disclosed: None.

3.6 Information of CPA Change

3.6.1 Information of Previous CPA

Date of Change	From the 2 nd quarter of 2022 (approved by the Board of Directors on August 17, 2022)		
Reason of Change and Explanation	Due to the internal arrangement of the CPA firm.		
Explain the change due to that the appointer or the CPA has terminated or refused to accept the appointment	Parties	CPA	The Company
	Status		
	Termination of appointment	Not applicable	Not applicable
	No longer accepted (continued) appointment	Not applicable	Not applicable
Comments and Reasons for issuing audit reports other than unqualified opinions within the last two years	Not applicable		
Disagreement with the issuer	Yes		Accounting Principles or Practices
			Disclosure of Financial Statements
			Audit Scope or Steps
			Others
	No	V	
	Explanation: Not applicable		
Other disclosures	None: Not applicable		

3.6.2 Regarding the successor CPA

Name of Accounting Firm	Deloitte & Touche
Name of CPA	Tseng, Chien-Ming and Wang, Pan-Fa
Date of Appointment	Appointed by the Board of Directors on August 17, 2022
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	Not applicable
Succeeding CPA's written opinion of disagreement toward the former CPA	Not applicable

3.6.3 Reply letter from the previous CPA to the 3 items in Item 1 and Item 2, Subparagraph 5, Article 10 of the Guidelines for the Preparation of Annual Reports: Not applicable.

3.7 The Company's Chairman, President, Chief Financial Officer, and Managers in Charge of its Finance and Accounting Operations did not Hold Any Positions in the Company's Independent Auditing Firm or its Affiliates during 2022: None.

3.8 Transfer and Pledge of Stock Equity by Directors, Management teams, and Holders of 10% or More of Company Shares

3.8.1 Change in shareholding of directors, managers and major shareholders

Title	Name	2022		2023/01/01~2023/04/28	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Ho, Ying-Chi	0	0	0	0
Director & General Manager	Yang, Ming-Fang	0	0	0	0
Director, Senior Vice President, & CPO	Lee, Kuen-Mou	(35,000)	0	(18,000)	0
Director	Chuang, Fong-Ping	0	650,000	0	0
Director	Cheng, Po-Jen	0	0	0	0
Director	Lin, Chih-Chen	53,000	0	0	0
Independent Director	Lu, Hsi-Peng	0	0	0	0
Independent Director	Huang, Chun-Yao	0	0	0	0
Independent Director	Chih, Mei-Na (Note 1)	0	0	0	0
Independent Director	Lee, Hui-Ju (Note 2)	0	0	N/A	N/A
Major Shareholders	NineYi Capital Inc.	(55,000)	0	(190,000)	0
Major Shareholders	N-Team, Inc.	(55,000)	0	(190,000)	0
Senior Vice President & CISO	Lin, Ta-Wei	(15,000)	0	0	0
Senior Vice President	Fang, Hui-Fen (Note 3)	(11,000)	0	(30,000)	0
Senior Vice President	Wang, Chun-Yu	(155,000)	0	(46,000)	-
Senior Vice President	Li, Chao-Chi	0	0	0	0
Senior Special Assistant	Lin, Chih-Hung	0	0	0	0
Senior Special Assistant	Mei, Li-Chieh	(23,120)	0	0	0
Senior Vice President & CFO	Kao, Li-Ling (Note 4)	N/A	N/A	0	0
Vice President & Accounting Officer	Pu, Mei-Hsien	12,500	0	7,500	0

Note 1: The Independent Director, Chih, Mei-Na, newly elected on June 9, 2022, and the above information is disclosed starting from the elected date.

Note 2: The Independent Director, Lee, Hui-Ju, resigned on June 9, 2022, and the above information is disclosed up to the resignation date.

Note 3: The Senior Vice President, Fang, Hui-Fen, resigned on March 31, 2023, and the above information is disclosed up to the resignation date.

Note 4: The Senior Vice President, Kao, Li-Ling, newly appointed on April 10, 2023, and the above information is disclosed only up to the April 28, 2023.

3.8.2 Shares Trading with Related Parties

Name	Reason for Transfer	Date of Transaction	Transferee	Relationship between Transferee and Directors, Supervisors, Managers and Major Shareholders	Shares	Transaction Price (NT\$)
Mei, Li-Chieh	Disposition (Gift)	2022/06/06	Mei, Yu-Wei	Manager's children	9,560	-
			Mei, Yu-Heng	Manager's children	9,560	-

3.8.3 Shares Pledge with Related Parties: None.

3.9 Relationship among the Top Ten Shareholders

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
NineYi Capital Inc.	30,554,999	25.34%	-	-	-	-	N-Team, Inc.	Responsible person is the same individual	-
Representative: Ho, Ying-Chi	800,000	0.66%	-	-	-	-	N-Team, Inc.	Chairman of the Company	-
N-Team, Inc.	18,335,000	15.21%	-	-	-	-	NineYi Capital Inc.	Responsible person is the same individual	-
Representative: Ho, Ying-Chi	800,000	0.66%	-	-	-	-	NineYi Capital Inc.	Chairman of the Company	-
APPWORKS FUND II CO., LTD.	5,697,000	4.72%	-	-	-	-	-	-	-
Representative: Lin, Chih-Chen	53,000	0.04%	-	-	-	-	-	-	-
Nexdoor Inc.	5,601,000	4.65%	-	-	-	-	-	-	-
Representative: Li, Chien-Chang	3,000	0.00%	-	-	-	-	-	-	-
Huasheng International Investment Ltd.	2,805,555	2.33%	-	-	-	-	-	-	-
Representative: Chang, Chih-Cheng	-	-	-	-	-	-	-	-	-
Cherubic Capital Inc.	2,501,448	2.07%	-	-	-	-	-	-	-
Representative: Cheng, Po-Jen	1,253,318	1.04%	-	-	-	-	-	-	-
TWM Venture Co., Ltd.	2,500,000	2.07%	-	-	-	-	-	-	-
Representative: Tsai, Ming-Chung	-	-	-	-	-	-	-	-	-
91APP, Inc.	2,500,000	2.07%	-	-	-	-	-	-	-
MERRILL LYNCH INTL-MAIN TRADING-FIA	2,334,000	1.94%	-	-	-	-	-	-	-
Taiwan Life Entrusts China Trust Investment Credit Investment Account (2)	2,239,000	1.86%	-	-	-	-	-	-	-

3.10 Shares Held by the Company, Directors, Managers and Companies Directly or Indirectly Controlled by the Company, and the Comprehensive Shareholding Ratio Based on Combined Calculation

As of December 31, 2022; Unit: shares; %

Affiliated Enterprises (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors and Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
91APP(TAIWAN), INC.	20,000,000	100.00	0	0	20,000,000	100.00
OMNI-CHANNEL RETAIL SYSTEM CORPORATION	2,550,000	100.00	0	0	2,550,000	100.00
91APP HK Limited	1,400,000	70.00	0	0	1,400,000	70.00
EasyStore Commerce Sdn. Bhd.	568,249	36.35	0	0	568,249	36.35
Omnichat Limited	10,305,000	35.80	0	0	10,305,000	35.80
Jing Hong Inc.	700,018	35.00	0	0	700,018	35.00

Note: Long-term investment accounted by the Company for using equity method.

4. Capital Overview

4.1 Capital and Shares

4.1.1 Source of Capital

1. Issued Shares

Unit: Thousand shares; NT\$ thousands

Month/Year	Par Value	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Other
Common Stock:								
2013.08.07	US\$0.05	28,400	US\$284	11,400	US\$114	Capital stock at establishment	-	-
2013.10.28	US\$0.01	56,800	US\$568	45,400	US\$568	Cash capital increase	-	-
2014.06.06	US\$0.04	130,000	US\$1,300	66,680	US\$667	Cash capital increase	-	-
2015.10.29	-	1,300,000	US\$1,300	666,800	US\$667	Stock split to 1:10	-	-
2017.01.15	-	1,300,000	US\$1,300	796,800	US\$797	Issuance of new restricted employee shares	-	-
2019.06.27	-	1,300,000	US\$1,300	1,071,800	US\$1,072	Convert from preferred stocks	-	-
Preferred Stock:								
2014.08.15	US\$0.45	50,000	US\$500	20,000	US\$200	Cash capital increase	-	-
2015.10.29	-	500,000	US\$500	200,000	US\$200	Stock split to 1:10	-	-
2018.02.09	US\$0.12	500,000	US\$500	275,000	US\$275	Cash capital increase	-	-
2019.06.27	-	(500,000)	-	(275,000)	-	Convert to common stock	-	-
Convert per value to NT\$5								
2019.06.27	NT\$5	180,000	900,000	6,454	32,270	Convert per value	-	-
2019.06.27	NT\$5	180,000	900,000	107,180	503,630	Capital Surplus Transferred to Capital	-	-
2021.05.21	NT\$5	180,000	900,000	120,578	602,890	Cash capital increase NT\$66,900 thousands	-	-

2. Type of Stock

Share Type	Authorized Capital			Remarks
	Issued Shares (Note)	Un-issued Shares	Total Shares	
Common Stock	120,577,997	59,422,003	180,000,000	TPEX Primary Listed Company

Note: Including 2,500,000 treasury shares held by the Company.

3. Information for Shelf Registration: None.

4.1.2 Status of Shareholders

As of April 11, 2023

Structure Volume	Government Agencies	Financial Institutions	Other Legal Entities	Domestic Individuals	Foreign Institutions & Individuals	Mainland China Institutions & Individuals	Total
	Number of Shareholders	0	1	43	8,674	57	0
Shareholding (shares)	0	2,239,000	15,189,928	31,998,434	71,150,635	0	120,577,997
Percentage	0.00%	1.86%	12.60%	26.53%	59.01%	0.00%	100.00%

4.1.3 Shareholding Distribution Status

As of April 11,2023

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	2,680	443,128	0.37%
1,000 ~ 5,000	5,256	9,172,019	7.61%
5,001 ~ 10,000	400	3,059,944	2.54%
10,001 ~ 15,000	119	1,530,654	1.27%
15,001 ~ 20,000	82	1,482,377	1.23%
20,001 ~ 30,000	70	1,729,239	1.43%
30,001 ~ 40,000	33	1,188,440	0.99%
40,001 ~ 50,000	24	1,099,573	0.91%
50,001 ~ 100,000	43	3,064,846	2.54%
100,001 ~ 200,000	21	2,882,338	2.39%
200,001 ~ 400,000	17	5,188,380	4.30%
400,001 ~ 600,000	7	3,220,850	2.67%
600,001 ~ 800,000	7	5,093,819	4.22%
800,001 ~ 1,000,000	4	3,501,070	2.90%
1,000,001 and above	12	77,921,320	64.63%
Total	8,775	120,577,997	100.00%

4.1.4 List of Major Shareholders

As of April 11,2023

Name of Major Shareholders	Shares	Shareholding	Percentage
NineYi Capital Inc.		30,554,999	25.34%
N-Team, Inc.		18,335,000	15.21%
APPWORKS FUND II CO., LTD.		5,697,000	4.72%
Nexdoor Inc.		5,601,000	4.65%
Huasheng International Investment Ltd.		2,805,555	2.33%
Cherubic Capital Inc.		2,501,448	2.07%
TWM Venture Co., Ltd.		2,500,000	2.07%
91APP, Inc.		2,500,000	2.07%
MERRILL LYNCH INTL-MAIN TRADING-FIA		2,334,000	1.94%
Taiwan Life Entrusts China Trust Investment Credit Investment Account (2)		2,239,000	1.86%

4.1.5 Market Price, Net Worth, Earnings, and Dividends per Share

Unit: Thousands share; NT\$

Items		Year			
		2021	2022	2023/01/01~ 2023/04/28	
Market Price Per Share	The Highest	427.00	280.00	145.50	
	The Lowest	145.00	71.00	103.50	
	Average	271.93	131.52	117.57	
Net Worth Per Share	Before Distribution	19.96	21.20	As of the publication date, the first quarter financial report has not been approved by Board of Directors.	
	After Distribution	19.48	20.50 ^(Note 4)		
Earnings Per Share	Weighted Average Shares (thousand shares)	115,439	119,211		
	Earnings per Share	2.58	2.83		
Dividends Per Share	Cash Dividends		0.48		0.70 ^(Note 4)
	Stock dividends	Retained earnings	-		-
		Capital surplus	-		-
	Accumulated unpaid dividends		-		-
Return on Investment	Price / Earnings Ratio ^(Note 1)		105.40		46.47
	Price / Dividend Ratio ^(Note 2)		566.52		187.89
	Cash Dividend Yield Rate ^(Note 3)		0.18%	0.53%	

Note 1: Price / Earnings Ratio = Average Market Price / Earnings per Share

Note 2: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share

Note 3: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price

Note 4: Approved by Board of Directors on March 9, 2023.

4.1.6 Dividend Policy and Implementation Status

1. Dividend Policy

Where based on the Company's final accounts in respect of a current year, when the Company proposes to make profit distribution, such distribution shall be calculated based on the after-tax net profit of that current fiscal year, and shall be distributable only after (i) covering accumulated losses (including any adjustment to the retained earnings), (ii) setting aside a sum for any capital reserve pursuant to these Articles, (iii) setting aside a sum equal to ten percent (10%) for any capital reserve pursuant to the Applicable Public Company Rules, unless the accumulated amount of such reserve equals to the total paid-up capital of the Company, and (iv) setting aside a sum for an additional special reserve or reversing the special reserve back to the undistributed profit in compliance with the requirements promulgated by applicable ROC authorities (including, but not limited to, the FSC or any applicable ROC Securities Exchange) so long as the Shares are listed on any ROC Securities Exchange. The balance of the after-tax net profit in the current fiscal year remaining after all the foregoing deduction shall hereinafter be referred to as the "Distributable Net Profit of the Current Year." Dividends may be declared and paid out of the Distributable Net Profit of the Current Year and any undistributed retained profit accrued from prior years (together, the "Accumulated Distributable Net Profit").

The dividend distribution policy of the Company is based on the consideration that the Company is currently in the stage of growth, and that the Company has needs to coordinate with its future operational development plans, its fundraising demands and long-term financial plans, as well as taking the interests of Members into account. Subject to the resolution of Members, the Company may set aside at least ten (10) percent of the Accumulated Distributable Net Profit each year and declare dividends based on the distribution plan proposed by the Board; provided, however, that if the Accumulated Distributable Net Profit is less than 10% of the capital paid up, the Company may not declare dividends. Such dividends may be distributed by cash or by issuing shares, provided that the percentage of the cash dividend shall not be less than five (5) percent of the total dividend.

2. Proposed Distribution of Dividend

The Company's earnings distribution for 2022 was approved by the Board of Directors on March 9, 2023, to distribute cash dividend of NT\$0.70 per share, a total of NT\$82,654,598.

4.1.7 Impact of stock dividend distribution on business performance and EPS: Not applicable.

4.1.8 Employees' bonus and directors' remuneration:

1. The proportion or range of employees' bonus and directors' remuneration as prescribed by the Company's:

The Company shall set aside at least three percent (3%) of its annual profits (which means the pre-tax profits not including the amount of the compensation to employees and Directors) as compensation to employees of the Company and set aside no more than three percent (3%) of its annual profits as compensation to Directors, provided however that the Company shall first offset its losses in previous years that have not been previously offset. The distribution of compensation to employees may be made by way of cash or Shares, which may be distributed under incentive programs approved pursuant to Article 10 above. The employees may include certain employees of the Subsidiaries who meet the conditions prescribed by the Company.

2. Basis for estimating the amount of remuneration of employees and Directors, basis for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period.

(1) The basis for estimating the amount of employee compensation and directors' remuneration for the current period: The amount that may be distributed is adopted as the basis as per the Company's Articles of Incorporation.

(2) The basis for calculating shares for distribution in shares for the current period: The Company did not distribute employee compensation in shares for the current period, hence not applicable.

(3) The discrepancy between the actual amount and estimating the amount of bonus shares: If there are major changes to the distribution amounts by resolution of the board of directors meeting after closing of a fiscal year, the changes shall apply to adjust the expenses of the year of the proposal. If there are still pending changes to the amount on the date of resolution by the shareholders' meeting, the changes shall be processed

according to the accounting estimates and booked as an adjusting entry in the year of the shareholders' resolution.

3. Employee and Directors' Remuneration approved in Board of Directors Meeting.

(1) Employee and director's remuneration is to be distributed in cash or stocks. In case of any discrepancy between the amounts and the amortized estimates for the year, the differences, reasons, and responses should be disclosed.

The Company at the Board of Directors meeting on March 9, 2023, approved the remuneration for employees and directors for 2022, where a total of NT\$10,470,000 was allocated for employee remuneration and NT\$0 for director remuneration, respectively.

(2) The amount of employee remuneration to be paid in stocks out of the current company-level financial statement in terms of the sum of net profit after tax and employee bonus: Not applicable.

4. The actual distribution of employee, director compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, the treatment of the discrepancy, if any, between the actual distribution and the recognized employee or director compensation.

(1) Cash and stock compensation to employees and directors: The Company allocated in amount of NT\$9,290,000 as employees' cash compensation and NT\$0 as directors' cash compensation in 2021.

(2) Differences between the estimated amount of compensation for employees and directors, as well as the reasons for and actions required by the discrepancies: No differences.

4.1.9 Buyback of Treasury Stock:

1. Completed Share Buyback Program

As of December, 31, 2022

Batch Order	1 st Batch
Purpose of Buyback	To Transfer to employees
Timeframe of Buyback	2022/05/04~2022/07/03
Price Range	NT\$ 91.50~229.50
Actual Shares Numbers of Buyback	Common shares; 2,500,000 shares
Total Monetary Amount of Shares Bought Back	NT\$ 335,477,232
Number of Shares Bought Back as a Percentage of the Approved Number of Shares to be Bought Back (%)	100%
Shares Sold/Transferred	0 shares
Accumulated Number of the Company Shares Held	2,500,000 shares
Percentage of Total Company Shares Held (%)	2.07%

2. Uncompleted Share Buyback Program: None.

4.2 Corporate Bonds: None.

4.3 Preferred Shares: None.

4.4 Global Depository Receipts: None.

4.5 Employee Stock Options: None.

4.6 Restricted Stock Awards: None.

4.7 New Share Issue for Merger or Acquisition of Another Company: None.

4.8 Implementation of Capital Allocation Plan: None.

5.Operational Highlights

5.1 Business Overview

5.1.1 Scope of Business

1. Main Areas of Business Operations

91 App is Asia's largest retail software service provider (Software-as-a-Service, SaaS) that provides D2C (Direct-to-Consumer) solutions. We are leading the D2C Offline-Merge-Online (OMO) with two major solutions: "Commerce solution" and "Marketing Solution", and each solution comes with a "product" and "service". This, is in order to provide our valued clients with a One-Stop Turnkey Solution, meeting all of the many and varied needs of retail brands, including software systems (Commerce Cloud & Marketing Cloud), OMO implementation, payment services, logistics integration, e-Commerce outsourcing operation ad omni-media outsourcing services, and digital marketing, as well as big data consultant analysis.

The SaaS model which has been adopted by 91APP is the mainstream in the software industry around the world. 91APP's clients do not need to invest in exorbitant construction costs and are able to use mature products which feature comprehensive functionality, are regularly updated, and feature a hassle-free leasing program. At 91APP, we offer a professional team of e-Commerce consultants and marketing consultants with many years of experience. We are here to quickly and efficiently help clients create viable and sustainable omni-channel sales performance. This close cooperation between the two parties has formed a stable, highly dependable, and mutually beneficial relationship. For some clients who lack e-Commerce-related talents or resources, 91APP also provides e-Commerce outsourcing services, and omni-media outsourcing services to assist brand clients in operating e-Commerce and marketing activities, satisfying brand clients to sell products in all channels, increasing conversion rates, and achieving outstanding performance goals.

D2C (Direct-to-Consumer) is the mega-trend of the global e-Commerce industry. 91APP's solutions and OMO methodology have been utilized and trusted by thousands of retail clients all over the world for many years. 91APP offers the most efficient weapon to confidently enter D2C e-Commerce, enabling retail brands to quickly start and accelerate online performance, enable offline sales to gain growth momentum again, and successfully complete the digital transformation.

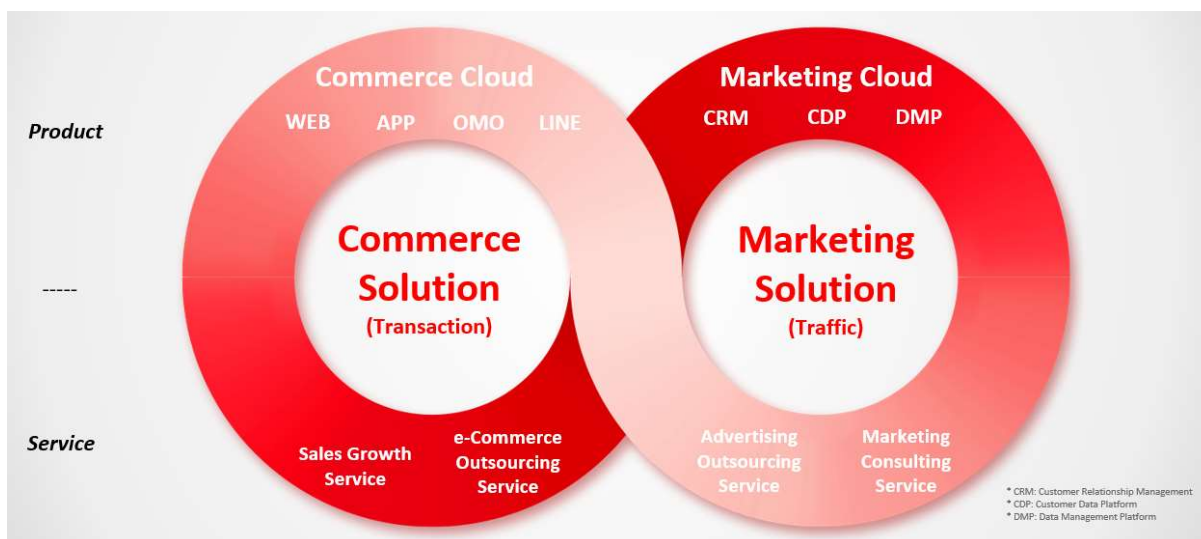
2. Revenue Breakdown

Unit: NT\$ thousands; %

Item \ Year	2020		2021		2022	
	Amount	%	Amount	%	Amount	%
Recurring Revenue						
SaaS Revenue	715,154	81.71	871,014	79.11	980,350	77.63
Date Oriented EC Services	89,529	10.23	142,986	12.99	168,488	13.34
Subtotal – Recurring Revenue	804,683	91.94	1,014,000	92.10	1,148,838	90.97
Non-Recurring Revenue	70,530	8.06	86,926	7.90	114,002	9.03
Total	875,213	100.00	1,100,926	100.00	1,262,840	100.00

3. Products Currently Offered by the Company

In order to meet the many varied needs of our diverse clientele at multiple levels, the company has developed two major solutions, comprised of the “Commerce Solution” and “Marketing solution”. 91APP recognizes if the product is without the addition of services, the clients’ sales growth will ultimately be limited. Therefore, the two major solutions provided to our valued consumers include “products” and “services”. Please refer to the following graphic for a visual representation of these two solutions.



Source: 91APP

■ Commerce Solution

The "Commerce Cloud" is the foundation of 91APP's Commerce Solution. 91APP's Commerce Solution is unlike common e-Commerce platforms which generally focus simply upon processing website order transactions, and are unable to integrate APPs with shopping functions or provide high-end software clouds or related value-added services. 91APP's "Commerce Cloud" is deeply involved in the retail industry and in the understanding of the practical needs of retail brands. 91APP has exclusively developed "Commerce Cloud" to handle complex and large-scale e-commerce transactions. In addition, 91APP's "Commerce Cloud" allows consumers to purchase goods and check out through their own brand's four channels: (1) the official brand.com website, (2) the official

e-Commerce APP, (3) OMO (physical stores), and (4) LINE. At the same time, “Commerce Cloud” offers a complete range of commonly used consumer options for payments, logistics, inventory management systems (IMS), and even advanced functions like cross-border shopping. For mid to large-sized brick-and-mortar retail brands and channels, “Commerce Cloud” provides offline-merge-online integration services to achieve an OMO fusion. Existing retail POS, back-end ERP, and other related systems need to be integrated and linked online and offline, which is why the Company also offers OMO integration system service to its clients. As a result, brand clients can accumulate consumers’ first-party data through “Commerce Cloud” and conduct in-depth analysis to assist in long-term development planning, such as product development, membership management, and marketing strategies.

In order to assist clients in boosting their sales performance, our company also has a team of sales growth consultants who are prepared to use their expertise in order to assist brand clients in operating systems and e-Commerce planning, to achieve an increase in performance. In addition, to address the issue of brands seeking assistance from 91APP due to a lack of relevant e-Commerce expertise and resources, we also provide e-Commerce outsourcing operation services to meet the needs of these brand clients.

■ **Marketing Solution**

In recent years, due to changes in privacy policies and the gradual phase-out of third-party cookies, brand clients have seen decreasing effectiveness in their advertising performance, which has resulted in a rapid increase in demand for precision marketing. Therefore, 91APP has developed a "Marketing Solution" and is planning to formally launch the software product "Marketing Cloud" in the market to assist clients in effectively managing their members through the use of AI intelligent models (such as NAPL - member segmentation model and DCIU - purchase intention model). The use of effective member management, combined with marketing automation and precision marketing to acquire new consumers, in order to effectively enhance brand clients’ performance growth.

In addition, in response to the increasingly complex and diverse marketing product combinations, we have also established a professional omni-media outsourcing team to assist medium and large-sized brand clients in operating the "Marketing Cloud" for precision marketing and obtaining more precise advertising efficiency in a cookieless environment, thereby enhancing and improving clients’ sales performance.

91APP’s software clouds (Commerce Cloud and Marketing Cloud) are developed through the accumulation of numerous talents over a long period of time and continuously evolve and optimize with commensurate environmental changes. It is not only an advanced software technology system, but more importantly, it integrates the necessary operational processes, methods, mechanisms, and know-how of the retail industry in digital

transformation into the software functionality and interface, enabling the perfect integration of software and retail operations, and achieving true effectiveness.

In summary, the Company provides two major solutions for clients: “Commerce Solution” and “Marketing Solution.” We look forward to creating a positive sales cycle and generating synergies between the two solutions, with the official launch of Marketing Solution.

4. New Products (Services) Planned for Development

Item	Discription
Commerce Solution	<ul style="list-style-type: none"> ● Commerce Cloud update and upgrade: Addressing the customer's D2C business model and OMO becoming the best empirical model, the Commerce Cloud will be fully upgraded and optimized, merged into OMO Cloud. This is aimed to re-structure the shopping process, build up the underlying structure of promotion center and optimize the new mechanism, create and optimize the logistics center, optimize site search and SEO to meet the large customers’ demand for operational efficiency and performance improvement. ● Launch the brand IMS (Inventory Management System) to help customers in inventory management for multi-channel commodities. ● Open API Portal to integrate partners to expand functions and communities, create more diversified sales scenes, and facilitate brand owners in practicing D2C full-channel operation. ● Continue investing in application and development of AI, and blockchain technology to assist customers to pioneer in new business models in advance, improve operational efficiency, develop new traffic, and create new sources of performance.
Marketing Solution	<ul style="list-style-type: none"> ● Marketing Cloud launches CDP and DMP products: Centered on member data, expand and integrate data of members and non-members including their behavior, interests, intentions and other labels, combine AI technology to help customers to make the best of consumer preferences and trends. ● Strengthen group communication and automated marketing: Continue adding personalized marketing and self-media channels and investing in the research and development of AI models to help customers in converting data into cash and performance growth.

Item	Discription
	<ul style="list-style-type: none"> ● Expand data integration with Meta, Google, and LINE: Help brand owners to expand targeted audiences, increase conversion rates, and optimize effectiveness of ads delivery by data integration.

5.1.2 Industry Overview



Source: 91APP

1. Current Status and Development of the Industry

The retail industry undergoes a major paradigm shift roughly every ten years. Before 2000, it was an era of pure physical retail. After 2000, the market entered the era of e-Commerce. The development of e-Commerce over the past twenty years can be divided into roughly three stages, ranging from 1.0 to 3.0. Stage 1.0 of e-Commerce started in the late 1990s. The Internet had just begun to evolve. The Internet was primarily the domain of the PC and was in its early stages. The initial rise of e-Commerce was mainly based on the C2C business model. The online payment mechanism was relatively immature and undeveloped. It was not until the late 2000s that the B2C business model gradually began to develop.

The first iPhone was introduced in the late 2000s, after which time smartphones very rapidly became mainstream. With the popularization of 3G/4G telecommunication networks, the Internet route from "home/PC" quickly expanded to "personal/mobile". At the same time, the development of various payment and logistics mechanisms for online shopping began to mature. With the assistance of network traffic dividends in the early development of social media, the online transaction amount and frequency of e-Commerce have grown rapidly. e-Commerce platform operators that provide convenient and easy-to-use mobile shopping APPs are very popular, and consumers enjoy a satisfying shopping experience that is not limited by time and space. The era of e-Commerce 2.0 commenced from 2010, and it can be considered to be a glorious period for B2C e-Commerce platform operators!

In the late 2010s, consumer behavior patterns gradually began to change. Internet traffic dividends also gradually disappeared, and the traffic cost of pure virtual online activity increased steadily. In addition to following the past to list products on major e-Commerce platforms, retail brands had to start paying attention to the operation of their own brand e-Commerce and loyal members. As a result, after 2020, the D2C (Direct-to-Consumer)

marketing model became very attractive and valuable to retail brands. This direct-to-consumer model not only gave the consumer a more satisfying experience, but also strengthened the relationship between brands and the consumer. In addition to the degree of adhesion, it also worked to collect multi-dimensional data through the integration of OMO (Offline-Merge-Online), by means of Panoramic Data. This has illuminated an understanding of a more full and detailed picture of end consumer behavior. In addition, it utilizes big data analysis or, AI technology, to process and adjust quickly in order to optimize business results. This D2C (Direct-to-Consumer) model, which began to develop in response to the omni-channel environment and centered on retail brands, emphasizes the integration of OMO (Offline-Merge-Online) operations. This most recent iteration can be referred to as e-Commerce 3.0. Among the cooperating retail entities in this generation, NIKE is one of the most successful retail brand representatives. "Nike Direct", established in recent years, integrates OMO channels, grasps comprehensive consumer behavior through data analysis, and optimizes operational performance. 40% of Nike's revenue in the fiscal year 2022 comes from "Nike Direct"!

Regarding the global and Taiwan e-Commerce market, the following market information is provided as a reference:

A. Global Retail e-Commerce Market Analysis:

With the increasing popularization of the Internet and smart hand-held devices, the consumption patterns of consumers using e-Commerce shopping are becoming more and more common. The US market research company eMarketer estimated that global retail sales in 2022 would reach 29.0 trillion US dollars, of which e-Commerce sales would account for about 5.72 trillion US dollars, accounting for 19.7% of total retail sales. In addition, eMarketer estimates that annual sales of e-Commerce will reach \$8.15 trillion in 2026, accounting for 24.0% of total retail sales.

Retail Ecommerce Sales Worldwide, 2021-2026
trillions, % change, and % of total retail sales



Note: includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, food services and drinking place sales, gambling and other vice goods sales
Source: eMarketer, June 2022

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eMarketer | InsiderIntelligence.com

Source: eMarketer, June, 2022

In 2022, the world entered the post-epidemic era. With the gradual recovery of the real economy, although the growth of the global e-Commerce industry grew moderately (due to the impact of the epidemic, the e-Commerce base period was higher in 2021), consumer habits have changed, the trend of accelerating the process of digital transformation of brick-and-mortar retail brand has not changed. D2C is already the mega-trend of retail e-Commerce.

B. Taiwan Retail e-Commerce Market Analysis:

According to the Statistics Department of the Ministry of Economic Affairs, retail sales in 2022 were about NT\$4.3 trillion, with an annual growth rate of 7%. In addition, retail online sales reached NT\$493 billion, representing an annual growth rate of 10.9%, but e-Commerce accounted for only about 11.5% of the total retail sales, compared to 20%~30% of other Asian e-Commerce markets. This would indicate that there is potential for considerable growth over the next few years in Taiwan.

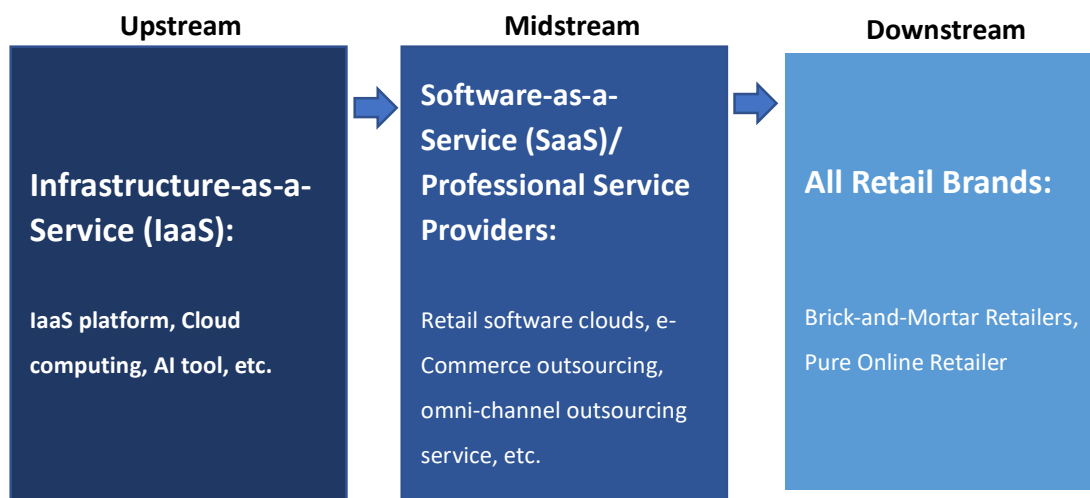
2. The Relationship Between the Upstream, Midstream, and Downstream Segments of the Industry Supply Chain

91APP provides the software cloud products required for retail clients, all of which adopt the latest cloud computing technology architecture. The upstream of the industry is the international large-scale cloud infrastructure service providers (IaaS: Infrastructures-as-a-Service), such as AWS (Amazon Cloud Platform), GCP (Google Cloud Platform), and Azure (Microsoft Cloud Platform). Such upstream service providers mainly provide the basic computing cloud servers and cloud storage required by software cloud service providers (SaaS: Software-as-a-Service) when building and maintaining systems.

The software cloud products (Retail SaaS) developed by 91APP on the basis of IaaS, provide enterprise-level maintenance and operation services. It serves various retail brands in a subscription-based charging business model, and at the same time integrates and provides data-oriented e-Commerce value-added services. These, belong to the industry midstream of the supply chain.

The retail clients served by 91APP belong to the downstream users of the entire industrial supply chain, including large international brands, local brands, and channel brands that integrate multi-brand products. Some of them, in previous years, has already established a large number of brick-and-mortar stores, while some have no brick-and-mortar stores at all. Regardless, they can all utilize 91APP's retail software cloud to integrate the Offline-Merge-Online resources of their respective brands, thereby effectively accelerating the digital transformation of retail brands, and simultaneously enlarging online and offline sales.

The SaaS model adopted by 91APP is the mainstream in the software industry around the world. 91APP's clients do not need to invest in exorbitant construction costs and are able to use mature, integrated products which feature complete functionality, are regularly updated, and feature an easy and convenient leasing program. This close cooperation between the two parties has formed a stable, highly dependable, and mutually beneficial relationship. The relationship between the upstream, midstream, and downstream of the industrial supply chain can be aptly demonstrated in the following diagram:



Source: 91APP

3. The Various Trends in Development of e-Commerce Products

Over the course of approximately twenty years, the market has developed into D2C omni-channel retail. The contact points between retail brands and consumers have become increasingly complex and diversified. Various traditional advertising media and brick-and-mortar retail channels, third-party e-Commerce platforms, official Brand.com websites, official e-Commerce APP, and ever-changing social media, such as Line, Meta, Instagram,

and live broadcasts, are all possible online interaction scenarios between brands and consumers. In order to meet the needs of retail brands for sales management in an omni-channel environment, as well as the requirements for data-based real-time analysis of marketing activities in each channel, a more intelligent e-Commerce transaction system (such as the "Commerce Solution" provided by 91APP) has naturally become an indispensable key to omni-channel retail.

At the same time, for brick-and-mortar brands and channels, OMO integration is the most effective way to achieve D2C. In recent years, the boundary between offline and online retailing has gradually blurred. 91APP focuses on assisting brick-and-mortar brands and channels, giving full play to their respective resources and channel advantages to both offline and online, and becoming a further step for brick-and-mortar brands and channels to overcome the pain of digital transformation. 91APP is the best assistant for brick-and-mortar brands and channels to regain growth momentum.

In terms of digital marketing, due to the trend of cookieless in recent years, advertisers relying upon third-party cookies in the past is no longer suitable for the current marketing methods of retail brands. Instead, the first-party behavioral data left by consumers when visiting official brand.com websites, official e-Commerce APP, and other online channels, as well as the member or transaction data provided by consumers, have become precious resources that brands can analyze and utilize. In addition, based on the first-party data accumulated by the brand, with the assistance of third-party traffic platforms and digital footprints on social media (i.e., third-party data), new technologies such as big data and AI can be used for analysis or even prediction, to further respond to real-time digital marketing, and improve operational effectiveness, as well as achieve more precise advertising delivery. This operating model is completely different from traditional advertising and marketing models, and the "Marketing Solution" provided by 91APP makes good use of the brand's deep Customer Relationship Management (CRM) and establishes consumer journey data with the brand's own first-party data. It intelligently assists retail brands in expanding the precise audience of advertising delivery and uses member segmentation models, purchase intention models, and marketing automation to further help retail brands improve the effectiveness of marketing activities and the return on advertising spending (ROAS), which is another major focus project in the digital transformation of the retail industry.

91APP's two major solutions "Commerce Solution" and "Marketing Solution" both come with "products" and "services" to meet brand clients' needs to achieve commerce D2C and marketing D2C. Please refer to the following graphic which visually represents these two solutions.



Source: 91APP

The product "Commerce Cloud" of the "Commerce Solution" can optimize online shopping flows and experiences, and provide real-time operation data reports and activity analysis, enabling brick-and-mortar retail brands to quickly master key performance growth. The OMO (Offline-Merge-Online) integration in the Commerce Cloud not only connects traditional systems such as retail POS and back-end ERP with complex online cross-device and e-Commerce order management systems, but also finally allows retail brands to understand the transaction and data overview of online and offline channels fully. 91APP's unique "official e-Commerce App" and "In-Store Portal" can help store clerks better understand consumers in real time, provide timely and considerate services or exclusive promotional links to consumers, and convert them into sales. Finally, retail brand managers can also use OMO management reports to keep abreast of the overall operational trends of all channels and make real-time optimization and adjustments across omni-channels.

Building on the foundation of "Commerce Cloud," the product "Marketing Cloud" of the "Marketing Solutions" not only uses CRM to help retail brands analyze member behavior attributes and perform intelligent circle screening and grouping, but also helps brands effectively expand the audience base of advertising and improve the accuracy of advertising placement. With an optimized member notification mechanism, advanced exclusive purchase programs, and diverse point/voucher/coupon mechanisms, Marketing Cloud communicates with potential consumers to improve communication effectiveness and conversion rates, effectively deepening membership management, cultivating loyal customers, and expanding the reach of potential consumers.

In addition, over the past few years, the international information application software industry has actually experienced an unprecedented major paradigm shift. Most of the traditional packaged software sales models or one-time charging models for project construction have been upgraded to SaaS (Software-as-a-Service) subscription-based new business models; the technical architecture evolved from previous Server-Client into Cloud-Computing, which is a public cloud architecture. Such software companies that have successfully transformed into a subscription-based economy are no longer troubled by piracy or unstable revenue. Additionally, most of them have experienced unprecedented robust growth momentum. The most well-known success stories are Microsoft. (Microsoft) Office 365 and Adobe's Illustrator, Photoshop. 91APP, since its establishment, has also followed this industry trend and adopted a new generation of cloud technology architecture and SaaS business model.

4. Competitive Landscape

91APP is neither a traditional software development company, nor is it a general e-Commerce platform. 91APP is comprised of a very small number of new-type companies that integrate both "software" and "services", providing two major solutions: "Commerce Solution" and "Marketing solution." We provide one-stop "Retail Software Clouds (Retail SaaS)" development and maintenance services, supplemented by data-oriented e-Commerce value-added services. 91APP is the best partner to truly assist retail brands, effectively and quickly start e-Commerce and omni-channel operations, deeply manage members, and effectively grow their performance. For medium and large brick-and-mortar retail brands and channels undergoing digital transformation, this can all produce immense beneficial effects.

Relatively speaking, because most other operators are only involved in single specific parts of the Commerce Cloud, the depth and breadth of the system functions designed do not easily meet the needs of medium and large retail clients. 91APP, with a one-stop, in-depth integration of "multi-products x multi-services cross-industry service providers", is leading the way in the industry. Within Asia, there are no similar providers for a comprehensive comparison. Most providers can only develop a limited number of similar product modules or are capable of only operating a small number of overlapping services. Therefore, only a few of the five categories of companies with similar or related business contents shall be listed and explained as follows. This is purely for reference:

Category A: This is the traditional system integration service provider SI (System Integrator). This system generally provides highly customized software solutions. Most of these systems still use the old technical architecture of non-cloud computing. Due to the limitations of innate technical architecture and ad hoc business models, such companies generally have a smaller number of employees and cannot provide large-scale operation services. This category of the company is suitable for the auxiliary provision of tailor-made

services for specific consumers. This is more representative of our strategic partners. A cooperative alliance working to serve our clients, not necessarily a competitor.

Category B: This is an e-Commerce platform company. Although most of these companies use the new cloud technology architecture, they are unable to provide a large number of independent official e-Commerce APPs that are critical to the success of the various retail brands. Such companies are also unable to provide the one-stop integrated services required by large consumers; such as e-Commerce outsourcing, receipts and payables under the custody of payment and logistic services, and digital advertising outsourcing. In fact, even when comparing companies that focus simply upon Brand.com website providers, very large differences in product depth and level between such providers can be noted. For example, most operators cannot provide membership and advanced computing engines for retail companies to facilitate the processing of membership levels, points, redemption, coupons, gift-card, and other complex needs. Retail clients at different levels have very different requirements for system stability, availability, scale, and information security. Most of the products and systems provided by such companies are relatively simple in breadth and service depth and are more suitable for the service of micro and small retail clients. Therefore, most of these companies are regional, small-to-mid-size SaaS entities. They charge a low and fixed monthly subscription fee, and it is not easy to reach the threshold of economic scale and break-even.

Category C: These companies provide purely professional services related to e-Commerce operations, such as e-Commerce outsourcing operations. The service manpower is highly intensive. The team needs to have e-Commerce operational know-how, but generally does not have the capable software technology. The threshold is relatively low. This is more representative of one of our strategic partners. A cooperative alliance working to serve our clients; not necessarily a competitor.

Category D: Such companies are common B2C e-Commerce platform companies. Common domestic companies include the likes of Momo, PChome, and Yahoo!Shopping. Since this type of company relies upon a business model based essentially upon buying and selling, it generally requires a large capital investment to build warehousing and logistics. The recognized revenue seems to be large in scale, but the relative gross profit margin is not very high. Marketing expenses are not easily decreased with the disappearance of Internet dividends. For general retail brands, it is indispensable to sell products on e-Commerce platforms and to operate their own official Brand.com website or official e-Commerce APP. This centralized e-Commerce platform has been in development for a long time, and its market share is obviously huge. While the model of self-owned independent brand e-Commerce has gradually begun to be valued and welcomed by retail brands in recent years, the rapid growth is obvious. In addition, consumer data and member data on e-Commerce platforms do not belong to retail brands. This is not conducive to the profitable and efficient

operation of private brand members for retail brands with strong brand power, so most of them are increasingly paying more attention to the D2C (Direct-to-Consumer) model and investment in independent e-Commerce.

Category E: Type E companies provide digital marketing services, which may involve first-party or third-party data analysis and digital marketing advertising companies. Influenced by the trend of cookieless, the online dividend is gradually disappearing, the precision of advertising delivery is decreasing, and the communication cost between brands and consumers is increasing. Therefore, brands are accumulating D2C (Direct-to-Consumer) first-party data and analyzing and applying it to improve the conversion rate of existing consumers, and even further, the demand for collecting third-party data to obtain new customer traffic is increasing. Most digital marketing service providers on the market only have the ability to process and analyze data, but lack the first-party data needed for analysis. To provide services to brands, they must first integrate and organize data scattered across multiple systems before analysis and application can be carried out. These types of companies are partners in the company's alliance and can serve clients together, not necessarily competitors. 91APP's Commerce Solution has helped brands accumulate complete first-party data, integrate and connect data, and further enhance the efficiency of advertising applications with AI intelligent analysis.

The Company's products/services provide the greatest value in offering retail brands the power of "digital integration" and "data intelligence". Our various services all have local competitors, but to simultaneously provide a "Commerce Solution" and "Marketing Solution" that includes product software cloud and value-added services, helping retail brands with digital transformation, 91APP is currently the only new-type service provider in the Asian region that integrates multiple products and services. In the past few years, we have pioneered the concept, software projects, and practical approaches of "offline-merge-online" (OMO) in retail, which has gained recognition from many internationally renowned brands. We hope to continue providing more advanced technological software and services, helping the retail industry with digital transformation and achieving growth in sales performance across all channels.

5.1.3 Research and Development

1. Research and Development Expenditure: for the most recent fiscal year, or during the current fiscal year up to the date of publication of the annual report.

Unit: NT\$ thousands

Item/Year	2022	2023/01/01~2023/04/28 (Estimated)
Research and Development Expenses	125,291	32,322

2. Successfully Developed Technologies or Products: in the most recent year, up to the date of publication of the annual report

Year	Successfully Developed Technologies/Products and Results
2022	Committed to offering the most comprehensive D2C retail solution in the market. This includes launching a new Commerce Cloud and expanding and upgrading our Marketing Cloud and OMO Cloud with a new product architecture to meet the D2C business needs of retailers and channel-based customers.

Project	Contents	Successfully Developed Technologies and Results
Upgraded OMO Cloud	Upgraded Plan of Recommender's Program	Support flexible reorganization of recommendation attribution and calculation mechanisms to meet the needs of more customers' in-store business scenarios. <ul style="list-style-type: none"> ● Add LINE-exclusive link binding. ● Add coupon attribution, allowing orders to be attributed to the recommender. ● Support rapid integration of referrer mechanism for third-party partners. ● Automatic calculation rule mechanism for recommender.
	In-Store Portal	New tool for store clerks to enhance customer management efficiency: <ul style="list-style-type: none"> ● Addition of "Order for Customer" function.
	Revision of OMO Performance Report	Improve the one-stop understanding of OMO's operational effectiveness and provide a clear and concise graphical representation for quickly grasping key indicators of OMO.
Upgraded Commerce Cloud	Payment Methods Expansion	In response to the continuous market opening and expansion of payment and logistics services, the following functions have been added: <ul style="list-style-type: none"> ● Hong Kong market: Added UnionPay, BoCPay payment methods. ● Taiwan market: Added PlusPay payment method. ● Added customer self-billing invoice service.
	"Virtual Goods" Sales Functional Mechanism	In response to changes in consumer behavior, we are offering customers more diverse models of product sales, including: <ul style="list-style-type: none"> ● Digital product services

Project	Contents	Successfully Developed Technologies and Results
		<ul style="list-style-type: none"> ● Electronic tickets
	Optimization of Periodic Subscription Service	<p>Optimize the subscription product by providing members with the service of periodic payment deduction for ordering, reducing breakpoints, enhancing sales, and optimizing the following functions:</p> <ul style="list-style-type: none"> ● Periodic Subscription orders, payment, and delivery logistics.
	Product Reviews	<p>Added product review features:</p> <ul style="list-style-type: none"> ● Customers can rate and review products they have purchased, using star ratings and comments. ● Improved product page conversion rates and SEO performance.
	Multi-level Product Categorization	<p>To cater to the increasing number of products for channel customers, we have expanded the structure of the menu to accommodate different classification needs. This includes multi-level product categorization to meet the various needs of customers.</p>
	Launched the "Food & Beverage Template"	<p>To cater to the expanding market and the trend of the food and beverage industry transitioning into e-commerce and OMO, we have launched a new template page specifically designed for restaurant owners. This template is tailored to meet the unique needs of the food and beverage industry and includes seamless integration with inline reservation system.</p>
	Multilingual Content Management	<p>We will introduce a new independent translation tool that allows customers to quickly and easily update large amounts of content in multiple languages when adding new products or languages. The tool includes the following features:</p>

Project	Contents	Successfully Developed Technologies and Results
		<ul style="list-style-type: none"> ● Collecting and organizing translation content from various functions, allowing customers to manage multiple pieces of content within a single function and compile them into different languages to accelerate cross-border operations. ● Accelerating language development speed: the user interface no longer requires an additional content multi-language maintenance interface, which can shorten the development time of new functions with multi-language content.
	Launched LINE Registration and Login	To respond to the increasing use of LINE, we will be adding LINE registration and login functionality to provide customers with a quick and easy way to register and log in through LINE.
	Added "NFT Service Background"	In response to the market and technological trends, customers can issue their own NFTs, and members can link their personal virtual currency wallets within the app to view their current holdings of NFTs. Customers can also empower members who hold NFTs.
Upgraded Marketing Cloud	Personalized Marketing	<p>Customers can set conditions for their contact list and automate the sending of marketing notifications periodically, thus improving communication efficiency and conversion. The product features are as follows:</p> <ul style="list-style-type: none"> ● Supports multiple channels for sending notifications (in-app push notifications/SMS/LINE/Email). ● Provides high-converting condition templates for customers to activate with one click. ● Offers multiple customizable conditions for customers to create their own communication conditions.

Project	Contents	Successfully Developed Technologies and Results
	Upgraded Member Gift Function	<p>Membership rewards program upgraded to provide more flexible mechanisms to meet the varying needs of consumers at different stages of their membership journey, ultimately boosting loyalty. The following features are included:</p> <ul style="list-style-type: none"> ● New member reward discounts ● Flexible date and time settings for reward distribution. ● Addition of notification message variables for distribution. ● Implementation of a mechanism for rewards to be re-issued.
	Precise Optimization of Advertising Conversion	Affected by privacy-related policies, through marketing cloud products, track and analyze effective audiences, and accurately improve the effectiveness of advertising on Google, Meta, etc.

5.1.4 Long-term and Short-Term Business Development Plan

1. Short-Term Development Plan

- (1) Actively continue assisting clients to increase the penetration rate of e-Commerce
- 91APP is on the track of rapid growth, with several hundred product and related engineering teams. We have become the largest SaaS cloud software service provider in Asia. The software cloud solutions provided by brick-and-mortar retail brands such as D2C (Direct-to-Consumer), whether in terms of technical specifications, functional integrity, availability, reliability, or information security level, are in a leading position in the industry. We are one of the very few service providers that can meet the enterprise-level needs of medium and large retail brands and channels.

91APP's key operational strategy is to emphasize brick-and-mortar retailers as the core, focusing on large-scale brick-and-mortar brands and channels as target clients. From product marketing to business end, it is planned and deployed with the core of improving the e-commerce penetration rate and performance of large enterprise-level clients from their product, marketing, and sales. 91APP took the lead in advocating the "Offline-merge-Online" (OMO) operation model and will concentrate resources on large-scale clients to assist brick-and-mortar retailers in OMO integration operations to achieve digital transformation. The products and services have been recognized by many large enterprise-level clients and have demonstrated specific operational results. This

development trend is obvious, and 91APP has unique advantages, which will be the focus of business development in the future.

(2) Two major unique solutions to create huge synergies: “Commerce Solution” & “Marketing Solution”

In addition to providing a “commerce solution”, 91APP is expected to officially launch a “Marketing Solution”, which comes with products and services. 91APP is different from traditional system service providers who continue to adjust and modify business models after new products are launched. The Company has entered the POC (Proof of Concept) test in the last quarter of 2022 and has cooperated with several large enterprise-level clients for testing the product together to adjust the product functions before the product is officially launched. In addition, since brand clients may not have professional talents or resources to operate the "Marketing Cloud", including CRM, CDP (Customer Data Platform), DMP (Data Management Platform), and the operation, analysis, and application of various intelligent models, the Company will also provide clients with "omni-media outsourcing service". This will provide assistance to brand clients in operating marketing cloud products to improve the accuracy of advertising, reach potential consumers, increase the number of members and improve the sales performance.

The Company offers two solutions that help clients generate orders from the commerce solution and accumulate first-party data for the marketing solution, which can be linked with third-party data for in-depth analysis. Through our marketing solution, we can precisely target advertisements and drive more traffic to the commerce solution, generating new revenue and creating a sales cycle that produces tremendous synergies.

(3) Expanding the client sectors from the retail industry to the food & beverage industry

The Company will successfully introduce the OMO methodology, which integrates offline-merge-online elements, that has assisted the retail industry in its digital transformation, into the food and beverage industry. This will enable food and beverage brands, which have so far been unable to effectively integrate membership data and applications across omni-channel, to accelerate their digital transformation and establish first-party data. Through the use of food and beverage e-commerce and OMO integration strategies, we can effectively manage data and achieve operational efficiency across all channels. 91APP will assist food and beverage brands in establishing a "member traffic pool" and "data monetization capabilities" to achieve effective integration of membership management across omni-channel, meeting the urgent needs of large-scale food and beverage companies, accelerating the development of digital capabilities, improving online and in-store restaurant consumption effectiveness and conversion rates, and creating new dining experiences and driving new revenue growth.

2. Long-Term Development Plan

(1) Implement Sustainable Development and Cultivate More Domestic Software

Professionals

The company's greatest asset is its cooperative team composed of outstanding talented individuals. The cultivation of talent takes time and cannot be done overnight. In the long term, the company will actively lead and support software training courses and activities. This is to help with the development of talent in the domestic software industry. In addition, the company pays attention to the development of high-potential talents, and with the company's business expansion and growth, assigns different responsibilities to cultivate middle and high-level managers needed for sustainable operation. Additionally, to implement corporate governance and sustainable development, the Company discloses information transparently and completely, enhances the corporate image, and safeguards shareholder rights and interests.

(2) Step Outside the Retail Market

The company continues to deepen its SaaS software and technology. In addition to being used in the brick-and-mortar retail industry, the company plans to expand into other industries in the future. In this way, more brick-and-mortar retail brands can combine online power, develop more consumer sources, improve performance, and allow brick-and-mortar retail brands to prosper during these difficult times with the current state of the epidemic; where our clients can maintain and create new opportunities for potential sales performance. 91APP's SaaS software and technology will become the standard core technology and priority for all transactions.

(3) Overseas Market Expansion Layout

In order to accelerate the exploration of business opportunities and market layouts in other regions of Asia, the Company has established an investment company in Malaysia, with a subsidiary in Hong Kong. Operations are already underway. In the future, our plan is to use the Company's mature software architecture and technology to form alliances with overseas and local strategic partners who have in place substantial business resources and service capabilities, to quickly and effectively start landing operations and market development.

When entering new overseas markets, our strategy is to directly target local, relatively large and medium-sized retail brands. With a focus upon advanced OMO methodology, bolstering retail in both the Offline-Merge-Online as the main entry point, pointing towards market segmentation, differentiating the market from local entry-level Brand.com e-Commerce platform operators.

(4) Realized Economic Scale Steadily and Improve Profitability

91APP's subscription plans of SaaS software cloud to provide large enterprise-level brick-and mortar retail brands and channels to effectively use the Company's two major

software cloud products and to increase the e-Commerce penetration rate. Under the development of long-term trends, the GMV scale of e-Commerce transactions created by brick-and-mortar retailers will gradually increase with the D2C digital transformation, and the acceleration of the penetration rate of Offline-Merge-Online (OMO) integration. The Company's revenue scale will also increase accordingly in order to realize economies of scale and steadily improve long-term profitability.

5.2 Market and Sales Overview

5.2.1 Market analysis

1. Sales (Services) Regions

For the most recent two years, the company's performance, and sales market are dominated by Taiwan and Hong Kong in Asia. The sales ratios for the most recent two years are presented in the following table:

Unit: NT\$ thousands; %

Region \ Year	2021		2022	
	Amount	%	Amount	%
Taiwan	1,058,251	96.12	1,200,076	95.03
Hong Kong	42,675	3.88	62,764	4.97
Total	1,100,926	100.00	1,262,840	100.00

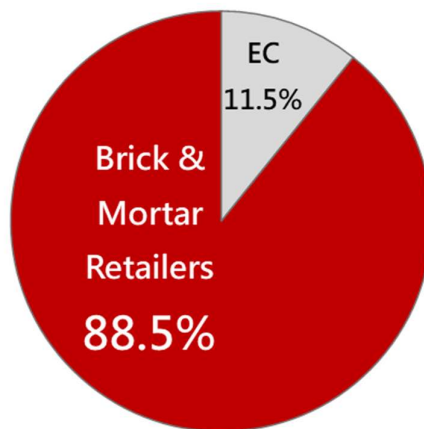
2. Market share

The Company observes the evolving developments in domestic and foreign retail e-commerce industry, including the United States, Europe, Japan, China, Southeast Asia, and other countries. There are three significant trends: from the early C2C (Consumer-to-Consumer) to the current B2C (Consumer-to-Consumer) and the future D2C (Direct-to-Consumer). Only countries with a mature and large-scale retail industry could evolve from B2C to D2C.

According to the 2022 retail and e-commerce statistics released by the Statistics Division of the Ministry of Economic Affairs, the retail market in Taiwan generated sales of about NT\$4.3 trillion, of which 88.5% comes from brick-and-mortar channels and only 11.5% comes from e-Commerce. The company has observed that if brick-and-mortar retail brands start to develop D2C e-commerce, their sales performance will grow significantly. According to the company's observation of the current composition of client revenue, the best profit model for the business model of brick-and-mortar retail brands should be that approximately 30%~50% of sales come from e-Commerce and integrate with offline physical channels. The retail brands need to be digitized and e-commerce to complete the D2C target. We could estimate that 30% of the 90% of the physical retail market size should be

the D2C market, with a size of about NT\$1.14 trillion. 91APP focuses on this large D2C market and provides enterprise-level B2B services for large-scale retail brands and channels. Among them, OMO (Offline-Merge-Online) is the most effective way to develop D2C, assisting retail brands and channels in digital transformation and integration, to achieve the goal of 97 D2C, and promote the substantial growth of the omni-channel performance of brick-and-mortar retail. We can compare the development of the retail industry to the development of the Internet in the 2000s; people aimed to develop mobile devices, and now mobile devices are standard equipment for the Internet. Similarly, now people see that D2C is the third wave in the evolvement of the retail industry, and the D2C opportunity is undoubtedly going to be huge in the future.

2022 Taiwan Retail Market Size NT\$4.3 trillion



Source: Department of Statistics, Ministry of Economic Affairs, R.O.C.

Market Analysis Chart

	Brand	Channel
Brick & Mortar Retailers	<p>2</p> <p>Brick & Mortar Brand (e.g.: Timberland, The North Face, Dickies, VANS)</p>	<p>1</p> <p>Brick & Mortar Channel (e.g.: FamilyMart, COSMED, POYA, Show Ba)</p>
EC	<p>3</p> <p>Pure Online Brand (e.g.: Qmomo, Lativ)</p>	<p>4</p> <p>EC Platform (e.g.: momo, Pchome)</p>

Source: 91APP

3. Future Outlook of Supply and Demand as Well as Growth Potential

(1) Analysis of Supply and Demand

From the perspective of demand, it is an inevitable trend for retail brands to attach importance to the development of e-Commerce. Simply relying upon third-party e-Commerce platforms can no longer fully meet the needs of retail brands for omni-channel marketing and deepening membership operations. Therefore, D2C (Direct-to-Consumer) has very rapidly become a standard in new business models in the Asia-Pacific region, a region that demonstrates a strong rise in the growth of demand. As a result, more and more retail brands have begun to focus on membership management, operating their official Brand.com website and official e-Commerce APPs. Some retail brands have even further promoted the integration of the retail OMO model.

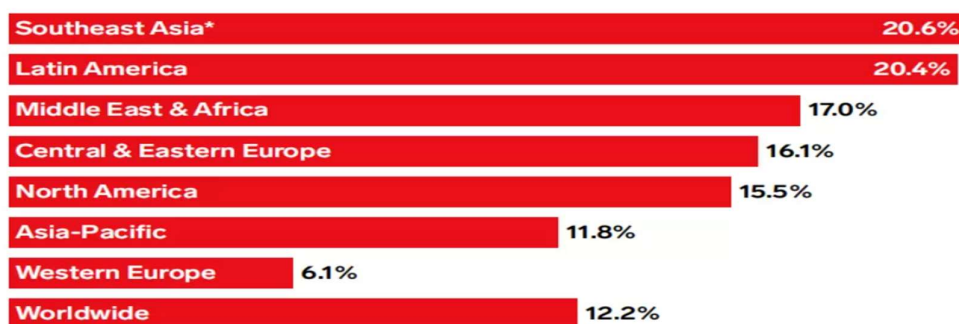
On the supply side, in addition to the self-contained Internet system in China, other international and domestic retail cloud software service providers have also been actively growing in the past few years. However, unlike 91APP, there are very few cross-regional players with an equivalent scale and stable profitable model. Those that meet the competition threshold continue to grow rapidly. Those who do not meet the threshold may be in danger of being marginalized. The most successful one is the well-known Shopify, based in North America. It has successfully expanded into many markets, but is still more suitable for small and medium-sized retail brands. It lacks the entire comprehensive advanced functions required for medium and large-scale brick-and-mortar retail brands, and the localized gold logistics mechanism.

In addition, it is limited by the gradual withdrawal of third-party cookies. The effectiveness of brand advertising has been decreasing year by year. Therefore, the demand for the collection and application of first-party and third-party data has become more urgent, leading to the rise of CDP and DMP in Taiwan. However, although the common CDP companies in the market have the technology, they still need the first-party data of the brands to conduct analysis. For example, 91APP is generally a service provider that has assisted clients in accumulating a large amount of first-party data. In the market, it is rare to have the retail providers also do system localization at the same time, and have both retail e-Commerce know-how and third-party outsourcing/omni-channel outsourcing operation service capabilities. The demand for digital transformation is especially prevalent in medium and large retail enterprises. Coupled with the stimulus of the epidemic, the growth rate of demand should be greater than that of supply.

(2) Growth Analysis

According to the eMarketer report in January 2022, global retail e-Commerce sales grew by 12.2% in 2022, and the growth rate of the Asia-Pacific region was 11.8%, reaching US\$3.0 trillion. It is still the leader in e-Commerce. e-Commerce sales are estimated to account for 60.0% of the global market.

Retail Ecommerce Sales Growth Worldwide, by Region, 2022 % change



*Note: includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, gambling and other vice good sales; *Southeast Asia is a subset of Asia-Pacific and the Southeast Asia figures are also included in the Asia-Pacific totals*
Source: eMarketer, Jan 2022

Source: eMarketer · January, 2022

With the global growth of e-Commerce, the information software service industry, which is in the midstream of the industry, is gradually upgrading from traditional master-slave architecture to a cloud architecture. This has just begun in Asia. The new SaaS subscription system has gradually replaced the past ad-hoc method of charging. These changes in the mainstream trends of the software industry coincide with our company's target market and operation model, and we are very optimistic of future growth potential!

4. Competitive Niche

(1) 91APP is 100% independent research and development and has developed a high-tech entry barrier over a long period of time.

The company has several hundred product and technical engineering-related personnel and continues to invest in recruiting more excellent software engineering talent every year. With the addition of other professional functional teams who work with 91APP, our team is comprised of about over 500 people. We have the largest team, working on the independent development and operation of the SaaS software cloud in Taiwan. All core systems are developed internally from scratch. A number of important patents have been obtained, including the patented APP Generator (APP Generator), key technology which can quickly generate thousands of independent e-Commerce APPs.

(2) Two Major Solutions Can Flexibly be Superimposed and Integrated

The two major solutions developed by the Company for retail are the "Commerce Solution" and the "Marketing Solution." We have adopted a new generation of cloud computing technology architecture, using the latest artificial intelligence (AI) and data intelligence tools. Importantly, we can also boast that we've taken into consideration practical application scenarios, operational processes, and management priorities of retail businesses in our system design. This is rare.

The two software clouds "Commerce Cloud" & "Marketing Cloud" are independently developed by the Group's internal product R&D team. Retail brands can use the "Commerce Cloud" for processing e-Commerce transactions alone, or they can flexibly choose to use the intelligent data analysis of the "Marketing Cloud" on the basis of the Commerce Cloud; in order to obtain optimization suggestions for membership operations or marketing activities. After the "Commerce Cloud" adjusts the direction of execution, the results are quickly fed back to the "Marketing Cloud" for further analysis. Through continuous rapid data analysis, optimization, and adjustment, data can be used to effectively help improve operational results.

In addition, most software system providers or service providers only focus on the transaction of software sales. They tend not to concern themselves very much with after sales events and data analysis. These systems only provide the "tools" to retail brands without providing e-Commerce operational know-how. Nor do they provide the assistance of a team with practical experience. For those who are new to the e-Commerce field, it is very difficult to see positive results quickly. Unlike standard technical solution providers, 91APP not only has key software technical capabilities but also has tremendous experience in e-Commerce operations. This provides a one-stop for all resources and services which are required by retail brands. Coupled with the home field advantage of panoramic data, through data-driven e-Commerce service guidance, professional software can play a more significant role. We are a professional retail cloud service provider.

(3) An One-Stop Solution through Omni-Channel: Official Brand.com Website, Brand e-Commerce APP, Offline-Merge-Online (OMO), and Line.

91APP assists brand clients to connect all sales channels, establishing consumer traffic pools, to complete D2C achievement through an official e-Commerce APP for loyal customers, LINE for light regular consumers, an official brand.com website, or physical stores for attracting new consumers. Offline-Merge-Online (OMO) is a key industry trend that 91APP has first proposed in recent years. We also provide complete software solutions and practical supporting methods, which are especially important for the digital transformation of brick-and-mortar retailers. Among them, the official e-Commerce APP is an important tool for bridging physical and virtual channels. On the one hand, it

utilizes the advantages of long-term accumulation of consumer resources offline, and, on the other, it helps to guide the flow of people from virtual online to brick-and-mortar stores. In this manner, physical e-Commerce can finally be launched. Even more beneficial, this official e-Commerce APP is the most important "proprietary traffic pool" for retail brands in the era of high digital marketing traffic costs. It can gather a large number of loyal users without relying on other social media platforms, with almost zero cost associated with repeated communication with users. This also sets 91APP apart from others and has made 91APP a very difficult model to copy.

(4) The Power of Intelligent Data

The biggest difference between operating a traditional brick-and-mortar channel storefront and a virtual channel e-Commerce business lies in the collection and analysis of digital footprints and data. When the data of all online and offline channels are opened, 91APP is able to help brands get an informed glimpse of the panoramic data; including data on store operation transactions, membership, and campaigns, as well as user behavior of both online and offline channels. Then, it uses the latest big data and artificial intelligence (AI) tools to analyze and extract business intelligence to help retail brands use real data as the basis for real-time business decisions.

5. Opportunities, Challenges, and Countermeasures of Development Prospects

(1) Favorable Factors

A. Market Level

The retail market is already fiercely competitive. In the face of the impact of e-Commerce, many retail brands are actively deploying D2C (Direct-to-Consumer) brand-owned e-Commerce, or new-type integration of OMO operations in order to survive and to further expand business opportunities. The retail industry is already undergoing a process of transformation and upgrade. The epidemic has accelerated this development. 91APP is in an excellent position and has the right resources and capabilities to assist retail brands to complete digital transformation in order to create a win-win situation.

B. Technology and Know-how

The two major solutions of 91APP continue to evolve, and the accumulation of technical energy has been considerable. The self-developed "Commerce Solution", and "Marketing Solution" are providing a new weapon for intelligent integration and collaboration with retail brands in this fierce competition. With the continuous development and accumulation of advanced functions dedicated to the retail industry and the continuous deepening of system integration, the value and construction threshold for retail clients will continue to grow in the future.

In addition, the actual know-how of the retail industry and digital marketing is the key to the success or failure of development. However, it is the soft power most lacking in

the majority of ordinary pure technology companies. The 91APP team is familiar with e-Commerce operations, has long-term in-depth communication and cooperation with retail brands, has accumulated a large amount of retail know-how and related experience, and continues to integrate this into the software system so that technology and practical operations can be more deeply integrated and maximized.

C. Operational Level

Since its establishment in 2013, 91 APP has served tens of thousands of retail brands. In the Taiwan market alone, it has assisted retail brands to serve tens of million registered members (the same user (identified by the device) registered with different retail brands is regarded as a different member). Annual transaction volume has exceeded \$10 billion in Taiwan dollars. In addition to internal system mechanisms such as system integration of marketing diversion, omni-channel transaction system, sales growth consultant, customer service management, and in-house payment gateway, 91APP also features value-added services such as digital advertising, e-Commerce outsourcing/omni-media outsourcing operation, and operational data analysis. Aside from that, externally, dozens of cooperative service partners have formed alliances, including payment, logistics, technology partners, and collaborative value-added service providers. Economies of scale and sound finances are also gradually showing clear competitive advantages.

(2) Unfavorable Factors and Countermeasures

A. Price Competition

Most of the system service providers in the market which simply provide Brand.com websites have relatively low fees and relatively simple system functions. However, they easily attract small and medium-sized retail brands with high price sensitivity.

Suggested Countermeasures:

Such peers generally do not have service capabilities. These systems cannot provide official e-Commerce APP services, and there is no omni-channel marketing and membership management system. In addition, the advanced functions and OMO integration required by large retail brands are also lacking. Such entry-level systems are more suitable for general micro and small retailers. Compared with the two major solutions provided by 91APP, there is a huge gap in system integrity and functional depth. Coupled with fundamental differences in business models, once the usage of retail brands increases and the system cost rises sharply, service providers will be unable to invest resources. The system stability and service quality will certainly not be able to keep up with the level required by medium and large brand clients.

91APP has recently formed an alliance with and invested in EasyStore, a service provider specializing in such entry-level products and markets, for retailers who only

need a simple official Brand.com website. Through strategic investment and equity cooperation, 91APP has achieved a more complete product and market layout.

For medium and large enterprise-level brands and channels, from the consumer's point of view, 91APP's price and SaaS charging model are very favorable. In addition, we provide one-stop integrated products and services that would be less burdensome and more cost-effective to the brand clients in the long run when compared to foreign SaaS providers which require retail brands to pay upfront exorbitant fixed fees.

B. Talent Acquisition Speed

Although market opportunities are very promising, the speed and efficiency of execution still depend very much upon the cooperation of a good team. In particular, sourcing talented software technicians is still a regular challenge in Taiwan's job market.

Countermeasures:

91APP has been continuously striving to enhance the company's image and popularity by supporting technology-related community activities. It also uses various channels, such as the internal employee talent referral incentive mechanism and the assistance of high-level human intermediaries, to find and attract suitable talented individuals. It is hoped that the company can further enhance the popularity of 91APP and acquire high-quality talent more effectively and quickly after the expansion of its business scale and growth of popularity.

5.2.2 Production Procedures of Main Products

1. Important functions of the main products

Under the cloud computing technology architecture, the Company's main business is to self-develop and provide two major solutions: "Commerce Solution" & "Marketing Solution" and both solutions come with "cloud products" and "e-Commerce service or marketing services" required by retail brands.

2. Production processes

This is not applicable due to the Company is not a manufacturing.

5.2.3 Supply Status of Main Materials

This is not applicable due to the Company is not a manufacturing.

5.2.4 Major Suppliers and Clients

1. Major Suppliers in the Last Two Years

Unit: NT\$ Thousands; %

Item	2021				2022			
	Name	Amount	Percent (%)	Relation with Issuer	Name	Amount	Percent (%)	Relation with Issuer
1	Company A	39,199	63.64	None	Company A	16,809	22.55	None
2	Company B	4,216	6.84	None	Company B	40,500	54.33	None
	Others	18,176	29.52		Others	17,229	23.12	
	Total	61,591	100.00		Total	74,538	100.00	

2. Major Clients in the Last Two Years: The Company's sales to a single client account for less than 10% of the total, hence not applicable.

3. Explanation of Increase or Decrease: The mainly variation of purchasing amount is to change the major supplier.

5.2.5 Production in the Last Two Years

The Company did not perform statistics on product output by production activities and types of products, hence not applicable.

5.2.6 Sales Volume in the Last Two Years

Unit:NT\$ Thousands

Sales Volume	Year	2021				2022			
		Domestic Sales		Export Sales		Domestic Sales		Export Sales	
		Volume	Revenue	Volume	Revenue	Volume	Revenue	Volume	Revenue
Sales		-	1,058,251	-	42,675	-	1,200,076	-	62,764
Total		-	1,058,251	-	42,675	-	1,200,076	-	62,764

Note: The Company's main business is to provide OMO (Offline-Merge-Online) retail software cloud services. We are in the business of exclusively developing the highly integrated "Commerce Solution" and "Marketing Solution", so the sales volume cannot be counted.

5.3 Human Resources

Unit: Person; Year

Year		2021	2022	2023/01/01~2023/04/28
Number of Employees	Direct Employees	193	340	346
	Indirect Employees	288	202	197
	Total	481	542	543
Average Age		33.00	33.50	34.1
Average Years of Service		2.60	3.07	3.2
Education Level	Ph.D.	0.00%	0.00%	0.00%
	Master's	24.89%	25.25%	25.60%
	College	73.30%	73.16%	71.63%
	High School	1.81%	1.59%	2.77%
	Below High School	0.00%	0.00%	0.00%

5.4 Environmental Protection Expenditure

The Company suffered losses due to environmental pollution which including compensation and environmental protection audit results being in violation of environmental protection laws and regulations. The company should list the date of disciplinary action, disciplinary action no., laws and regulations violated, content of the laws and regulations violated, and content of the disciplinary action shall be listed. In addition, the company must write the current and future possible amount and corresponding measures. If it really cannot be reasonably estimated, the company should be explained: None.

5.5 Employee Relations

5.5.1 The Company's various employee welfare measures, further education, training, retirement systems, and their implementation status, as well as labor-management agreements and measures to protect rights and interests of employees

1. Friendly environment

- (1) 91APP upholds the principle of providing overall competitive compensation in the market, and employee salaries are determined by their professional experience, internal salary fairness, market conditions, and performance. There is no gender, racial, marital, familial, religious, or political discrimination, and all salaries comply with relevant laws and regulations regarding wages and working hours (including overtime). To implement the philosophy of profit-sharing, the Company will consider the operational status, market condition, and individual performance as the basis for salary adjustments and bonus payments.
- (2) The Company is committed to achieving gender equality in the workplace, providing equal rewards and promotion opportunities. As of December 31, 2022, female employees accounted for 59% of the total workforce and 47% of management positions.

- (3) The Company provides a friendly workplace and useful resources for employees, and also pays attention to maternal health care. In addition to setting up lactation rooms and providing occupational health care and education, the Company also has on-site doctors who provide pregnancy protection assessments and consultations. Furthermore, employees or their spouses are entitled to maternity benefits and childcare subsidies.
- (4) In addition to government labor and health insurance and monthly contributions to employee pension plans, the Company also provides free group insurance for all 91APP employees to ensure their work and life safety.

2. Employee welfare measures

- (1) To enhance each employee's commitment to work and achieve work-life balance, the Company continues to take care of the physical and psychological health, relieve their stress, and create a friendly environment. In addition to hiring full-time nursing personnel, the Company monitors employees' health and provide them with preliminary medical consultation services. The Company also has an Employee Welfare Committee to implement various benefit measures.

The various benefits are as follows:

- A. Four days of annual paid leave for new employees on the first day of work.
- B. Flexible working hour system.
- C. Provide subsidies for education and training courses according to the respective needs of various job functions.
- D. The Company provides funds for team dinners and team-building activities.
- E. The Company provides holiday bonuses for Lunar Chinese New Year, Dragon Boat Festival, and Mid-Autumn festivals, subsidies for weddings and funerals, as well as allowances for childbirth and childcare subsidies.
- F. Health care
 - a. Regular free health checks and flu vaccination.
 - b. The Company hires professional nurses to provide health information, consultation, medical referral, and emergency care.
 - c. The Company collaborates with occupational medical professionals to organize seminars and provide health consultations to strengthen employees' health awareness.
- G. Subsidy for employees' club activities (such mountaineering, squash, jogging, yoga, badminton, dance, table tennis, TRX, and rock climbing clubs). The Company subsidizes funds to hire professional coaches or organize activities to encourage employees to exercise.

3. Employee development

Every year, through performance evaluation, supervisors will jointly review employees' past performance with the employee, provide effective feedback and communication, and set goals for the future. In addition to cultivating and retaining high-performing key talents, the Company also discusses improvement plans with employees who have not met performance expectations. The results of performance evaluations are used as a reference for subsequent promotions, training and development, and employee rewards. The Company encourages employees to continue to demonstrate excellent performance.

91APP offers a variety of learning resources, such as onboarding training, potential coaching courses, job-specific or professional training, and management training for supervisors at all levels, to help unleash employees' potential and enhance their professional skills, so that every employee can expand their skills and knowledge and improve their work efficiency.

4. Retirement system and its implementation status

The Company's pension policy complies with local laws and regulations. A brief explanation of the pension policy in Taiwan is as follows:

(1) For employees who are subject to the "Labor Pension Act (New Scheme)", the Company will allocate 6% of the employee's monthly salary to the employee's pension account, which is in accordance with the "Monthly Contribution Classification of Labor Pension" issued by the Bureau of Labor Insurance. Employees can also voluntarily contribute within the 6% range of their monthly salary based on their wishes to their pension.

(2) For foreign employees who are covered by the Labor Standards Act (Old Scheme), the Company will allocate 2% of their monthly salary into a pension reserve account to ensure that it cannot be seized, transferred, pledged, or offset.

5. The agreements between labor and management and various measures to protect employees' rights and interests

The Company attaches great importance to employees' rights and interests, and all regulations are governed by the Labor Standards Act. The Company attaches great importance to employees' opinions. In addition to holding regular labor-management meetings, the Company adopts a two-way and open manner to communicate with employees to ensure that changes in the Company's operations and major decisions are duly communicated to employees, so that they have the right to stay informed and express their opinions. The Company has developed a corporate culture with open communication and smooth internal communication channels to maintain a positive and harmonious labor-management relations.

5.5.2 Explain any losses incurred due to labor disputes in the last year and the date prior of this report was printed, and disclose estimated amounts that may occur at present and in the future, as well as countermeasures for such; if they cannot be reasonably estimated, an explanation must be made as to the fact that they cannot be reasonably estimated: : None.

5.6 Information and Communication Security Management

5.6.1 The information and communication security risk management framework, the information and communication security policy, the specific management program, and the resources invested in the information and communication security management should be stated:

1. The information and communication security risk management framework

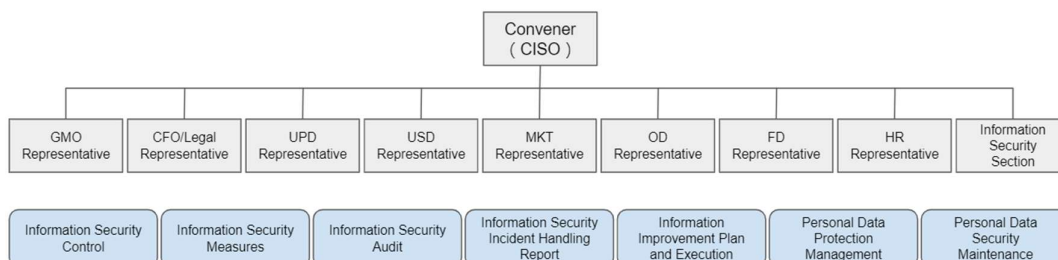
(1) Information security governance organization

The General Manager designated the head of the Product Development Division as the convener and formed the Information Security Committee, composed of the heads of various departments or their designated representatives, in 2016 as per the 91APP Information Security Policy. It is responsible for all information security management and control, formulation of regulations, internal audits, information security incident handling and reporting, and improvement plan execution. The Information Security Committee is also the Company's unit of managing personal data and is responsible for formulating personal data protection management policies and security maintenance plans and other rules.

The Company also has a dedicated information security team in place, composed of a dedicated information security supervisor and two dedicated information security personnel, with GIAC Penetration Tester (GPEN), EC Security Analyst (ECSA), Certified Ethical Hacker (CEH), CompTIA Security+, and other professional licenses. In 2022, 91APP appointed Lin, Ta-Wei, Senior Vice President of the Joint Product Development Division, as the Chief Information Security Officer of 91APP to coordinate R&D, legal affairs, and auditing units for the formulation and execution of information security and protection-related policies, risk management, and compliance audits. This dedicated unit regularly reports on the effectiveness of information security management, information security-related issues and strategies to the Board of Directors.

(2) 91APP Information Security Committee structure

At present, the Company's Chief Information Security Officer serves as the convener of the Information Security Committee and the supervisors of various departments serve as members, who form the Information Security Committee with the information security personnel from the information security team.



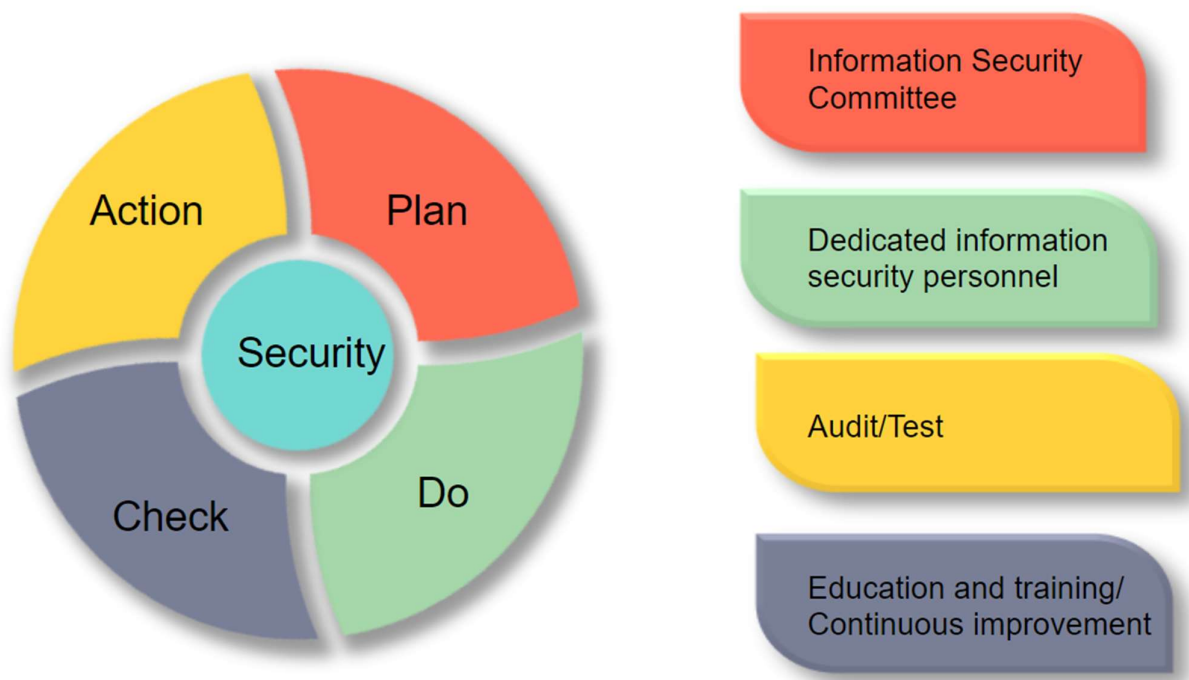
2. Information and communication security policy

(1) Corporate information security management strategy and structure

In terms of the internal control system of personal data protection and information security, the Company has formulated the Computerized Information Circulation - Information and Communication Security Inspection Control, and the 91APP Information Security Management Regulations and established relevant information security policies in the former, while setting out rules of system permissions, device security, personal data, information security events in the latter.

The information security team compiles the weekly internal and external information security situations and reports and implements information security tasks and improvements through regular meetings. If there is a major project, the information security supervisor reports to the President at weekly meetings and executes tasks in collaboration with the supervisors at the departmental level.

In addition, according to the spirit of ISO PDCA, the Information Security Committee discusses and executes information security projects and tasks and continues to track progress and effectiveness to achieve the goal of continuous improvement.



Planning stage: The information security team refers to ISO27001 and Service Organization Control 2 (SOC 2) (American Institute of Certified Public Accountants (AICPA) formulated the SOC, which is an review process that can ensure that service providers manage data securely and protect customers' interests and privacy) and works with the Product Development Architecture Department and the Infrastructure Service Department to set work objectives and develop key projects to ensure that 91APP's services meet the five assurance service criteria of security, availability, processing integrity, confidentiality, and privacy under the guidance of the Information Security Committee.

Do stage: Dedicated information security personnel work with relevant departments to jointly implement a complete defense mechanism, including defense in depth for services, office information security assurance, partners' information security assessment, clients' information security advice and protection recommendations to safeguard information security in a systematic manner.

Check stage: 91APP monitors the security of systems 24/7 and scans vulnerabilities on a regular basis, and we also entrust well-known information security providers in Taiwan to perform system penetration testing. In addition, we entrust Deloitte & Touche to conduct SOC 2 information security audits. We also hold internal email social engineering drills to strengthen personnel information security awareness.

Action stage: We continue to improve 91APP according to the results of the audit. We establish a project for the audit and penetration testing results for real-time tracking until completion. Furthermore, we will strengthen information security education, review it regularly, and continue improvements for them to be adopted at the planning stage.

(2) Corporate information security risk management and continuous improvement framework

As mentioned above, the risk management and continuous improvement framework is as follows:

Planning stage: Risk assessment and planning

- Compliance with the information security standards (ISO 27001, SOC 2, etc.)
- Risk assessment (information security information and audit results are combined)
- Countermeasure formulation and implementation plan development

Do stage: Defense in depth/Multi-faceted defense

- Office environment information security protection
- Partners' information security audit (supply chain information security)
- System information security enhancement
- Clients' information security assistance and advice

Check stage: Monitoring and evaluation of the effectiveness of information security management

- System security monitoring
- Regular vulnerability scanning
- Regular external penetration testing
- Internal audits
- External audit
- Information security education and training
- Social engineering drills
- Disaster recovery drills

3. Specific management programs

The specific management programs of 91APP information security for defense in depth/multi-faceted defense are as follows:

- Office environment information security protection
 - Network security
 - Adoption of next-generation firewalls to continuously protect against new threats.
 - Network segmenting to prevent unnecessary network connections.
 - Device security
 - Adoption of endpoint antivirus and EDR software to detect malware.
 - Enhanced endpoint management to eliminate unknown devices.
- Partners' information security protection (supply chain information security)
 - Network security
 - Establishment of an AAA mechanism to ensure security and auditability.
 - Regular information security audit
 - Establishment of common security standards for regular audit and requirement.
- System information security enhancement
 - Network security
 - Establishment of multi-layered network protection.
 - Establishment of a security monitoring and warning mechanism.
 - Establishment of anti-DDoS and other protection mechanisms.
 - Device security
 - Regular update of the operating system to ensure system security.
 - Application security
 - Establishment of a secure software development life cycle (SSDLC).
 - Continuous introduction of information security mechanisms for integration into the CI/CD process.
 - Enhanced security technology
 - Continuous development of common security mechanisms by the architecture team.
 - Enhanced data encryption and other security control mechanisms.
- Clients' information security assistance and advice
 - Network security
 - Establishment of a suspicious activity monitoring mechanism.
 - Sharing of information security information from time to time and information security joint defense with clients.
 - Overall security protection
 - Sharing of cases from time to time to increase clients' awareness of information security.

- Increase of information security service partners and recommendation of high-quality information security service providers to assist clients with information security defense.
- Inspection and continuous improvement
 - Regular penetration testing/Vulnerability scanning.
 - Regular information security education and training and tests.
 - Regular social engineering drills to increase overall personnel information security awareness.

4. Investment of resources in information and communication security management

Under the guidance of the Information Security Committee in 2022, the Company's information security team completed the tasks below with the assistance from various departments:

- Information security certification
 - Service Organization Control 2 audit (SOC2 audit)

In 2022, the Company appointed Ernst & Young to conduct a SOC2 audit and obtained a CPA-signed Unqualified SOC2 report, which demonstrates that 91APP continues to comply with the five Trust Services Criteria established by the American Institute of Certified Public Accountants for security, availability, processing integrity, confidentiality, and privacy.
 - Payment Card Industry Data Security Standard (PCIDSS) information security certification

In 2022, the Company obtained an updated certification of the PCIDSS certification, a security standard for the payment card industry. PCIDSS is a set of standards established by the Payment Card Industry Security Standards Council, with the aim of providing a unified global standard for ensuring the security of cardholder data.
 - Mobile Application Basic Security Label

In 2022, the Company obtained the "Mobile Application Basic Security Label" certified by the Mobile Application Security Alliance. 91APP's mobile application has passed L3 testing, which is the highest level of testing.
- Information security education and training and tests/Social engineering drills
 - Social engineering drills

In 2022, the Company began to officially implement social engineering drills twice a year and also established relevant penalties for violation.
 - General Information Security Training

For employees who failed the social engineering exercises in 2022, the Company also provided targeted information security education and training in addition to the annual information security training to strengthen their awareness of information security.

- Secure Software Development Life Cycle (SSDLC) development team information security training.

The Company conducted SSDLC (Secure Software Development Life Cycle) training specifically for software developers in 2022 to increase their awareness of security in every stage of the software development process, in addition to the general information security education and training provided to all employees.

- Partners' information security assessment

- The Company has conducted a total of 5 partner information security assessments.

- Vulnerability scans

- The Company continually conducts regular and ad-hoc vulnerability scans on the services it provides using professional tools and teams to ensure basic information security protection.

- Penetration testing

- In 2022, the Company conducted a total of 5 external penetration tests, using external professional security firms to continuously assess and strengthen its information security defenses.

- Red Team Assessment

- Due to the growing challenges in information security, the Company hired DevCore, a well-known domestic information security firm, to carry out a thorough red team assessment that goes beyond typical penetration testing in 2022. "Red team assessment" is a simulation of a targeted cyberattack against an enterprise, using all available means to execute the attack from various entry points.

- Information security notification

- The Company continuously strengthens its security monitoring. During 2022, the Company detected over a hundred suspicious events and alerted customers for confirmation.

5.6.2 The Company pays close attention to the material information on security information in the industry in real time and monitors our own information security. In addition, we took the initiative to establish an around-the-clock abnormal activity monitoring mechanism in the platform system. Once a potential abnormal situation occurs, we can immediately receive a warning and notify our clients. In the most recent year and up to the publication date of the annual report, no major information security incident has occurred to 91APP, and the Company will continue to monitor it.

5.7 Major Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Acquisition Agreement	Lai Man, Wong Chun Yu Edmund	This agreement was signed on 2019/10/17	Subscription for new shares of 91APP HK Limited.	None
Acquisition Agreement	EasyStore Commerce Sdn. Bhd.	This agreement was signed on 2020/11/13.	Subscription for new shares of EasyStore Commerce Sdn. Bhd.	None
Acquisition Agreement	Jinghong Inc.	This agreement was signed on 2019/09/30.	Subscription for shares of Jinghong Inc.	None
Lease Agreement	Chien, Tsui-Yun	2020/08/01-2022/07/31	Office lease (1F., No. 5, Sec. 7, Civic Blvd., Nangang Dist., Taipei City)	None
Lease Agreement	LEAD YEAR ENTERPRISE CO., LTD.	2022/07/01-2024/06/30	Office lease (6F-1., No. 3, and 6F 5-1., No. 5, Ln. 768, Sec. 4, Bade Rd., Nangang Dist., Taipei City)	None
Lease Agreement	LEAD YEAR ENTERPRISE CO., LTD.	2021/04/01-2025/03/31	Office lease (6F., No. 5, Ln. 768, Sec. 4, Bade Rd., Nangang Dist., Taipei City)	None
Lease Agreement	LEAD YEAR ENTERPRISE CO., LTD.	2021/11/01-2023/10/31	Office lease (6F-1., No. 9, Ln. 768, Sec. 4, Bade Rd., Nangang Dist., Taipei City)	None
Lease Agreement	Anjia Enterprise Management Consulting Co., Ltd.	2019/10/01-2025/09/30	Office lease (3F-1., No. 5, Ln. 768, Sec. 4, Bade Rd., Nangang Dist., Taipei City)	None
Lease Agreement	Taige enterprise co., ltd.	2021/04/01-2025/03/31	Office lease (6F., No. 3, Ln. 768, Sec. 4, Bade Rd., Nangang Dist., Taipei City)	None
Lease Agreement	Chiu, Shu-Ling	2021/04/01-2024/03/31	Office lease (3F., No. 5, Ln. 768, Sec. 4, Bade Rd., Nangang Dist., Taipei City)	None
Lease Agreement	Li, Hui-Hsien, Li, Jen-Lin, Li, Jen-Han	2021/02/01-2026/01/31	Office lease (3F., No. 3, Ln. 768, Sec. 4, Bade Rd., Nangang Dist., Taipei City)	None
Lease Agreement	Chou, Ping	2021/07/10-2024/07/09	Office lease (3F-1., No. 3, Ln. 768, Sec. 4, Bade Rd., Nangang Dist., Taipei City)	None
Lease Agreement	Tsai, Hsiu-Chin	2021/02/01-2026/01/31	Office lease (3F., No. 9, Ln. 768, Sec. 4, Bade Rd., Nangang Dist., Taipei City)	None
Credit Card authorized store Cooperation Agreement	National Credit Card Center of R.O.C.	2016/06/02 to expiry day	Credit Card business cooperation	None

6. Financial Highlights

6.1 Five-Year Financial Summary

6.1.1 Condensed Balance Sheet

1. Consolidated Condensed Balance Sheet – Based on IFRS

Unit: NT\$ thousands

Item		Year	Financial Summary for the Last Five Years (Note 1)				
			2018	2019	2020	2021	2022
Current Assets			1,560,810	1,371,115	1,692,167	3,891,077	3,612,115
Property, Plant and Equipment			18,970	17,895	15,642	24,829	31,566
Intangible Assets			3,711	6,688	3,055	2,969	6,294
Other Assets			8,090	51,116	108,389	272,973	290,497
Total Assets			1,591,581	1,446,814	1,819,253	4,191,848	3,943,472
Current Liabilities	Before Distribution		1,024,821	780,370	955,983	1,760,667	1,406,266
	After Distribution		1,024,821	780,370	955,983	1,760,667	-(Note 2)
Non-Current Liabilities			3,958	5,684	8,776	19,243	27,659
Total Liabilities	Before Distribution		1,028,779	786,054	964,759	1,779,910	1,433,925
	After Distribution		1,028,779	786,054	964,759	1,779,910	-(Note 2)
Equity Attributable to Shareholders of the Parent			562,802	656,765	849,708	2,407,085	2,503,321
Capital Stock			32,270	535,900	535,900	602,890	602,890
Capital Surplus			570,432	4,479	9,113	1,221,152	1,223,378
Retained Earnings	Before Distribution		(62,323)	102,962	309,167	607,576	857,741
	After Distribution		(62,323)	102,962	309,167	607,576	-(Note 2)
Other Equity Interest			22,423	13,424	(4,472)	(24,533)	124,948
Treasury Stock			-	-	-	-	(335,477)
Non-Controlling Interest			-	3,995	4,786	4,853	6,226
Total Equity	Before Distribution		562,802	660,760	854,494	2,411,938	2,509,547
	After Distribution		562,802	660,760	854,494	2,411,938	-(Note 2)

Note 1: All financial data have been duly audited by CPA.

Note 2: The distribution amount for the 2022 earnings has not to be approved at the annual shareholders meeting yet.

2. Consolidated Condensed Statement of Comprehensive Income – Based on IFRS

Unit: NT\$ thousands

Item	Year	Financial Summary for the Last Five Years (Note)				
		2018	2019	2020	2021	2022
Operating Revenue		531,445	669,222	875,213	1,100,926	1,262,840
Gross Profit		359,023	447,524	635,889	830,446	948,334
Income from Operations		55,359	114,948	243,729	368,051	410,560
Non-operating Income and Expenses		14,000	13,960	10,541	5,894	15,796
Income Before Income Tax		69,359	128,908	254,270	373,945	426,356
Income from Continuing Operations Before Tax		73,828	102,815	207,221	298,642	338,695
Income from Discontinued Operations		-	-	-	-	-
Net Income		73,828	102,815	207,221	298,642	338,695
Other Comprehensive Income for the Year (Profit After Tax)		14,981	(8,999)	(18,121)	(20,227)	150,042
Total Comprehensive Income for the Year		88,809	93,816	189,100	278,415	488,737
Net Income Attributable to Owners of the Parent		73,828	103,059	206,205	298,409	337,883
Net Income Attributable to Non-Controlling Interest		-	(244)	1,016	233	812
Comprehensive Income Attributable to Shareholders of the Parent		88,809	94,060	188,309	278,348	487,364
Comprehensive Income Attributable to Non-Controlling Interest		-	(244)	791	67	1,373
Earnings Per Share		0.93	0.96	1.92	2.58	2.83

Note: All financial data have been duly audited by CPA.

6.1.2 Auditors' Opinions for the Last Five Years

Year	Accounting Firm	CPA	Audit Opinion
2018	Deloitte & Touche	Lin, Yi-Hui 、 Su, Yu-Hsiu	Unqualified opinion
2019	Deloitte & Touche	Lin, Yi-Hui 、 Su, Yu-Hsiu	Unqualified opinion
2020	Deloitte & Touche	Lin, Yi-Hui 、 Su, Yu-Hsiu	Unqualified opinion
2021	Deloitte & Touche	Lin, Yi-Hui 、 Tseng, Chien-Ming	Unqualified opinion
2022	Deloitte & Touche	Tseng, Chien-Ming 、 Wang, Pan-Fa	Unqualified opinion

6.2 Five-Year Financial Analysis

Item		Year	Financial Analysis for the Last Five Years				
		2018	2019	2020	2021	2022	
Financial Structure (%)	Debt Ratio	64.64	54.33	53.03	42.46	36.36	
	Ratio of Long-Term Capital to Property, Plant and Equipment	2,987.66	3,724.19	5,518.92	9,791.70	8,037.78	
Solvency (%)	Current Ratio	152.30	175.70	177.01	221.00	256.86	
	Quick Ratio	151.90	174.98	176.49	220.46	255.77	
	Interest Earned Ratio (Times)	69,360.00	337.57	390.98	1,290.47	950.57	
Operating Performance	Accounts Receivable Turnover (Times)	47.61	30.37	25.11	23.01	19.26	
	Average Collection Period	8	12	15	16	19	
	Inventory Turnover (Times)	Note2	Note2	Note2	Note2	Note2	
	Accounts Payable Turnover (Times)	Note2	Note2	Note2	Note2	Note2	
	Average Days in Sales	Note2	Note2	Note2	Note2	Note2	
	Property, Plant and Equipment Turnover (Times)	29.16	36.31	52.19	54.41	44.79	
	Total Assets Turnover (Times)	0.40	0.44	0.54	0.37	0.31	
Profitability	Return on Total Assets (%)	5.59	6.79	12.72	9.94	8.34	
	Return on Stockholders' Equity (%)	19.12	16.81	27.35	18.29	13.76	
	Pre-Tax Income to Paid-In Capital (%)	214.93	24.05	47.45	62.03	70.72	
	Profit Ratio (%)	13.89	15.36	23.68	27.13	26.82	
	Earnings Per Share (NT\$)	0.93	0.96	1.92	2.58	2.83	
Cash flow	Cash Flow Ratio (%)	19.80	(21.46)	39.97	(15.26)	41.32	
	Cash Flow Adequacy Ratio (%)	Note3	Note3	Note3	630.86	600.20	
	Cash Reinvestment Ratio (%)	34.39	(23.96)	42.25	(10.84)	20.19	
Leverage	Operating Leverage	1.17	1.17	1.08	1.06	1.09	
	Financial Leverage	1.00	1.00	1.00	1.00	1.00	

Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%):

- (1) Decrease in times interest earned: It is mainly attributable to the newly leased office, which increased the interest expenses recognized with the effective interest method for the lease liability, so the ratio was decreased.
- (2) Decrease in ROE: it is mainly attributable to the capital increase in cash in 2021, which increased the equity, and thus the average equity of 2022 became relatively higher, and the ratio was decreased.
- (3) Increase in the cash flow ratio and the cash reinvestment ratio: It is mainly attributable to the fact that the operation in 2022 continuously made profits, and payments under the collection and payment services were guaranteed in the form of trust since 2021 and were accounted for under "Other financial assets – restricted trust deposits", leading to net cash outflow from operating activities in 2021.

Note 1: All financial data have been duly audited by CPA.

Note 2: As the Company and our subsidiaries do not have any inventory, we do not present it herein.

Note 3: There is no information regarding the net cash flow from the operating activities and capital expenditure, so no calculation is made.

Note 4: Ratio Calculation Instructions for Analysis Items:

1. Capital Structure

(1) Debt ratio = Total liabilities/Total assets

(2) Ratio of long-term capital to property, plant and equipment = (Total equity + Non-current liabilities)/Net worth of property, plant and equipment

2. Liquidity

(1) Current ratio = Current assets/Current liabilities

(2) Quick ratio = (Current assets-Inventory-Prepaid expenses)/Current liabilities

(3) Interest earned ratio = Income before income tax and interest expenses/Interest expenses for the year

3. Operating Performance

- (1) Receivables (including accounts receivable and notes receivable arising from business operations) turnover = $\text{Net sales} / \text{average receivables (including accounts receivable and notes receivable arising from business operation)}$ for each period
- (2) Average collection period = $365 / \text{Receivables turnover}$
- (3) Inventory turnover = $\text{Cost of goods sold} / \text{Average inventory}$
- (4) Accounts payable (including accounts payable and notes payable arising from business operations) Turnover = $\text{Cost of goods sold} / \text{Average payables (including accounts payable and notes payable arising from business operations)}$ for each period
- (5) Average days in sales = $365 / \text{Inventory turnover}$
- (6) Property, plant and equipment turnover = $\text{Net sales} / \text{Average net worth of property, plant and equipment}$
- (7) Total asset turnover = $\text{Net sales} / \text{Average total assets}$

4. Profitability

- (1) Return on assets = $[\text{Net income} + \text{Interest expenses} \times (1 - \text{Tax rate})] / \text{Average total assets}$
- (2) Return on equity = $\text{Net income} / \text{Average total equity}$
- (3) Net profit margin = $\text{Net income} / \text{Net sales}$
- (4) Earnings per share = $(\text{Profit and loss attributable to owners of the parent} - \text{Dividends on preferred Shares}) / \text{Weighted average number of issued shares}$

5. Cash flow

- (1) Cash flow ratio = $\text{Net Cash Flow from Operating Activities} / \text{Current liabilities}$
- (2) Cash flow adequacy ratio = $\text{Net cash flow from operating activities for the most recent five fiscal years} / (\text{Capital expenditures} + \text{Inventory increase} + \text{Cash dividend})$ for the most recent fiscal years
- (3) Cash reinvestment ratio = $(\text{Net cash flow from operating activities} - \text{Cash dividend}) / (\text{Gross value of property, plant and equipment} + \text{Long-term investment} + \text{Other non-current assets} + \text{Working capital})$

6. Leveraging

- (1) Operating leverage = $(\text{Net operating revenue} - \text{Variable operating costs and expenses}) / \text{Operating income}$
- (2) Financial leverage = $\text{Operating income} / (\text{Operating income} - \text{Interest expenses})$

6.3 Audit Committee's Report: Please refer to page 156.

6.4 Consolidated Financial Statements of the Most Recent Year

Please refer to page 157~217.

6.5 Certified Financial Statements of the Company of the Most Recent Year

As the Company is in the category of primary exchange (or OTC) listed companies, we do not prepare standalone financial statements.

6.6 Financial Difficulties for the Company and its Affiliates: None.

7. Review of Financial Conditions, Operating Results, and Risk Management

7.1 Analysis of Financial Status

2021~2022 Consolidated Balance Sheet

Unit: NT\$ thousands; %

Item	Year	2021	2022	YoY Change	
				Amount	%
Current Assets		3,891,077	3,612,115	(278,962)	(7.17)
Property, Plant and Equipment		24,829	31,566	6,737	27.13
Right-of-Use Assets		23,591	37,533	13,942	59.10
Intangible Assets		2,969	6,294	3,325	112.00
Other Assets		249,382	255,964	6,582	2.64
Total Assets		4,191,848	3,943,472	(248,376)	(5.93)
Current Liabilities		1,760,667	1,406,266	(354,401)	(20.13)
Long-Term Liabilities		19,243	27,659	8,416	43.74
Total Liabilities		1,779,910	1,433,925	(345,985)	(19.44)
Ordinary Share		602,890	602,890	-	-
Capital Surplus		1,221,152	1,223,378	2,226	0.18
Retained Earnings		607,576	887,582	280,006	46.09
Other Equity Interest		(24,533)	124,948	149,481	609.31
Treasury Stock		-	(335,477)	(335,477)	-
Non-Controlling Interests		4,853	6,226	1,373	28.29
Total Equity		2,411,938	2,509,547	97,609	4.05

Note: All financial data have been duly audited by CPA.

- The main reasons for the change of more than 20% and NT\$10,000,000:
 - Increase in Right-of-Use Assets: It is mainly attributable to the leasing of new offices to expand the business scale due to the continuous growth in business.
 - Decrease in Current Liabilities: It is mainly attributable to the 2021 collected payment deferred for 2022 disbursement due to the bank holidays.
 - Increase in Retained Earnings: It is mainly attributable to the good operation of the Company with the growth year by year.
 - Increase in Other Equity: It is mainly attributable to the foreign currency exchange differences.
 - Increase in Treasury Shares: It is mainly attributable to the 2,500 thousand shares bought back by the Company in May 2022 to motivate the employees and improve their loyalty.
- Possible impact on future financial or business: No significant impact.
- Future contingency plan: Not applicable.

7.2 Analysis of Operation Results

7.2.1 Consolidated statements of comprehensive income analysis

2021~2022 Consolidated Statements of Comprehensive Income

Unit: NT\$ thousands

Item	Year	2021	2022	YoY Change	
				Amount	%
Operating Revenue		1,100,926	1,262,840	161,914	14.71
Operating Costs		270,480	314,506	44,026	16.28
Gross Profit		830,446	948,334	117,888	14.20
Operating Expenses		462,395	537,774	75,379	16.30
Income from Operations		368,051	410,560	42,509	11.55
Non-Operating Income and Expenses		5,894	15,796	9,902	168.00
Income Before Income Tax		373,945	426,356	52,411	14.02
Income Tax Expense		(75,303)	(87,661)	(12,358)	16.41
Net Income		298,642	338,695	40,053	13.41
Other Comprehensive Income, Net of Tax		(20,227)	150,042	170,269	(841.79)
Comprehensive Income		278,415	488,737	210,322	75.54

Note: All financial data have been duly audited by CPA.

1. The main reasons for the change of more than 20% and NT\$10,000,000:
 - (1) Increase in the Non-Operating Revenue: It is mainly attributable to the higher interest rates for time deposit in 2022 that increased the interest incomes.
 - (2) Increase in Other Comprehensive Income: It is mainly attributable to the foreign currency exchange differences from translating the presentation currency.
2. Possible impact on future financial or business: No significant impact.
3. Future contingency plan: Not applicable.

7.2.2 Expected sales volume and its basis, the possible impact on the Company's future financial business and the corresponding plan:

The Company's sales forecast for the upcoming year is based on the Company's sales on holidays, during change of seasons, estimated market environment, and the supply and demand conditions in previous years, as well as the Company's future business development.

7.3 Analysis of Cash Flow

7.3.1 Cash Flow Analysis for the Current Year

Unit: NT\$ thousands

Item\Year	2021	2022	YoY Change	
			Amount	%
Cash Inflow (Outflow) from Operating Activities	(268,695)	581,032	849,727	316.24
Cash Inflow (Outflow) from Investment Activities	(1,094,013)	1,525,107	2,619,120	(239.40)
Cash Inflow (Outflow) from Financing Activities	1,256,971	(414,884)	(1,671,855)	(133.01)

Analysis of the Change in Cash Flow:

- (1) Increase in net cash outflow from operating activities: It is mainly attributable to the fact that payments under the collection and payment services began to be guaranteed in the form of trust from 2021 onwards and were accounted for under "Other financial assets – restricted trust deposits". Furthermore, the operation in 2022 continuously made profits, so that the net cash from the operating activities is inflow.
- (2) Increase in net cash inflow from investing activities: It is mainly attributable to the maturity of time deposits with duration of over three months.
- (3) Increase in the net cash outflow from the financing activities: It is mainly attributable to the buyback of treasury shares in 2022, as well as the 13,398 thousand new shares were issued for the capital increase in cash in 2021, which resulted in the net cash outflow from the financing activities.

7.3.2 Plans to improve negative liquidity: None.

7.3.3 Consolidated projected cash flow for 2023

Unit: NT\$ thousands

Cash Balance, Beginning of the Year	Forecast Net Cash Inflow from Operating Activities	Forecast Cash Outflow from Investment and Financing Activities	Cash Balance, End of the Year	Source of Funding for Negative Cash Balance	
				Cash Inflow from Investment Activities	Cash Inflow from Financing Activities
2,466,950	389,985	(165,121)	2,691,814	-	-

Cash Liquidity analysis for the next year (2023):

- (1) Operating Activities: It is mainly attributable to the continuous growth of the operating scale, so it is net cash inflow from the overall operating activities.
- (2) Investment and Financing Activities: It is mainly attributable to purchase of equipment, investments and distribution of cash dividends.

7.4 Analysis of Major Capex and its Impact on Finance and Operations

The Company focuses on making long-term and strategic investments. The objective is to strengthen and diversify its core business activities and expand into new fields to create synergies. For future investments, the Company will continue to make decisions based on prudent strategic assessments.

7.5 Investment Policy in the Most Recent Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year

7.5.1 Investment Policy in the Most Recent Year

The Company's current reinvestment policy is based on the development needs of the core business and long-term strategic investment, rather than short-term financial investment. The Company has also formulated the Operational Procedures for Acquisition and Disposal of Assets as per the Regulations Governing the Acquisition and Disposal of Assets by Public Companies as the basis for the Company to make reinvestment, so as to keep abreast of the relevant business and financial situations. In addition, to improve the supervision and management of the investees, the Company has formulated the subsidiary supervision and management regulations in our internal control system to regulate their information disclosure, finances, business, inventory, and financial management, thereby maximizing the benefits of the Company's reinvestment.

7.5.2 Main Causes for Profits or Losses and Improvement Plans

The investment loss recognized by the Company with the equity method in 2022 is NT\$12,107 thousand; it is mainly attributable to the fact that the reinvestees, EasyStore Commerce Sdn. Bhd and Omnichat Limited are still in the development and expansion stage of their operations, and their revenues were not sufficient to pay for the related operating costs and expenses; provided that the investments in the two companies are accounted for 3.83% of the Company's total assets, affecting the Company insignificantly. The Company will continuously coach the reinvestees to accelerate their pace toward the profit goals.

7.5.3 Investment plan for the next year: The Company focuses on making long-term and strategic investments. The objective is to strengthen and diversify its core business activities and expand into new fields to create synergies. For future investments, the Company will continue to make decisions based on prudent strategic assessments.

7.6 Risk Management

7.6.1 Impact of inflation, interest and exchange rate fluctuations, and preventive measures

1. Impact of interest rate fluctuations

- (1) The interest income of the Company and the subsidiaries is mainly from the interest of banks' demand deposits; the interest expenses were resulted from the interest expenses recognized with the effective interest method. The interest income and interest expense in the most recent year are as the table below:

Unit: NT\$ thousands; %

Item \ Year	2021		2022	
	Amount	Percent of operating income	Amount	Percent of operating income
Interest Revenue	4,540	0.41	30,925	2.45
Interest Expense	(290)	(0.03)	(449)	(0.04)
Total	4,250	0.38	30,476	2.41

Net interest income (expenses) for 2021 and 2022 accounted for 0.38% and 2.41% of the net operating income, respectively. As the amounts accounted for a small portion, they had little impact on the Company's overall operations, and the interest income was much greater than the expenses; therefore, the impact of interest rate changes on the Company's profit or loss is limited. In the future, the Company will continue to pay attention to changes in the domestic and international economic environment and take necessary measures in a timely manner to reduce the potential risk of interest rate changes to the Company's profit or loss.

(2) Future preventive measures

If there is a relatively great fluctuation in the interest rates in the future and needs to take out loans, the Company will adopt other financing tools in the capital market to raise funds and observe the interest rate trends to take out loans at a fixed or floating interest rate, to avoid the risk of interest rate fluctuations, while the Company will maintain close interaction with banks to obtain more preferential loan interest rates. The Company and the subsidiaries will also closely monitor foreign exchange to respond to foreign exchange changes.

2. Impact of exchange rate fluctuations

(1) The impact of exchange rate fluctuations on the Company's profit and loss

The Company's and its subsidiaries' exchange gain(loss) in the most recent year as following:

Unit: NT\$ Thousands; %

Item \ Year	2021	2022
	Exchange Gain(loss)	1,125
Percent of Operating Income	0.10	(1.28)

The exchange (loss) gains of the Company and our subsidiaries for 2021 and 2022 were NT\$1,125 thousands and NT\$(16,152) thousands respectively. The changes in exchange gains or losses are mainly caused by the values of the foreign currency assets held by the Company and our subsidiaries at the end of the period. The revenue of the Company and our subsidiaries in Taiwan accounted for 95% of the total, and the payments received and made in operations are mainly in New Taiwan dollars (NTD), so the impact of exchange rate changes on the Company is extremely small.

(2) Future preventive measures

With the acceleration of overseas market expansion, the demand for foreign currency should increase, which should reduce the foreign currency deposit position. In addition, as the future revenue and profit increases, the proportion of foreign currency deposits in the overall assets will decrease accordingly. The Company has opened a foreign currency account. The Company will take into account its operational needs for foreign currency in the future and appropriately adjust or increase our foreign currency position to reduce the potential impact of exchange rate changes on our profitability.

3. Impact of inflation

(1) The impact of inflation on the Company's profit and loss

With rapid changes in the global economic environment, the Company has not encountered any significant impact on profit or loss due to the above-mentioned crisis of inflation or deflation as of the date of publication of the annual report.

(2) Future preventive measures

The company's supplier is an international cloud infrastructure service provider (Infrastructure-as-a-Service, or IaaS), which provides services, such as computing capacity and storage of cloud servers. Such a cost does not account for a high proportion of the Company's revenue, so the impact of inflation is limited. The Company will continue to maintain close collaboration with the supplier and adjust procurement and supplier management strategies in a timely manner with market price fluctuations, to minimize the potential harm to the Company's profit or loss caused by inflation changes.

7.6.2 Investment policy and reasons for gains & losses for high-risk/high-leverage financial products, derivatives, loans to others and guarantees of debts.

The Company has formulated the "Procedures for Lending Funds to Other Parties", "Procedures for Endorsements and Guarantees" and "Operational Procedures for Acquisition and Disposal of Assets", serving as the basis for the Company to follow where applicable. As of the publication date of annual report, the Company has not engaged in high-risk and high-leverage investments, lending funds to others, endorsement and guarantee transactions.

7.6.3 Future Research & Development Projects and Corresponding Budget

Year	Product/Service	Project and Benefits
2023	Commerce Solution	<ul style="list-style-type: none"> ● Commerce Cloud update and upgrade: Addressing the consumer's D2C business model and OMO becoming the best empirical model, the Commerce Cloud will be fully upgraded and optimized, merged into OMO Cloud. This is aimed to re-structure the shopping process, build up the underlying structure of promotion center and optimize the new mechanism, create and optimize the logistics center, optimize site search and SEO to meet the large consumers' demand for operational efficiency and performance improvement. ● Launch the brand IMS (Inventory Management System) to help consumers in inventory management for multi-channel commodities. ● Open API Portal to integrate partners to expand functions and communities, create more diversified sales scenes, and facilitate brand owners in practicing D2C full-channel operation. ● Continue investing in application and development of AI, and blockchain technology to assist consumers to pioneer in new business models in advance, improve operational efficiency, develop new traffic, and create new sources of performance.
	Marketing Solution	<ul style="list-style-type: none"> ● Marketing Cloud launches CDP and DMP products: centered on member data, expand and integrate data of members and non-members including their behavior, interests, intentions and other labels, combine AI technology to help consumers to make the best of consumer preferences and trends. ● Strengthen group communication and automated marketing: continue adding personalized marketing and self-media channels and investing in the research and development of AI models to help consumers in converting data into cash and performance growth. ● Expand data integration with Meta, Google, and LINE: help brand owners to expand targeted audiences, increase conversion rates, and optimize effectiveness of ads delivery by data integration.

Future R&D initiatives by the Company will integrate "products" and "services" into two major solutions: Commerce and Marketing. On this basis, the Company will engage in advanced function development and underlying architecture optimization to expand integration effects and also continue to develop key functions for the OMO operation mechanism, which merges the virtual and real worlds, with these two solutions. Most importantly, these two solutions can interact with each other, creating a positive sales cycle and generating overall benefits.

Over the past three years, our annual investment in R&D expenses accounted for approximately 9.92~10.81% of the Company's revenue. It is estimated that the R&D expenses invested in the future will remain at a reasonable level as in the past, approximately account for 9% ~11% of 2023 sales revenue, and we will continue to invest in R&D talents and resources.

7.6.4 The Impact and Corresponding Measures of Major Domestic and International Policy and Legal Changes on Finance and Business

The Company's country of incorporation is the Cayman Islands, in which there is no substantive economic activities, and our main country of operation is Taiwan. The Company conducts various business operations as per the laws and regulations and relevant policies of the country where it is registered and the country where it mainly operates, and we pay attention to the changes and development trends in both countries at any time to promptly respond to changes in the market and takes appropriate countermeasures. As of the date of publication of the prospectus, there has been not any significant impact on the Company's finances due to important domestic and international policies or changes in law.

7.6.5 The Impact on the Company's Financial Results and Corresponding Contingency Plans in Response to Changes in Technology and Industry

1. The impact of technological and industrial changes on the Company's finances and countermeasures



The Company always pays attention to the development and improvement of related fields such as AI, data, cloud, and cryptocurrency, and diligently collects and digests the latest market information to assess their impact on the Company's operations. As of the latest annual report publication date, there have been no significant impacts on the Company's financial and business operations from the changes in technology and industry. The Company continues to explore and strengthen the application of these technologies in its business.

2. Risks of information technology security and management measures

As 91APP mainly targets retail brands' consumers, the core of information security protection at this stage is consumers' personal data. The risks faced by the Company's information security protection mainly arise from the aspects below:

- Application services provided by 91APP
- 91APP's employees
- Third-party partners

● The clients' own equipment and environment

Service	Employees (including offices)	Third-party partners	Clients
DDoS	Phishing email	Program containing weakness	Phishing email
Unknown bugs	Browsing to malicious web pages	Vulnerabilities in company systems	Browsing to malicious web pages
Known bugs	USB infection		Use of problematic systems (POS and ERP)
Credential stuffing	Ransomware		
Poor programming defect			
Threats 			
Penetration testing	EDR	Partners' information security self-assessment	Information security notification process
WAF	Information security education and training	Vulnerability scan and penetration testing	Forensic data collection
Real-time monitoring	Social engineering exercise		Provision of assistance to information security partners
Third-party library scan			
Source code scan			
91APP			
Consumers' data			Defensive strategy 

Information attack methods are changing day by day. In addition to the more common traditional penetration attacks or DDoS attacks on the service, there are more phishing attacks today targeting individuals and consumers to steal their system login information or access sensitive information downloaded from their computer. Moreover, there is a trend of attacking third-party vendors to steal sensitive information from their systems.

Regarding the security of 91APP's services, the Company's strategy is defense-in-depth and continuous optimization. 91APP adopts effective information security protection technologies and systems, including employee education and training, encryption mechanisms, firewall, information security monitoring, permissions control, vulnerability scanning, and penetration testing, as measures for information security protection. We also adopt the best practices in the industry, take defense-in-depth as the main planning strategy, and use multi-layer filtering to block information security attacks.

For defense-in-depth, 91APP adopts the strategy of continuous and real-time information security optimization and improve information security through three aspects: management beforehand, in-process response, and post-incident optimization. Management beforehand includes real-time monitoring, detection, and identification of information security attacks; the in-process response is to quickly respond to information security incidents and protect information security to contain the incident; post-incident optimization means continuous improvement to information security through post-incident optimization based on the lesson learned, to effectively respond to various information security threats and improve 91APP's overall information security of in the future.

91APP is also equipped with external penetration testing and auditing to test and improve the optimization effect of information security technology and management system.

The Company continues to pass the security validation of the information security audit standard SOC 2 established by the AICPA, and the certification needs to be renewed every year. The SOC report is a report form required by the AICPA, which put forth three report forms with different purposes in 2011: SOC 1, SOC 2, and SOC 3, aiming to assist service users in understanding the degree and effectiveness of security controls over the services provided by the service organizations through reports reviewed by CPAs, thereby building users' or relevant stakeholder groups' confidence. It is also the information security certification standard most frequently required by consumers for cloud service providers. At present, businesses in Taiwan that have obtained SOC 2 certification, including those in the financial services, information services, and cloud services industries.

In the field of information security, SOC 2 and ISO 27001 are the two most common compliance standards. The ISO 27001 Information Security Management Standard, jointly published by ISO/IEC, is a security standard that assists organizations of all types and scales in keeping their information assets secure.

SOC 2 is a service organization control framework developed by the AICPA. It is a control standard that protects the confidentiality and privacy of information stored and processed in the cloud, covering security, availability, confidentiality, and other important information security aspects.

For third-party partners and clients, the Company also has formulated information security regulations. In addition to actively sharing information security information, we actively seeks high-quality information security partners to assist third parties and clients.

However, the retail industry system is composed of diverse components, and the Company cannot ensure that our partners or even other third parties can meet the information security needs with high standards, which may lead to the leakage of consumers' and consumers' personal data, thereby affecting the overall information security.

91APP will continue to share information with the industry and government agencies, provide warnings about potential information security risks, and raise clients' awareness of information security as a good enterprise. The Company will also continue to improve and strengthen our own information security defense mechanism.

The Company pays close attention to the update of and improvement to relevant technologies in the industry, keeps abreast of the latest market information, and evaluates the impact thereof on the Company's operations. In the most recent year and as of the date of publication of the annual report, technological and industrial changes have not had significant impact on the Company's finances.

7.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and Response Measures

Adhering to the concept of honesty, trust, and sustainable management, the Company has focused on developing the core business since it was established. The Company has developed a positive corporate image, complied with relevant laws and regulations, and continued to maintain a great reputation. In the most recent year and up to the publication date of the annual report, there had been no change in corporate image leading to crisis management.

7.6.7 Expected benefits, Possible Risks and Response Measure for Merger and Acquisition Plans

As of the publication date of annual report, the Company has no acquisition plans.

7.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans

As of the publication date of annual report, the Company has no factory expansion plans.

7.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

1. Purchasing Sources

(1) Risks from supplier concentration

For the retail software cloud developed and operated by the Company, there are not only software development and maintenance costs, but the data storage and computing costs of the original cloud server (currently AWS) provided by the agents. The said supplier concentration is mainly due to the AWS data storage and data processing services we currently use, and the original provider is the largest leading provider in the oligopoly market in this industry. Its system security and stability are great. Only with supplier concentration can form a scale of economics, and this will help us obtain better service quality and supply prices from the original supplier. Therefore, our supplier concentration takes place mainly due to the operating model chosen and industry characteristics.

(2) Countermeasures

AWS has been developing the field of cloud platforms for many years, and its data center services have covered 245 countries and regions around the world. Its information security, quality management, and privacy have been certified by multiple international parties, and it has occupied about 48% of the global Infrastructure as a Service (IaaS) market as the largest provider in the market. As the system stability, information security, integrity of system services, and number of global information centers of AWS cloud services rank first in the market, and our purchases mainly from AWS cloud service agents are due to industry characteristics and AWS's leading position. In addition, the Company and the subsidiaries have a proper recovery plan for responding to abnormal situations and also arrange regular drills. Moreover, the Company and the subsidiaries have worked with AWS for many years, and there has

been no significant interruption of information, so the concern about the risk of information interruption should be limited. Its supply is stable. Additionally, the Company has been consistently implementing a multi-cloud usage policy, with some procurement of cloud services from GCP (Google Cloud Platform) and Azure. The Company is also developing our services through containerization. As the operational scale grows, the Company will gradually seek out services from other cloud service providers to reduce the risks associated with centralized procurement. The Company also continues to monitor the stability of AWS's system services and its business operations. Currently, AWS remains the world's largest cloud computing service provider, and there have been no signs of decreased service stability.

2. Customer

In the most recent year and up to the publication date of the annual report, the Company and the subsidiaries have not had a single client accounting for at least 10% of the sales.

7.6.10 Effects of, Risks Relating to and Response to Large Scale Transfers of Shares or Changes in Shareholdings by Directors, or Shareholders with Shareholdings of over 10%.

As of the publication date of the annual report, the Company's directors or major shareholders holding more than 10% of the shares have not had a major transfer or replacement of equity that affects the Company's operations.

7.6.11 Effects of, Risks Relating to and Response to the Changes in Management Rights

As of the publication date of the annual report, there was no change in the Company's management rights.

7.6.12 Litigation or non-litigation events: None.

7.6.13 Other important risks and countermeasures

1. Risk management policy and framework

The Company adopts "Risk Management Procedures and Policies" as the highest guiding principle for risk management. The Company conducts regular risk assessments every year and develops risk management policies for various risks, including mechanisms such as management goals, organizational structure, responsibility attribution, and risk management procedures, and implements them effectively. This is to effectively identify, measure, and control various risks that may affect our operations and profits in a cost-effective manner. The Company integrates and manages all potential risks, including varied strategies, operations, financial, and hazard risks, that may have an impact on its operations and profits. Through the establishment of an enterprise risk management project, the Company controls the risks generated by business activities within so that it remains within acceptable bounds.

The Company's risk management organization is as follows:

Department	Responsibilities
Board of Directors	The highest decision-making authority for risk management in the Company, responsible for formulating risk management policies and frameworks to ensure the effectiveness of risk management operations.
The General Manager's Office	Responsible for supervising and coordinating risk management operations, and reporting on the operation status to the Board of Directors at least once a year.
Risk Management Committee	The Risk Management Committee is composed of managers from relevant divisions and is responsible for implementing the risk management policies approved by the Board of Directors, monitoring the risk management mechanisms of the Company, reviewing the risk control reports submitted by the internal departments, and addressing risk management issues.
The Information Security Committee.	The Information Security Committee is responsible for all information security controls, policy formulation, internal audits, reporting and handling of security incidents, as well as the development and implementation of improvement plans. The Information Security Committee is also responsible for managing personal data in accordance with legal requirements, as well as formulating policies and security maintenance plans related to the protection of personal data.
Internal Audit Office	The Audit Department is responsible for independently and objectively validating the operation of risk management and assessing important risk items and providing improvement suggestions in a timely manner.
Risk Management Unit in Individual Divisions	Including divisions such as sales, marketing, operations, human resources, accounting. Each division head is responsible for first-line risk management. They are responsible for identifying, analyzing, managing, and monitoring the relevant risks within their respective units, to ensure that the risk control mechanisms and procedures can be effectively implemented.

2. Intellectual Property Management Plan and Implementation

The Company has always been committed to the innovation of technology integration between the virtual and real world and has achieved significant research and development results in this field. The Company has established management systems from various aspects in order to uphold and enhance its intellectual property capabilities as well as efficiently manage and protect intellectual assets for sustainable development:

(1) Patent and Copyright

- The Company periodically engages external patent agencies to assess and plan patent applications for advanced technologies developed by its R&D department. Once confirmed, the legal department cooperates with the R&D department to apply for patents.
- It is stated in the employment contract that the Company will own the intellectual property rights to the R&D and software works produced by employees while they are employed. If a patent is granted through an application, the employee will receive a reward. The work management rules also outline a special rewards system to recognize employees who have made outstanding contributions to innovation.
- External contract relationships, such as customers using 91APP systems and suppliers developing projects, are subject to standardized terms and conditions that specify that the copyright belongs to 91APP for control purposes.

(2) Trademarks

- The "91APP Brand Guidelines and Trademark Usage" have been developed to regulate the standard methods for corporate partners to use the 91APP corporate image and trademarks, including color tones and codes, size ratios, usage restrictions, and more.

(3) Trade Secrets

- The Company conducts at least one online training and testing session for all employees per year to reemphasize its core value, which emphasizes the importance of the Company's intangible assets and the joint effort in maintaining the Company's competitiveness.
- Access control card management is implemented in all levels of the office spaces, and employees are required to manage their personal information properly (regularly updating system passwords, ensuring password strength, assigning personal locker keys, reminding individuals to collect printed materials from the printer, etc.).
- Regarding vital technical information such as the APP Generator, a specialized unit is in charge of controlling it to ensure its confidentiality.

7.7 Other Significant Items: None.

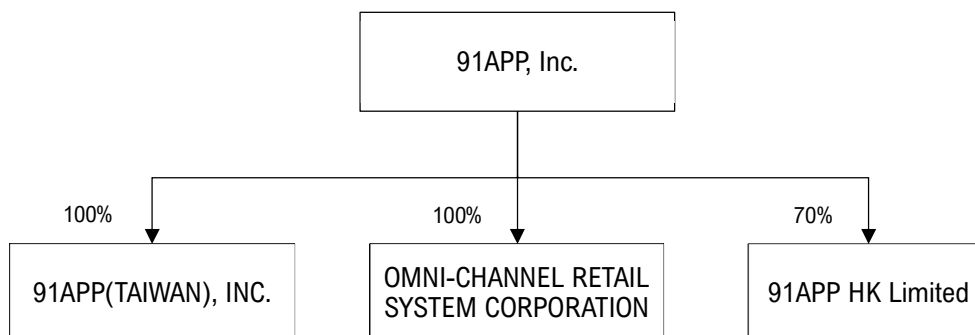
8.Special Disclosure

8.1 Summary of Affiliated Companies

8.1.1 Consolidated Business Report of Affiliated Enterprises

1.Organizational chart of affiliates

As of December 31, 2022.



2.Basic information on affiliates

As of December 31, 2022; Unit: NT\$ thousands unless otherwise indicated

Name of Enterprise	Date of Incorporation	Address	Paid-In Capital	Principal Business or Production Items
91APP(TAIWAN), INC.	2013.09.18	6F., No. 5, Ln. 768, Sec. 4, Bade Rd., Nangang Dist. Taipei City 115, Taiwan (R.O.C.)	NT\$ 200,000	Information Software Services and related business
OMNI-CHANNEL RETAIL SYSTEM CORPORATION	2012.06.22	6F., No. 5, Ln. 768, Sec. 4, Bade Rd., Nangang Dist. Taipei City 115, Taiwan (R.O.C.)	NT\$ 25,500	Information Software Services and related business
91APP HK Limited	2019.01.28	Unit 1001-02, AXA Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong	HKD 2,000	Information Software Services and related business

3. For those presumed to be in a controlling and subordinate relationship, the common shareholder information: None.

4. The industry covered by the business of all affiliated companies
Please refer to above “2. Basic information on affiliates”.

5. The names of directors, supervisors and general managers of the affiliated companies and their shareholdings or capital contributions to the companies

As of December 31, 2022; Unit: NT\$ thousands; Shares; %

Name of Enterprise	Title	Name	Representative	Shareholdings	
				Shares	%
91APP(TAIWAN), INC.	Chairman	Ho, Ying-Chi	91APP, Inc.	20,000,000	100.00%
	Director	Yang, Ming-Fang			
	Director	Pu, Mei-Hsien			
	Supervisor	Wang, I-Yu			
OMNI-CHANNEL RETAIL SYSTEM CORPORATION	Chairman	Ho, Ying-Chi	91APP, Inc.	2,550,000	100.00%
	Director	Yang, Ming-Fang			
	Director	Lin, Chih-Hung			
	Supervisor	Wang, I-Yu			
91APP HK Limited	Director	Lai Wan	91APP, Inc.	300,000	15.00%
	Director	Wong, Chun-Yu		300,000	15.00%
	Director	Ho, Ying-Chi		1,400,000	70.00%
	Director	Yang, Ming-Fang			
	Director	Pu, Mei-Hsien			

8.2.2 Business overview of affiliates

1.Consolidated financial statements of affiliated companies

As of December 31, 2021; Unit: NT\$ thousands

Name of Enterprise	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenues	Operating Profits (Losses)	Profits or Losses for the Period	Earnings Per Share (EPS)
91APP(TAIWAN), INC.	200,000	2,591,825	1,390,898	1,200,927	1,202,285	426,114	339,919	17.00
OMNI-CHANNEL RETAIL SYSTEM CORPORATION	25,500	2,897	37	2,860	-	-	1	0.00
91APP HK Limited	7,098	62,585	1,362	61,223	62,764	1,242	2,707	1.35

2. Consolidated Financial Statements of Affiliated Enterprises

The information required to be disclosed in the consolidated financial statements of affiliated companies has been disclosed in the consolidated financial statements, and the Company shall not prepare separate consolidated financial statements of affiliated companies.

3. Relationship report of Affiliated Enterprises: Not applicable.

8.2 Status of Private Placement of Securities in the Last Fiscal Year and up to the Date of Annual Report Publication: None.

8.3 Holding or Disposal of Shares in the Company by Subsidiaries in the Last Fiscal Year and up to the Date of Annual Report Publication: None.

8.4 Other Supplemental Information: None.

8.5 Explanations of the Major Difference between the Company’s current version of Amended and Restated Articles of Association and the Republic of China’s Protection Provisions Pertaining to Shareholders’ Rights

Due to certain differences between the laws of Cayman Islands and that of the Republic of China, Taipei Exchange’ currently-effective “Shareholders Protection Checklist for Foreign Issuers” (the “Shareholders Protection Checklist”) cannot be entirely applied to the Company. The following table explains such differences between the Company’s current Amended and Restated Articles of Association (the “Articles of the Company”) and the Shareholders Protection Checklist arising from the laws of Cayman Islands, and explains the Articles of the Company:

Important Items Pertaining to Protection of Shareholders’ Rights	Explanations of Cayman Islands Laws	Articles of the Company and Explanations
<p>1. A company shall not cancel its shares, unless a resolution on capital reduction has been adopted by its shareholders; and capital reduction shall be effected based on the prorated percentage of shareholding of the shareholders.</p> <p>2. A company reducing its capital may return share capital to shareholders by assets other than cash; the returned assets and the value thereof to satisfy such return of share capital shall require a shareholders’ resolution and obtain consents from the shareholders who receive such assets.</p> <p>3. The board of directors shall first have the value of such asset and the amount satisfying such return of share capital set forth in the preceding Paragraph audited and certified by an accountant admitted to practice in the Republic of China before the general meeting.</p>	<p>Regarding the provisions of reduction of share capital under Cayman Companies Act, the Cayman counsel advised that, Article 14 of such Act allows the company to reduce its share capital; provided that, such proposal to reduce share capital shall require approvals by a shareholders’ special resolution and an order issued by the Grand Court of the Cayman Islands.</p> <p>In addition to Article 14 of the Cayman Companies Act, the issued capital of a company can only be extinguished when the company redeems and repurchases shares in accordance with Article 37 of the Cayman Companies Act.</p> <p>Moreover, subject to Article 37 of the Cayman Companies Act, redemption or repurchase of a Company’s own shares may be effected in such a manner and upon such terms as pursuant to the company’s articles of association or a shareholders’ resolution. The Cayman Companies Act does not have any procedural or substantive requirements on the following matters: (1) repurchase of its own shares shall be effected based on the prorated percentage of shareholding of the shareholders; (2) the company shall obtain consents from those shareholders whose share capital contribution are going to be returned by assets other than cash; or (3) appraisal of the returned asset value. Notwithstanding the foregoing, a company could stipulate the aforesaid matters in its articles of association.</p>	<p>According to the Cayman counsel, cases of reduction of share capital approved by the Grand Court of the Cayman Islands are rare. Therefore, in general, companies cancel its shares held by shareholders by following the repurchase procedures provided in Article 37 of the Cayman Companies Act, and companies do not have any right to cancel those shares that are still held by its shareholders. In view of these differences, the procedures of reducing capital in the Articles of the Company are carried out by way of share repurchase, and these differences arise from the provisions of the Cayman Companies Act. The Articles of the Company are hereby briefed as below:</p> <p>According to Article 15(b) of the Articles of the Company, subject to the provisions of the Cayman Companies Act, the Articles of the Company and any rights conferred on the holders of any class of shares, the Company may purchase its own Shares (including fractions of a Share), including any redeemable Shares, provided that the manner and terms of purchase have first been authorized by the Company in general meeting by an ordinary resolution and may make payment therefor in any manner authorized by the Articles of the Company, including out of capital. The number of shares to be purchased and cancelled by the Company pursuant to such ordinary resolution shall be pro rata among the shareholders in proportion to the number of shares held by each shareholder.</p> <p>According to Article 15(c) of the</p>

Important Items Pertaining to Protection of Shareholders' Rights	Explanations of Cayman Islands Laws	Articles of the Company and Explanations
		<p>Articles of the Company, subject to the Cayman Companies Act and the Applicable Public Company Rules, the consideration payable by the Company to any shareholder in respect of a purchase of shares by the Company may be paid in cash or be satisfied by the transfer of any assets. Where the consideration payable by the Company to a shareholder in respect of a purchase of shares by the Company is to be satisfied by the transfer of any assets (non-cash consideration), the Board shall, prior to the general meeting approving the purchase of shares, (1) conduct a valuation on the said assets and such valuation must be audited and certified by an accountant admitted to practice in the ROC and (2) seek written consent from such shareholder approving the non-cash consideration prior to the general meeting approving the purchase of shares. In the event that written consent is not received from a shareholder in respect of non-cash consideration, the Company shall pay cash consideration to such shareholder in respect of the purchase of shares from such shareholder. The assets to be transferred to shareholders by the Company in respect of a purchase of shares and the audited valuation of such assets shall be approved by an ordinary resolution at the same general meeting approving the purchase of Shares.</p> <p>The Articles of the Company explicitly stipulate that: (1) the number of shares to be purchased by the Company shall be pro rata among the shareholders in proportion to the number of shares held by each shareholder; (2) if the Company purchases the shares by non-cash consideration, it shall receive written consents from those shareholders who receive the non-cash consideration; and (3) the value of non-cash consideration shall be audited and certified by an accountant admitted to practice in the ROC. The aforesaid provisions in the Articles of the Company are equivalent to those ROC's protection provisions of shareholders rights pertaining to</p>

Important Items Pertaining to Protection of Shareholders' Rights	Explanations of Cayman Islands Laws	Articles of the Company and Explanations
		reduction of share capital. Therefore, it cannot be said that provisions in the Articles of the Company have material adverse effect to the Company's shareholders.
<p>The following proposals involving the material interests of shareholders shall be resolved by a majority vote of the shareholders present at a general meeting, attended by shareholders representing two-thirds or more of the total number of issued and outstanding shares. If the total number of shares presented at such a general meeting are not sufficient to meet the aforesaid quorum, the resolution may be adopted by at least two-thirds votes of the shareholders present at the meeting, shareholders representing a majority of the total number of issued and outstanding shares voting in favor of such proposals:</p> <ol style="list-style-type: none"> 1. entering into, amending, or terminating any agreement for lease of the company's whole business, or for delegation of the operation, or for frequent joint operation with others; transferring all or a material part of its business or assets; or acquiring or assets of another person which will have a material effect on the company's business operation; 2. modification or alteration of the articles of incorporation; 3. any modification or alteration of the articles of incorporation that is prejudicial to the privileges of special shareholders shall be resolved by special shareholders; 4. payment of dividends or bonuses in whole or in part by way of issuance of new shares; 5. a resolution for dissolution, consolidation or merger, or spin-off; 6. issuing new restricted employee shares; or 	<p>According to the Articles of the Company, a general meeting shall be attended by shareholders in person or by proxy representing a majority of the total number of issued and outstanding shares. In addition, the Cayman counsel advised that the Cayman Companies Act has an explicit definition for "Special Resolution." Subject to Article 60 of the Cayman Companies Act, the definition of Special Resolution means a resolution: (a) passed by a majority of not less than two-thirds of votes cast by shareholders (if articles of association provide for votes higher than two-thirds, such provision shall prevail), being entitled to do so, voting in person or, where proxies are allowed, by proxy at a general meeting of the Company; or (b) if authorized by the articles of association, approved in writing by all of the shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the aforesaid shareholders, and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed.</p> <p>The Cayman counsel advised that the following corporate actions shall be adopted by Special Resolution under the Cayman Companies Act:</p> <ol style="list-style-type: none"> (a) amendments to memorandum of association (Article 10 of the Cayman Companies Act); (b) amendments to articles of association (Article 24 of the Cayman Companies Act); (c) winding up voluntarily when the company is unable to pay its debts as they fall due (Article 116(d) of the Cayman Companies Act); and (d) merger or consolidation (Article 232 of the Cayman Companies Act). <p>In addition, according to the Cayman counsel, if the company is wound up</p>	<p>To be distinguished from the concept of "Special Resolution" under the Cayman Companies Act, Article 1 of the Articles of the Company defines the term of "Supermajority Resolution", which refers to "a resolution passed by a majority of votes cast by the Shareholders, as being entitled to do so, voting in person or where proxies are allowed, by proxy, at a general meeting attended by Shareholders who represent two-thirds or more of the total issued shares of the Company. However, where the total number of shares represented by the Shareholders present at such general meeting is less than two-thirds of the total issued shares of the Company, but is more than one half of the total issued shares of the Company, 'Supermajority Resolution' shall instead mean a resolution passed by a majority of not less than two-thirds of votes cast by the Shareholders, being entitled to do so, voting in person or, where proxies are allowed, by proxy, at such general meeting."</p> <p>The application scope of these two types of resolutions specified in the Articles of the Company is explained as follows:</p> <p>Subject to Article 32 of the Articles of the Company, the following corporate actions are required to be adopted by Special Resolutions:</p> <ol style="list-style-type: none"> (i) alter or add to the articles of association; (ii) alter or add to the memorandum with respect to any objects, powers or other matters specified therein; or (iii) a merger or a consolidation of the Company. <p>Subject to Article 33 of the Articles of the Company, the following corporate actions are required to be adopted by Supermajority Resolutions:</p>

Important Items Pertaining to Protection of Shareholders' Rights	Explanations of Cayman Islands Laws	Articles of the Company and Explanations
7. approving a share swap.	voluntarily because it is unable to pay its debts as they fall due, it shall resolve by ordinary resolution (i.e., a simple majority vote of the shareholders present , or a written resolution by all shareholders with voting rights).	<p>(i) resolve that any particular declared dividend be satisfied in part by the issuance of new shares credited as fully paid to the shareholders pursuant to Article 104;</p> <p>(ii) effect any capitalization of any other amount pursuant to Article 106 hereof;</p> <p>(iii) effect any spin-off of the Company;</p> <p>(iv) enter into, amend, or terminate any agreement for lease of the Company's whole business, or for delegation of the operation, or for frequent joint operation with others;</p> <p>(v) transfer all or a material part of its business or assets;</p> <p>(vi) acquire or assume all businesses or assets of another person which will have a material effect on the Company's business operation; or</p> <p>(vii) effect any share swap.</p> <p>In addition, subject to Article 34 of the Articles of the Company, the Company may by Ordinary Resolution resolve to wind up the Company voluntarily when the Company is unable to pay its debt as they fall due. Winding up due to any other causes shall be resolved by Special Resolution.</p> <p>Regardless of whether the Articles of the Company provide otherwise, the provisions of the Cayman Companies Act identified here shall apply to the Company, and the Company cannot evade the application of the Cayman Companies Act by changing its Articles. In order to comply with "Special Resolutions" under the Cayman Companies Act, Article 32 of the Articles of the Company stipulates the corporate actions requiring "Special Resolution", include amendments to memorandum and articles of association, merger, and consolidation; and Article 34 of the Articles of the Company stipulates the circumstances of winding up which require "Special Resolution" or "Ordinary Resolution" respectively. As for those items in the Shareholders Protection Checklist that require Supermajority Resolutions, Article 33 stipulates accordingly to the extent</p>

Important Items Pertaining to Protection of Shareholders' Rights	Explanations of Cayman Islands Laws	Articles of the Company and Explanations
		<p>permitted by the Cayman Companies Act.</p> <p>Article 33 of the Articles of the Company basically follows the Shareholders Protection Checklist, and explicitly stipulates that those items (excluding amendments to memorandum and articles of association, merger, and consolidation) should require "Supermajority Resolutions."</p> <p>In principle, the threshold of attendance and voting for "Special Resolutions" under the Cayman Companies Act are not lower than the requirements stipulated in the Shareholders Protection Checklist. As for the Ordinary Resolution requirement in the case of winding up voluntarily when the company is unable to pay its due debts, it is due to the mandatory provision in the Cayman Companies Act, and thus, the relevant provision of the Articles of the Company is not allowed to follow the Shareholders Protection Checklist. Even though the aforesaid voting threshold in the case of voluntary winding-up when the company is unable to pay its due debts is lower than that of the Shareholders Protection Checklist, in the perspective of Taiwan's Company Act, when a Taiwanese company's assets are obviously insufficient to set off its debts, the Board of Directors shall nonetheless apply for the declaration of the bankruptcy without waiting for a resolution in the general meeting. Therefore, it cannot be said that the Articles of the Company, requiring an Ordinary Resolution in case of winding up voluntarily when the company is unable to pay its due debts, has material adverse effect to the shareholders.</p> <p>As a side note, according to the Cayman counsel, there is no mandatory provision with respect to issuance of new restricted employee shares under the Cayman Companies Act. Hence forth, the corresponding "Supermajority Resolutions" threshold has been amended accordingly in Article 6 of the Articles of the</p>

Important Items Pertaining to Protection of Shareholders' Rights	Explanations of Cayman Islands Laws	Articles of the Company and Explanations
		Company.
<p>1. The company should clearly list electronic transmission as one of the methods for shareholders to exercise their voting right in the Articles. Shareholders may exercise their voting right by means of a written ballot or electronic transmission in a general meeting. If the company holds a general meeting outside the territory of ROC, it shall allow shareholders to exercise their voting right by means of a written ballot or electronic transmission.</p> <p>1. If a company allows its shareholders to exercise their voting rights by means of a written ballot or electronic transmission, the method of exercising the voting rights shall be specified in the notice of the general meeting. A shareholder who exercises his/her/its voting right at a general meeting by means of a written ballot or electronic transmission shall be deemed to have attended the said general meeting in person; provided that, such a shareholder shall be deemed to have waived his/her/its voting right in respective of any extemporary motion and any amendment to the contents of the original proposals at the said general meeting.</p>	<p>According to the Cayman counsel, a shareholder who exercises his/her/its voting right at a general meeting in writing or by way of electronic transmission cannot be deemed to have attended such a meeting in person pursuant to the Cayman laws.</p>	<p>To accommodate the Cayman laws, Article 52(a) and (b) of the Articles of the Company provides that "Members voting in the manner mentioned above shall, for purposes of these Articles and the Statute, be deemed to have appointed the FSC-recognized shareholders' service agent (as the term is defined under the Applicable Public Company Rules) which has been engaged by the Company at the date of the notice convening the general meeting, or the chairman of the general meeting if no such agent is engaged, as their proxy to vote their shares at the general meeting in the manner directed by the written ballot or electronic transmission. If the shareholders' service agent (or the chairman, as the case may be) does not vote in the manner directed by the written ballots or the electronic transmissions, then such proxy votes shall not be regarded as valid votes cast", and "[t]he shareholders' service agent (or the chairman, as the case may be), as proxy, shall not have the power to exercise the voting rights of such Members with respect to any matters not specifically indicated in the written ballot or electronic transmission and/or with respect to any amendment to resolution(s) proposed at the general meeting. Subject to the Statute and all applicable law, a Member who exercises his/her/its voting right at a general meeting by means of a written ballot or of electronic transmission shall be deemed present by proxy at such general meeting, but any Member voting in such manner shall not be entitled to notice of, and the right to vote in regard to, any ad hoc motion or amendment to the items set out in the notice convening the general meeting to be resolved at the said general meeting. Subject to the Statute and all applicable law, for the purposes of clarification, all Members voting in such manner shall be deemed to have waived notice of, and the right to vote in regard to, any ad hoc motion or amendment to the items set out in the notice convening the general meeting to be resolved at the said general meeting." In addition,</p>

Important Items Pertaining to Protection of Shareholders' Rights	Explanations of Cayman Islands Laws	Articles of the Company and Explanations
		Article 61 of the Articles of the Company stipulates that, in cases of a shareholders' service agent (or the chairman of the general meeting) deemed to be appointed as a proxy, the voting rights represented by he/she/it are not subject to the restriction of the 3% of the total issued shares.

8.6 Corporate Events with Material Impact on Shareholders' Equity or Stock Prices Set Forth in Article 36, Paragraph 3, Subparagraph 2 of Securities and Exchange Act in the Past Year and up to the Date of Report should be Listed Individually:

None.

Appendix:

91APP Inc.

Internal Control Statement

Date: March 9, 2023

91APP, Inc. (hereafter: "the Company") states the following regarding its internal control system for the year 2022:

1. The Company is fully aware that establishing, operating and maintaining an internal control system are the responsibilities of its Board of Directors and management. The Company has established such a system to provide reasonable assurance in achieving objectives related to the effectiveness and efficiency of operations (including profits, performance and safeguarding of assets), reliability of financial reporting, and compliance with applicable laws and regulations.
2. An internal control system has inherent limitations. An effective internal control system, no matter how perfectly designed, can provide only a reasonable assurance in the accomplishment of the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in the environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, and the Company takes corrective actions as soon as a deficiency is identified.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems" by public companies promulgated by the Securities and Futures Bureau, the Financial Supervisory Commission and the Executive Yuan (herein referred to as the "Regulations"). The internal control system evaluation criteria stated in the Regulations classify internal control into five key elements based on the process of management control: 1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information and communications, and 5. Monitoring. Please refer to the Regulations for details on these five key elements.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the evaluation mentioned in the third paragraph, The Company believes that as of Dec. 31, 2022, its internal control system (including its supervision of subsidiaries), which encompasses internal controls to achieve effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations, was effectively designed and operating, and is reasonably assured of achieving the above-stated objectives.
6. This statement will form a major part of the Company's Annual Report and Prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This statement has been passed by the Company Board of Directors' Meeting on March 9, 2023, where all the 9 attending directors did not express any dissenting opinion and affirmed the content of the same.

91APP, Inc.
Chairman: Ho, Ying-Chi
General Manager: Yang, Ming-Fang

Internal Control System Review CPA's Reasonable Assurance Report

91APP, Inc.

91APP, Inc. and its subsidiaries, March 9, 2023, said that the internal control system, which was assessed to be related to external financial reporting and asset security protection, was effectively designed and implemented on December 31, 2022. Declaration, after reviewing the accountant. Maintaining an effective internal control system and assessing its effectiveness are the responsibility of the company's management. The accountant's responsibility is to express an opinion on the effectiveness of the company's internal control system and the company's internal control system statement based on the results of the review.

Assurance Target, Information, and Applicable Criteria

The assurance target and information in this confirmation engagement are as follows: the design and implementation status of the internal control system of 91APP, Inc. and its subsidiaries relating to external financial reporting and asset safeguarding as of December 31, 2022, and the statement issued by 91APP, Inc. and its subsidiaries on March 9, 2023, stating that the internal control system related to external financial reporting and asset safeguarding was effectively designed and implemented as of December 31, 2022. Please refer to the attached document for details.

The criteria used to measure or evaluate the above-mentioned assurance target and information is the " Regulations Governing Establishment of Internal Control Systems by Public Companies " and the assessment items for determining the effectiveness of internal control systems.

Inherent Limitations

Due to the inherent limitations of any internal control system, the aforementioned internal control system of 91APP, Inc. and its subsidiaries may not be able to prevent or detect errors or fraud that have already occurred. Furthermore, future changes in the environment may reduce the extent to which the internal control system is followed, so the effectiveness of the internal control system during the reporting period does not imply its future effectiveness.

Responsibility of Management

The responsibility of management is to establish and continuously review the internal control system in accordance with the " Regulations Governing Establishment of Internal Control Systems by Public Companies " and relevant laws and regulations, in order to maintain the continuous effectiveness of

the design and implementation of the internal control system. After assessing its effectiveness, management issues the internal control system statement.

Responsibility of the Accountants

The responsibility of the auditor is to perform necessary procedures in accordance with the " Regulations Governing Establishment of Internal Control Systems by Public Companies " and Auditing Standard No. 3000, "Assurance Engagements Other Than Historical Financial Information," to obtain reasonable assurance about the confirmation target and confirmation target information, and to conclude whether the confirmation target and confirmation target information, in all material respects, comply with the applicable criteria and are appropriately expressed.

Independence and Quality Control Standards

The auditor and the accounting firm to which the auditor belongs have adhered to the provisions regarding independence and other ethical requirements in the Code of Ethics for Professional Accountants. The fundamental principles of the code include integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, the accounting firm to which the auditor belongs follows quality control standards and maintains a comprehensive quality control system, including written policies and procedures related to compliance with ethical requirements, professional standards, and applicable laws and regulations.

Summary of Procedures Performed

The accountant has planned and performed necessary procedures based on professional judgment to obtain the relevant evidence regarding the confirmation target and confirmation target information. The procedures performed include understanding the company's internal control system, evaluating the management's assessment process for the overall effectiveness of the internal control system, testing and evaluating the effectiveness of the internal control system's design and implementation related to external financial reporting and asset safeguarding, and any other assurance procedures deemed necessary by the auditor.

Conclusion of Assurance

In the accountant 's opinion, the design and implementation of the internal control system of 91APP, Inc. and its subsidiaries related to external financial reporting and asset safeguarding, as of December 31, 2022, have, in all material respects, complied with the assessment items for determining the effectiveness of internal control systems specified in the " Regulations Governing Establishment of Internal Control Systems by Public Companies " and can be considered effective; 91APP, Inc. and its subsidiaries issued on March 9, 2023, the statement that the internal control system related to external financial reporting and asset security protection is effective design and implementation, major aspects are permitted.

Deloitte & Touche
Accountant: Zheng, Cheng-Ming
Accountant: Wang, Pan-Fa
April 28, 2023

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements, and proposal for distribution of 2022 earnings. Of which, the Financial Statements have been audited by Zheng, Cheng-Ming and Wang, Pan-Fa, Deloitte & Touche.

The 2022 Business Report, Financial Statements, and proposal for distribution of 2022 earnings have been audited by us as Audit Committee of the Company. We deem no inappropriateness on these documents. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report. Please review.

To
The 2023 Annual General Meeting

91APP, Inc.
Chairman of the Audit Committee: Chih, Mei-Na
On the date of March 13, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
91APP, Inc.

Opinion

We have audited the accompanying consolidated financial statements of 91APP, Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2022 is stated as follows:

Accuracy of Online Store Services Revenue Recognized

Refer to Notes 4 and 20 for the accounting policies related to revenue.

The online store services revenue of the Group includes third party fee revenue and digital marketing revenue. The Group enters into the services contract with the customer, the services revenue is determined according to the reconciliation period and the commission ratio stipulated in the contract based on performance. As the process of online store services revenue recognition involves manual confirmation of net performance amount and verification of relevant documents, it is likely that incorrect amount of revenue has been recognized during the financial reporting period. Therefore, online store services revenue recognition was identified as a key audit matter.

Our key audit procedures performed in respect of the abovementioned key audit matter included the following:

1. We understood the key internal controls related to project sales revenue recognition and tested the operating effectiveness of these controls.
2. We took samples from the online store services revenue which had already been recognized during the reporting period, carried out a review of the contracts and reconciliation documents, and confirmed if the amounts and counterparties were the same.
3. We checked the post-period receipts and post-period sales returns or discounts, and confirmed that there was no revenue adjustment after reporting period.

Responsibilities of Management and Those Charged with Governance for 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 the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chien Ming Tseng and Pan Fa Wang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2023

Notice to Readers

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

For the convenience of readers, the independent auditors' 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' report and consolidated financial statements shall prevail.

91APP, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 28)	\$ 2,466,950	63	\$ 643,991	16
Financial assets at amortized cost - current (Notes 8, 28 and 30)	10,400	-	1,557,508	37
Notes receivable (Notes 9 and 28)	133	-	150	-
Trade receivables (Notes 9, 20 and 28)	73,989	2	53,547	1
Trade receivables from related parties (Notes 9, 20, 28 and 29)	2,495	-	814	-
Other receivables (Notes 9, 16 and 28)	276,769	7	277,097	7
Other receivables from related parties (Notes 9, 28 and 29)	-	-	254	-
Other financial assets (Notes 16 and 28)	764,054	19	1,346,880	32
Other current assets (Note 16)	17,325	1	10,836	-
Total current assets	<u>3,612,115</u>	<u>92</u>	<u>3,891,077</u>	<u>93</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 7 and 28)	57,235	1	-	-
Investments accounted for using the equity method (Note 11)	186,129	5	186,959	4
Property, plant and equipment (Note 12)	31,566	1	24,829	1
Right-of-use assets (Note 13)	37,533	1	23,591	1
Goodwill (Note 14)	3,294	-	2,969	-
Other intangible assets (Note 15)	3,000	-	-	-
Deferred tax assets (Note 22)	5,319	-	1,658	-
Other non-current assets (Notes 16 and 28)	7,281	-	60,765	1
Total non-current assets	<u>331,357</u>	<u>8</u>	<u>300,771</u>	<u>7</u>
TOTAL	<u>\$ 3,943,472</u>	<u>100</u>	<u>\$ 4,191,848</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Note 20)	\$ 90,767	2	\$ 68,252	2
Notes payable (Note 28)	128	-	86	-
Other payables (Notes 17 and 28)	1,014,367	26	1,456,255	35
Other payables to related parties (Notes 17, 28 and 29)	60	-	83	-
Current tax liabilities (Note 22)	63,530	2	59,681	1
Lease liabilities - current (Notes 13 and 28)	20,989	-	12,419	-
Other current liabilities (Notes 17 and 28)	216,425	5	163,891	4
Total current liabilities	<u>1,406,266</u>	<u>35</u>	<u>1,760,667</u>	<u>42</u>
NON-CURRENT LIABILITIES				
Contract liabilities - non-current (Note 20)	9,240	-	7,655	-
Lease liabilities - non-current (Notes 13 and 28)	18,419	1	11,488	-
Deposits received (Note 28)	-	-	100	-
Total non-current liabilities	<u>27,659</u>	<u>1</u>	<u>19,243</u>	<u>-</u>
Total liabilities	<u>1,433,925</u>	<u>36</u>	<u>1,779,910</u>	<u>42</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)				
Ordinary shares	602,890	15	602,890	14
Capital surplus	1,223,378	31	1,221,152	29
Retained earnings				
Legal reserve	29,841	1	-	-
Unappropriated earnings	857,741	22	607,576	15
Other equity	124,948	3	(24,533)	-
Treasury shares	(335,477)	(8)	-	-
Total equity attributable to owners of the Company	<u>2,503,321</u>	<u>64</u>	<u>2,407,085</u>	<u>58</u>
NON-CONTROLLING INTERESTS	<u>6,226</u>	<u>-</u>	<u>4,853</u>	<u>-</u>
Total equity	<u>2,509,547</u>	<u>64</u>	<u>2,411,938</u>	<u>58</u>
TOTAL	<u>\$ 3,943,472</u>	<u>100</u>	<u>\$ 4,191,848</u>	<u>100</u>

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

91APP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 20 and 29)	\$ 1,262,840	100	\$ 1,100,926	100
OPERATING COSTS (Notes 21 and 29)	<u>314,506</u>	<u>25</u>	<u>270,480</u>	<u>25</u>
GROSS PROFIT	<u>948,334</u>	<u>75</u>	<u>830,446</u>	<u>75</u>
OPERATING EXPENSES (Notes 21 and 29)				
Selling and marketing expenses	212,650	17	175,760	16
General and administrative expenses	199,795	15	167,421	15
Research and development expenses	125,291	10	119,053	11
Expected credit loss	<u>38</u>	<u>-</u>	<u>161</u>	<u>-</u>
Total operating expenses	<u>537,774</u>	<u>42</u>	<u>462,395</u>	<u>42</u>
PROFIT FROM OPERATIONS	<u>410,560</u>	<u>33</u>	<u>368,051</u>	<u>33</u>
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 29)				
Interest income	30,925	2	4,540	-
Other income	14,866	1	6,317	1
Other gains and losses	(17,439)	(1)	607	-
Finance costs	(449)	-	(290)	-
Share of profit or loss of associates and joint ventures accounted for using equity method	<u>(12,107)</u>	<u>(1)</u>	<u>(5,280)</u>	<u>-</u>
Total non-operating income and expenses	<u>15,796</u>	<u>1</u>	<u>5,894</u>	<u>1</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	426,356	34	373,945	34
INCOME TAX EXPENSE (Note 22)	<u>(87,661)</u>	<u>(7)</u>	<u>(75,303)</u>	<u>(7)</u>
NET PROFIT FOR THE YEAR	<u>338,695</u>	<u>27</u>	<u>298,642</u>	<u>27</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(4,186)	-	-	-
Exchange differences on translation to the presentation currency	<u>258,203</u>	<u>20</u>	<u>(38,556)</u>	<u>(4)</u>
	<u>254,017</u>	<u>20</u>	<u>(38,556)</u>	<u>(4)</u>

(Continued)

91APP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	\$ (103,975)	(8)	\$ 18,329	2
Other comprehensive income (loss) for the year, net of income tax	150,042	12	(20,227)	(2)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 488,737	39	\$ 278,415	25
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 337,883	27	\$ 298,409	27
Non-controlling interests	812	-	233	-
	<u>\$ 338,695</u>	<u>27</u>	<u>\$ 298,642</u>	<u>27</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 487,364	39	\$ 278,348	25
Non-controlling net interests	1,373	-	67	-
	<u>\$ 488,737</u>	<u>39</u>	<u>\$ 278,415</u>	<u>25</u>
EARNINGS PER SHARE (Note 23)				
Basic	\$ 2.83		\$ 2.58	
Diluted	\$ 2.83		\$ 2.58	

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

91APP, INC. AND SUBSIDIARIES
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company										
	Share Capital - Ordinary Shares		Retained Earnings			Other Equity		Treasury Shares	Total	Non-controlling Interests	Total Equity
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Unappropriated Earnings	Exchange Differences Arising on the Translation of the Financial Statements of Foreign Operations	Unrealized Gain on Investments in Equity Instruments at Fair Value Through Other Comprehensive Income				
BALANCE AT JANUARY 1, 2021	107,180	\$ 535,900	\$ 9,113	\$ -	\$ 309,167	\$ (4,472)	\$ -	\$ -	\$ 849,708	\$ 4,786	\$ 854,494
Net income for the year ended December 31, 2021	-	-	-	-	298,409	-	-	-	298,409	233	298,642
Other comprehensive loss for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(20,061)	-	-	(20,061)	(166)	(20,227)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	298,409	(20,061)	-	-	278,348	67	278,415
Issue of shares	13,398	66,990	1,203,406	-	-	-	-	-	1,270,396	-	1,270,396
Share-based payments	-	-	8,633	-	-	-	-	-	8,633	-	8,633
BALANCE AT DECEMBER 31, 2021	120,578	602,890	1,221,152	-	607,576	(24,533)	-	-	2,407,085	4,853	2,411,938
Appropriation of 2021 earnings											
Legal reserve	-	-	-	29,841	(29,841)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(57,877)	-	-	-	(57,877)	-	(57,877)
Net income for the year ended December 31, 2022	-	-	-	-	337,883	-	-	-	337,883	812	338,695
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	153,667	(4,186)	-	149,481	561	150,042
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	337,883	153,667	(4,186)	-	487,364	1,373	488,737
Buy-back of ordinary shares	-	-	-	-	-	-	-	(335,477)	(335,477)	-	(335,477)
Share-based payment	-	-	2,226	-	-	-	-	-	2,226	-	2,226
BALANCE AT DECEMBER 31, 2022	120,578	\$ 602,890	\$ 1,223,378	\$ 29,841	\$ 857,741	\$ 129,134	\$ (4,186)	\$ (335,477)	\$ 2,503,321	\$ 6,226	\$ 2,509,547

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

91APP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	\$ 426,356	\$ 373,945
Adjustments for:		
Depreciation expenses	36,951	22,781
Expected credit loss	38	161
Finance costs	449	290
Interest income	(30,925)	(4,540)
Share-based payments	2,226	8,633
Share of profit of associates and joint ventures accounted for using equity method	12,107	5,280
Loss on disposal of property, plant and equipment	190	375
Impairment loss recognized on investment accounted for using the equity method	1,097	-
Loss on lease modifications	-	143
Changes in operating assets and liabilities		
Notes receivable	17	(100)
Trade receivables	(22,124)	(13,243)
Other receivables	2,621	(43,058)
Other current assets	(6,489)	(3,812)
Other financial assets	582,826	(1,346,880)
Contract liabilities	24,100	17,011
Notes payable	42	86
Other payables	(441,911)	707,395
Other current liabilities	52,534	55,937
Cash generated from (used in) operations	640,105	(219,596)
Interest received	28,849	3,573
Interest paid	(449)	(290)
Income tax paid	(87,473)	(52,382)
Net cash generated from (used in) operating activities	<u>581,032</u>	<u>(268,695)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(1,344,417)	(2,187,814)
Proceeds from sale of financial assets at amortized cost	2,891,525	1,273,098
Acquisition of investments accounted for using the equity method	-	(106,120)
Prepaid investments	-	(55,360)
Payments for property, plant and equipment	(19,471)	(18,618)
Proceeds from disposal of property, plant and equipment	20	-
Increase in refundable deposits	(3,329)	(298)
Payments for intangible asset	(3,000)	-
Prepayment for equipment	-	(1,453)
Dividends received	3,779	2,552
Net cash generated from (used in) investing activities	<u>1,525,107</u>	<u>(1,094,013)</u>

(Continued)

91APP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from deposits received	\$ -	\$ 100
Repayments of deposits received	(100)	-
Repayment of the principal portion of lease liabilities	(21,430)	(13,525)
Cash dividends	(57,877)	-
Proceeds from issuing shares	-	1,270,396
Payments for buy-back of ordinary shares	<u>(335,477)</u>	<u>-</u>
Net cash (used in) generated from financing activities	<u>(414,884)</u>	<u>1,256,971</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>131,704</u>	<u>(17,968)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,822,959	(123,705)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>643,991</u>	<u>767,696</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,466,950</u>	<u>\$ 643,991</u>

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

91APP, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

91APP, Inc. (the “Company”) was incorporated in Cayman Islands in July 2013. The Company is mainly engaged in the general investment business, software design services, data processing services, information technology consultancy services and other related information technology businesses.

The Company’s functional currency is the U.S. dollar. However, for greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars since the Company’s shares are listed on the Taipei Exchange.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on March 9, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS, AMENDMENTS 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 FSC.

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

- b. The IFRSs endorsed by the FSC for application starting from 2023

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments are applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group has that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

- c. New 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 New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

- b. 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.

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:

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

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

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

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those 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 Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 10 and Table 2 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction (i.e., not retranslated).

For the purpose of presenting the consolidated financial statements, the functional currencies of the Company and its foreign operations (including subsidiaries, associates, joint ventures and branches in other countries or those that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate). The exchange differences accumulated in equity, which resulted from the translation of the assets and liabilities of the entities in the Group into the presentation currency, are not subsequently reclassified to profit or loss.

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rates of exchange prevailing at the end of each reporting period. Exchange differences are recognized in other comprehensive income.

f. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates and joint ventures.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

g. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

i. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

- j. Impairment of property, plant and equipment, right-of-use asset, intangible assets other than goodwill and assets related to contract costs

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract applicable under IFRS 15 shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

- k. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

- 1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following category: Financial assets at amortized cost, and investments in equity instruments at FVTOCI.

i. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, financial assets at amortized cost - current, notes receivable, trade receivables, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

ii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group):

- i. Internal or external information shows that the debtor is unlikely to pay its creditors.
- ii. Financial asset is more than 365 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

l. Revenue recognition

The Group's operating revenue comes from recurring revenue (including system maintenance service revenue and online store value-added service revenue) and non-recurring revenue.

The Group recognizes contract liabilities before the services are completed, and subsequently recognizes revenue when the contractual obligations are satisfied.

System maintenance service revenue is derived from the system maintenance services provided by the Group. In addition to the fixed price, the service contract also stipulates that the price shall be charged based on a certain percentage of the system transaction amount. As the Group provides system maintenance services, customers simultaneously receive and consume the benefits provided by the Group's performance, and the Group recognizes revenue on a straight-line basis during the performance period.

When the Group transferred contractual obligations to the customer, online store value-added services revenue is charged based on a certain percentage of the system transaction amount.

Non-recurring revenue comes from project sales revenue. When the Group creates or strengthens an asset and transfer to the customers, the Group measures progress on the basis of the output method and recognizes revenue over time.

m. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease substantially less than the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

n. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

o. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

p. Share-based payment arrangements

Equity-settled share-based payment arrangements granted to employees by the shareholders of the Group

The fair value at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The shareholders of the Group and specific employees sign the equity-settled share-based payment arrangements, promising to grant the shares free of charge. The grant date is the date the arrangement is signed.

q. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group'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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Cash on hand	\$ 40	\$ 40
Checking accounts and demand deposits	313,379	574,751
Cash equivalents (investments with original maturities within 3 months)		
Time deposits	<u>2,153,531</u>	<u>69,200</u>
	<u>\$ 2,466,950</u>	<u>\$ 643,991</u>

The market rate intervals of cash in bank and time deposits at the end of the reporting period were as follows:

	December 31	
	2022	2021
Bank deposits	0.385%-1.05%	0.001%-0.05%
Time deposits	4.38%-4.92%	0.25%-0.28%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Non-current</u>		
Foreign investments		
Unlisted shares	\$ 57,235	\$ -

In November 2021, the Group acquired preference shares of inline group Limited for cash of US\$2,000 thousand (listed in the prepaid investments). The equity interest was transferred on February 25, 2022.

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

8. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Current</u>		
Time deposits with original maturities of more than 3 months		
(a)	\$ 1,000	\$ 1,548,108
Pledged time deposits (b)	<u>9,400</u>	<u>9,400</u>
	<u>\$ 10,400</u>	<u>\$ 1,557,508</u>

- a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 1.2% and 0.22%-0.81% per annum as of December 31, 2022 and 2021, respectively.
- b. Refer to Note 30 for information relating to investments in financial assets at amortized cost pledged as security.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ 133	\$ 150
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 133</u>	<u>\$ 150</u>

(Continued)

	December 31	
	2022	2021
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 73,998	\$ 53,555
Less: Allowance for impairment loss	<u>(9)</u>	<u>(8)</u>
	<u>\$ 73,989</u>	<u>\$ 53,547</u>
<u>Trade receivables from related parties</u>		
At amortized cost		
Gross carrying amount	\$ 2,495	\$ 814
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 2,495</u>	<u>\$ 814</u>
<u>Other receivables</u>		
At amortized cost		
Gross carrying amount	\$ 277,061	\$ 277,352
Less: Allowance for impairment loss	<u>(292)</u>	<u>(255)</u>
	<u>\$ 276,769</u>	<u>\$ 277,097</u>
<u>Other receivables from related parties</u>		
At amortized cost		
Gross carrying amount	\$ -	\$ 254
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 254</u>
		(Concluded)

a. Notes receivable and trade receivables

The average credit period of sales was 30-130 days, and no interest was charged on trade receivables. When determining the recoverability of trade receivables, the Group considered if there were any changes in the credit quality of the trade receivables from the date credit was initially granted to the balance sheet date.

In order to control credit risk, the management of the Company has delegated the accounting department responsible for determining credit limits and monitoring various factors that may affect the customer's ability to pay, such as the historical transaction records and current economic conditions to ensure the recoverability of trade receivables. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group applies the simplified approach prescribed by IFRS 9, which measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit

loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on the transaction date status is not further distinguished according to the Group's different customer base.

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

The following table details the loss allowance of trade receivables based on the Group's provision matrix (based on invoice date).

Notes receivable

December 31, 2022

	1 to 30 Days	31 to 90 Days	Total
Expected credit loss rate	-	-	-
Gross carrying amount	\$ 133	\$ -	\$ 133
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 133</u>	<u>\$ -</u>	<u>\$ 133</u>

December 31, 2021

	1 to 30 Days	31 to 90 Days	Total
Expected credit loss rate	-	-	-
Gross carrying amount	\$ 100	\$ 50	\$ 150
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 100</u>	<u>\$ 50</u>	<u>\$ 150</u>

The movements of the loss allowance of trade receivables in 2022 and 2021 have not changed.

Trade receivables

December 31, 2022

	1 to 30 Days	31 to 90 Days	91 to 180 Days	Over 181 Days	Total
Expected credit loss rate	-	-	-	100%	-
Gross carrying amount	\$ 60,429	\$ 15,584	\$ 471	\$ 9	\$ 76,493
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9)</u>	<u>(9)</u>
Amortized cost	<u>\$ 60,429</u>	<u>\$ 15,584</u>	<u>\$ 471</u>	<u>\$ -</u>	<u>\$ 76,484</u>

December 31, 2021

	1 to 30 Days	31 to 90 Days	91 to 180 Days	Over 181 Days	Total
Expected credit loss rate	-	-	-	100%	-
Gross carrying amount	\$ 48,673	\$ 5,542	\$ 146	\$ 8	\$ 54,369
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8)</u>	<u>(8)</u>
Amortized cost	<u>\$ 48,673</u>	<u>\$ 5,542</u>	<u>\$ 146</u>	<u>\$ -</u>	<u>\$ 54,361</u>

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 8	\$ 7
Add: Net remeasurement of loss allowance	<u>1</u>	<u>1</u>
Balance at December 31	<u>\$ 9</u>	<u>\$ 8</u>

b. Other receivables (Note 16)

Other receivables are mainly derived from the contracts signed by the Group and online stores; the Group provides customers with store opening services and collects payment from general customers through collection agencies. On the date agreed in the contract, the Group collects the payment for goods from the collection agencies for each period. The average collection period for collection agencies is 0-15 days.

The Group recognized an allowance for 100% impairment of other doubtful receivables.

The movements of the allowance for doubtful other receivables were as follows:

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 255	\$ 95
Add: Net remeasurement of loss allowance	<u>37</u>	<u>160</u>
Balance at December 31	<u>\$ 292</u>	<u>\$ 255</u>

10. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership		Remark
			December 31 2022	December 31 2021	
91APP, Inc.	91APP (Taiwan), Inc.	Internet related business	100	100	-
91APP, Inc.	Omni-channel Retail System Corporation	Internet related business	100	100	-
91APP, Inc.	91APP HK Limited	Internet related business	70	70	-

The financial statements of the above-mentioned subsidiaries have been audited.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates	December 31	
	2022	2021
Material associate		
EasyStore Commerce Sdn. Bhd.	\$ 101,585	\$ 100,615
Omnichat Limited	49,350	50,048
Associates that are not individually material	<u>35,194</u>	<u>36,296</u>
	<u>\$ 186,129</u>	<u>\$ 186,959</u>

a. Material associate

Investments in Associates	Proportion of Ownership and Voting Rights	
	December 31 2022	December 31 2021
EasyStore Commerce Sdn. Bhd.	36.35%	36.35%
Omnichat Limited	35.80%	35.80%

Refer to Table 2 “Information on Investees” for the nature of activities, principal place of business and country of incorporation of the associate.

EasyStore Commerce Sdn. Bhd. and Omnichat Limited are the Group’s strategic partner for acquiring new customers in Malaysia and Hongkong, respectively, by entering into the market.

In 2022, EasyStore Commerce Sdn. Bhd., the Group’s equity investment accounted for using the equity method, continued to result in loss, and the overall profitability of EasyStore Commerce Sdn. Bhd. was not as expected. The Group carried out the impairment test on the equity investment. Based on the assessment, the carrying amount of the Group’s equity investment of EasyStore Commerce Sdn. Bhd. was higher than its recoverable amount as of December 31, 2022. Therefore, the Group recognized impairment losses of \$1,097 thousand (listed in other gains and losses). In determining the value in use of the investments, the Group estimated the present value of the estimated future cash flows expected to arise from the operation of the invested company by using the discount rate of 16.5%.

Summarized financial information in respect of the Group's material associate is set out below. The summarized financial information below represents amounts shown in the associate's financial statements prepared in accordance with the IFRSs adjusted by the Group for equity accounting purposes.

EasyStore Commerce Sdn. Bhd.

	December 31	
	2022	2021
Current assets	\$ 81,527	\$ 26,072
Non-current assets	19,070	19,322
Current liabilities	<u>(131,957)</u>	<u>(51,558)</u>
Equity	<u>\$ (31,360)</u>	<u>\$ (6,164)</u>
Proportion of the Group's ownership	36.35%	36.35%
Equity attributable to the Group	\$ (11,399)	\$ (2,241)
Goodwill	113,017	102,856
Effect of foreign currency exchange differences	<u>(33)</u>	<u>-</u>
Carrying amount	<u>\$ 101,585</u>	<u>\$ 100,615</u>

	For the Year Ended December 31	
	2022	2021
Operating revenue	<u>\$ 81,683</u>	<u>\$ 69,979</u>
Net loss for the year	\$(24,119)	\$(24,907)
Other comprehensive income (loss)	<u>-</u>	<u>-</u>
Total comprehensive loss for the year	<u>\$(24,119)</u>	<u>\$(24,907)</u>

Omnichat Limited

	December 31	
	2022	2021
Current assets	\$ 58,821	\$ 58,349
Non-current assets	32,263	11,755
Current liabilities	<u>(42,081)</u>	<u>(5,708)</u>
Equity	<u>\$ 49,003</u>	<u>\$ 64,396</u>
Proportion of the Group's ownership	35.80%	35.80%
Equity attributable to the Group	\$ 17,543	\$ 23,054
Goodwill	29,042	24,148
Customer relationships	<u>2,765</u>	<u>2,846</u>
Carrying amount	<u>\$ 49,350</u>	<u>\$ 50,048</u>

	For the Year Ended December 31	
	2022	2021
Operating revenue	<u>\$ 34,743</u>	<u>\$ 11,320</u>
Net loss for the year	\$(15,740)	\$ (2,085)
Other comprehensive loss	<u>-</u>	<u>(16)</u>
Total comprehensive loss for the year	<u>\$(15,740)</u>	<u>\$ (2,101)</u>

b. Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2022	2021
The Group's share of:		
Profit from continuing operations	<u>\$ 2,677</u>	<u>\$ 2,771</u>

Investments accounted for using the equity method and the Group's share of profit or loss and other comprehensive income of these investments were based on the associates' financial statements which have been audited for the same periods.

12. PROPERTY, PLANT AND EQUIPMENT

	December 31		
	2022	2021	
Assets used by the Group	<u>\$ 31,566</u>	<u>\$ 24,829</u>	
<u>Assets used by the Group</u>			
	Office Equipment	Leasehold Improvements	Total
<u>Cost</u>			
Balance at January 1, 2022	\$ 40,873	\$ 31,995	\$ 72,868
Additions	9,902	9,569	19,471
Disposals	(4,167)	(4,267)	(8,434)
Reclassification	-	1,453	1,453
Effects of foreign currency exchange differences	<u>68</u>	<u>-</u>	<u>68</u>
Balance at December 31, 2022	<u>\$ 46,676</u>	<u>\$ 38,750</u>	<u>\$ 85,426</u>

(Continued)

	Office Equipment	Leasehold Improvements	Total
<u>Accumulated depreciation</u>			
Balance at January 1, 2022	\$ 28,308	\$ 19,731	\$ 48,039
Disposals	(3,957)	(4,267)	(8,224)
Depreciation expenses	7,242	6,773	14,015
Effects of foreign currency exchange differences	<u>23</u>	<u>7</u>	<u>30</u>
Balance at December 31, 2022	<u>\$ 31,616</u>	<u>\$ 22,244</u>	<u>\$ 53,860</u>
Carrying amount at December 31, 2022	<u>\$ 15,060</u>	<u>\$ 16,506</u>	<u>\$ 31,566</u>
<u>Cost</u>			
Balance at January 1, 2021	\$ 35,621	\$ 21,041	\$ 56,662
Additions	7,664	10,954	18,618
Disposals	(2,399)	-	(2,399)
Effects of foreign currency exchange differences	<u>(13)</u>	<u>-</u>	<u>(13)</u>
Balance at December 31, 2021	<u>\$ 40,873</u>	<u>\$ 31,995</u>	<u>\$ 72,868</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2021	\$ 24,389	\$ 16,631	\$ 41,020
Disposals	(2,024)	-	(2,024)
Depreciation expenses	5,948	3,098	9,046
Effects of foreign currency exchange differences	<u>(5)</u>	<u>2</u>	<u>(3)</u>
Balance at December 31, 2021	<u>\$ 28,308</u>	<u>\$ 19,731</u>	<u>\$ 48,039</u>
Carrying amount at December 31, 2021	<u>\$ 12,565</u>	<u>\$ 12,264</u>	<u>\$ 24,829</u> (Concluded)

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

Office equipment	3-5 years
Leasehold improvements	3-5 years

The Group did not recognize any impairment loss for the years ended December 31, 2022 and 2021 as there were no indications of impairment.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Carrying amounts</u>		
Buildings	\$ 35,967	\$ 23,591
Transportation equipment	<u>1,566</u>	<u>-</u>
	<u>\$ 37,533</u>	<u>\$ 23,591</u>
	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Additions to right-of-use assets	<u>\$ 36,339</u>	<u>\$ 26,998</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 22,023	\$ 12,637
Transportation equipment	<u>913</u>	<u>1,098</u>
	<u>\$ 22,936</u>	<u>\$ 13,735</u>

Except for the addition and recognition of depreciation expenses listed above, there was no major sublease or impairment of the right-of-use assets of the Group for the years ended December 31, 2022 and 2021.

b. Lease liabilities

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Carrying amounts</u>		
Current	<u>\$ 20,989</u>	<u>\$ 12,419</u>
Non-current	<u>\$ 18,419</u>	<u>\$ 11,488</u>

Range of discount rate for lease liabilities was as follows:

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Buildings	0.74%-2.18%	0.94%-2.66%
Transportation equipment	1.49%	-

c. Material leasing activities and terms

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

14. GOODWILL

	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Cost</u>		
Balance at January 1	\$ 6,144	\$ 6,322
Effect of foreign currency exchange differences	<u>673</u>	<u>(178)</u>
Balance at December 31	<u>\$ 6,817</u>	<u>\$ 6,144</u>
<u>Accumulated impairment losses</u>		
Balance at January 1	\$ (3,175)	\$ (3,267)
Effect of foreign currency exchange differences	<u>(348)</u>	<u>92</u>
Balance at December 31	<u>\$ (3,523)</u>	<u>\$ (3,175)</u>
Carrying amount at December 31	<u>\$ 3,294</u>	<u>\$ 2,969</u>

The Group acquired Omni-channel Retail System Corporation and 91APP HK Limited on June 1, 2016 and October 22, 2019, respectively, and recognized goodwill relating to control premium.

15. INTANGIBLE ASSETS

	Computer Software
<u>Cost</u>	
Balance at January 1, 2022	\$ 579
Additions	<u>3,000</u>
Balance at December 31, 2022	<u>\$ 3,579</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2022	\$ 579
Balance at December 31, 2022	<u>\$ 579</u>
Carrying amount at December 31, 2022	<u>\$ 3,000</u>
<u>Cost</u>	
Balance at January 1, 2021	<u>\$ 579</u>
Balance at December 31, 2021	<u>\$ 579</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2021	\$ 579
Balance at December 31, 2021	<u>\$ 579</u>
Carrying amount at December 31, 2021	<u>\$ -</u>

Computer software costs are amortized on a straight line basis over their useful lives of 3 years.

16. OTHER ASSETS

	December 31	
	2022	2021
<u>Current</u>		
Other receivables		
Interest receivables	\$ 4,665	\$ 2,589
Receivables from receipts under custody (a)	262,597	261,427
Others	<u>9,507</u>	<u>13,081</u>
	<u>\$ 276,769</u>	<u>\$ 277,097</u>
Other financial assets		
Restricted trust deposits (b)	<u>\$ 764,054</u>	<u>\$ 1,346,880</u>
Other assets		
Prepayments	\$ 15,269	\$ 9,518
Others	<u>2,056</u>	<u>1,318</u>
	<u>\$ 17,325</u>	<u>\$ 10,836</u>
<u>Non-current</u>		
Prepaid investments (c)	\$ -	\$ 55,360
Prepaid equipment	-	1,453
Refundable deposits	<u>7,281</u>	<u>3,952</u>
	<u>\$ 7,281</u>	<u>\$ 60,765</u>

- a. Receivables from receipts under custody are payments that third-party agencies collect from consumers.
- b. Amounts for receipts and payables under custody of payment and logistic services provided by the Group are guaranteed through trust, which refers to a signed trust contract with a trust management bank, and a special deposit account is used as a special trust account for receipts and payables under custody and stored-value funds. The Group recognized the account as “other financial assets - restricted trust deposits”.
- c. In November 2021, the Group subscribed for 200,000 shares after the consolidation of inline group Limited for cash of US\$2,000 thousand; the procedure has not yet been completed, so it is listed in the prepaid investments. The equity interest was transferred on February 25, 2022 and reclassified to financial assets at fair value through other comprehensive income.

17. OTHER LIABILITIES

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Current</u>		
Other payables		
Payables for receipts under custody*	\$ 831,208	\$ 1,293,476
Payables for salaries or bonuses	78,349	72,295
Payables for annual leave	320	320
Payables for employees' compensation	14,788	13,208
Payables for insurance premiums	7,578	6,384
Payables for pension	6,998	6,340
Payables for VAT	24,109	29,271
Others	<u>51,017</u>	<u>34,961</u>
	<u>\$ 1,014,367</u>	<u>\$ 1,456,255</u>
Payables to related parties	<u>\$ 60</u>	<u>\$ 83</u>
Other liabilities		
Receipts under custody	\$ 213,893	\$ 157,608
Temporary receipts	<u>2,532</u>	<u>6,283</u>
	<u>\$ 216,425</u>	<u>\$ 163,891</u>

* Payables for receipts under custody of payment flow services are the amounts payable to stores for the amounts collected on behalf of these stores in accordance with the contracts which the Group signed with these stores. The amounts for receipts and payables under custody mentioned above are transferred into a trust since April 2021, and recognized as other financial assets; refer to Note 16.

18. RETIREMENT BENEFIT PLANS

Defined Contribution Plans

91APP (Taiwan), Inc. and Omni-channel Retail System Corporation of the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The Group recognized pension costs of \$28,112 thousand and \$24,467 thousand for the years ended December 31, 2022 and 2021, respectively.

The employees of the Group's subsidiaries, 91APP HK Limited, are members of a state-managed retirement benefit plan operated by the local government. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

19. EQUITY

a. Share capital - ordinary shares

	December 31	
	2022	2021
Shares authorized (in thousands of shares)	<u>180,000</u>	<u>180,000</u>
Shares authorized	<u>\$ 900,000</u>	<u>\$ 900,000</u>
Shares issued and fully paid (in thousands of shares)	<u>120,578</u>	<u>120,578</u>
Shares issued and fully paid	<u>\$ 602,890</u>	<u>\$ 602,890</u>

For first listing on the Taipei Exchange, the Company's board of directors resolved to issue 13,398 thousand ordinary shares with a par value of \$5 on March 25, 2021; the cash capital increase from issuance of new shares includes public subscription, employee subscription and bidding auction with 2,412 thousand shares, 1,340 thousand shares, and 9,646 thousand shares, respectively, of which the public subscription and employee subscriptions are all issued at a premium of \$66 per share, and bidding auction was issued at a premium of \$106.76 per share at the weighted average price of the bid, and the base date of the increase in capital was May 21, 2021; the total proceeds amounted to \$1,277,396 thousand. After the capital increase, the paid-in capital was \$602,890 thousand, divided into 120,578 thousand ordinary shares.

b. Capital surplus

	December 31	
	2022	2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*		
Additional paid-in capital	\$ 1,219,040	\$ 1,215,858
<u>May not be used for any purpose</u>		
Employee share options	<u>4,338</u>	<u>5,294</u>
	<u>\$ 1,223,378</u>	<u>\$ 1,221,152</u>

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

c. Retained earnings and dividend policy

Except as provided in the Company law of the Cayman Islands, the Group is currently in the growth stage. The board of directors should prepare a distribution plan which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders, with the future operational development plan in mind and in response to funding needs and long-term financial planning, at the same time taking into consideration shareholder interests.

Under the dividends policy as set forth in the Articles of the Company

- 1) Where based on the Company's final accounts in respect of a current year, when the Company proposes to make profit distribution, such distribution shall be calculated based on the after-tax net profit of that current fiscal year, and shall be distributable only after (i) covering accumulated losses (including any adjustment to the retained earnings), (ii) setting aside a sum for any capital reserve pursuant to these Articles, (iii) setting aside a sum equal to ten percent (10%) for any capital reserve pursuant to the Applicable Public Company Rules, unless the accumulated amount of such reserve equals to the total paid-up capital of the Company, and (iv) setting aside a sum for an additional special reserve or reversing the special reserve back to the undistributed profit in compliance with the requirements promulgated by applicable ROC authorities so long as the Shares are listed on any ROC Securities Exchange. After deducting the aforementioned amounts from the Company's net profit after tax, any remaining profit will be distributed as dividends to shareholders based on the shareholding ratios of the respective shareholders.
- 2) When the Company's shares are traded on any of the stock exchanges in the Republic of China, the Company's dividend distribution policy should be proposed by the board of directors and resolved in the shareholders' meeting whereby no less than 10% of the accumulated retained earnings for each year should be distributed as shareholder dividends., however, that if the accumulated retained earnings is less than 10% of the capital paid up, the Company may not declare dividends. Such dividends may be distributed by cash or by issuing shares, provided that the percentage of the cash dividend shall not be less than five (5) percent of the total dividend.

The shareholders of the Company held their regular meeting on April 16, 2021 and in that meeting, resolved the amendments to the Company's Articles of Incorporation. The amendments explicitly stipulate that the proposal for profit distribution or offsetting of losses should be made at the end of year, the board of directors is authorized to adopt a resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting.

For information about the distribution policy of compensation of employees and remuneration of directors stipulated in the Company's Articles of Incorporation, refer to Note 21, g (employees' compensation and the remuneration of directors).

The Group held regular shareholders' meetings on April 16, 2021, and resolved to consider the Company's needs for future expansion of the scale of operations, and all surpluses for 2020 were retained without distribution.

The appropriation of earnings for 2021 have been approved in the shareholders' meetings on June 9, 2022; the amounts were as follows:

	For the Year Ended December 31, 2021
Legal reserve	\$ 29,841
Cash dividends	\$ 57,877
Cash dividends per share (NT\$)	\$ 0.48

The appropriation of earnings for 2022, has been proposed by the Company's board of directors on March 9, 2023, was as follows:

	For the Year Ended December 31, 2022
Legal reserve	<u>\$ 33,788</u>
Cash dividends	<u>\$ 82,655</u>
Cash dividends per share (NT\$)	\$ 0.7

The above appropriation for cash dividends has been resolved by Company's board of directors, and the other proposed appropriations will be resolved by the shareholders in their meeting to be held on June 9, 2023.

d. Other equity items

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ (24,533)	\$ (4,472)
Exchange differences on the translation of the financial statements of foreign operations	(103,975)	18,329
Exchange differences on translation to the presentation currency	<u>257,642</u>	<u>(38,390)</u>
Balance at December 31	<u>\$ 129,134</u>	<u>\$ (24,533)</u>

2) Unrealized valuation gain on financial assets at FVTOCI

	For the Year Ended December 31, 2022
Balance at January 1	\$ -
Recognized for the year	
Unrealized gain or loss	
Equity Instruments	<u>(4,816)</u>
Other comprehensive loss for the year	<u>(4,816)</u>
Balance at December 31	<u>\$ (4,816)</u>

e. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)
Number of shares at January 1, 2022	-
Increase during the period	<u>2,500</u>
Number of shares at December 31, 2022	<u>2,500</u>

In order to motivate employees and enhance the cohesiveness, the board of directors resolved to buy back 2,500 thousand shares for transferring shares to employees on May 3, 2022. The buyback period is from May 4, 2022 to July 3, 2022. The buyback price range is from \$91.5 to \$229.5. When the share price is lower than the limit of the buyback price range, the Company can still buy back the shares. As of December 31, 2022, the Company has bought back 2,500 thousand shares at a total amount \$335,477 thousand.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote.

20. REVENUE

a. Revenue from contracts with customers

	For the Year Ended December 31	
	2022	2021
Operating revenue	<u>\$ 1,262,840</u>	<u>\$ 1,100,926</u>

b. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Trade receivables (Note 9)	<u>\$ 73,989</u>	<u>\$ 53,547</u>	<u>\$ 41,119</u>
Trade receivables from related parties (Note 9)	<u>\$ 2,495</u>	<u>\$ 814</u>	<u>\$ -</u>
Contract liabilities - current			
System services	\$ 90,767	\$ 68,252	\$ 53,803
Contract liabilities - non-current			
System services	<u>9,240</u>	<u>7,655</u>	<u>5,093</u>
	<u>\$ 100,007</u>	<u>\$ 75,907</u>	<u>\$ 58,896</u>

c. Disaggregation of revenue

	For the Year Ended December 31	
	2022	2021
Taiwan	\$ 1,200,076	\$ 1,058,251
Others	<u>62,764</u>	<u>42,675</u>
	<u>\$ 1,262,840</u>	<u>\$ 1,100,926</u>
Recurring revenue	\$ 1,148,838	\$ 1,014,000
Non-recurring revenue	<u>114,002</u>	<u>86,926</u>
	<u>\$ 1,262,840</u>	<u>\$ 1,100,926</u>

The Group's recurring revenues are generated from its system services and online store services. The Group's non-recurring revenue is generated from its set up and project services.

21. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Year Ended December 31	
	2022	2021
Bank deposits	<u>\$ 30,925</u>	<u>\$ 4,540</u>

b. Other income

	For the Year Ended December 31	
	2022	2021
Service revenue (Note 29)	\$ 2,292	\$ 3,063
Government grants (Note 25)	2,010	-
Rental income (Note 29)	2,447	-
Others	<u>8,117</u>	<u>3,254</u>
	<u>\$ 14,866</u>	<u>\$ 6,317</u>

c. Other gains and (losses)

	For the Year Ended December 31	
	2022	2021
Net foreign exchange (losses) gains	\$(16,152)	\$ 1,125
Losses on disposal of property, plant and equipment	(190)	(375)
Impairment loss recognized on investment accounted for using the equity method	(1,097)	-
Loss on lease modification	<u>-</u>	<u>(143)</u>
	<u>\$(17,439)</u>	<u>\$ 607</u>

d. Finance costs

For the Year Ended December 31
2022 **2021**

Interest on lease liabilities	\$ 449	\$ 290
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e. Depreciation and amortization

For the Year Ended December 31
2022 **2021**

Property, plant and equipment	\$ 14,015	\$ 9,046
Right-of-use assets	<u>22,936</u>	<u>13,735</u>

	<u>\$ 36,951</u>	<u>\$ 22,781</u>
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An analysis of depreciation by function		
Operating costs	\$ 11,647	\$ 9,293
Operating expenses	<u>25,304</u>	<u>13,488</u>

	<u>\$ 36,951</u>	<u>\$ 22,781</u>
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f. Employee benefits expense

For the Year Ended December 31
2022 **2021**

Short-term benefits	\$ 625,400	\$ 541,156
Post-employment benefits		
Defined contribution plans (Note 18)	<u>28,112</u>	<u>24,467</u>
	653,512	565,623

Share-based payments		
Equity-settled (Note 24)	<u>2,226</u>	<u>8,633</u>

Total employee benefits expense	<u>\$ 655,738</u>	<u>\$ 574,256</u>
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An analysis of employee benefits expense by function		
Operating costs	\$ 228,321	\$ 199,596
Operating expenses	<u>427,417</u>	<u>374,660</u>

	<u>\$ 655,738</u>	<u>\$ 574,256</u>
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g. Employees' compensation and remuneration of directors

According to the Articles of the Company, the Company shall accrue employees' compensation and remuneration of directors at rates of no less than 3% and no higher than 3%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. However, if the Company has accumulated losses, an amount should be set aside in advance to offset the losses. Employee's compensation can be distributed in the form of shares or cash, and should be distributed in accordance with the employee reward plan as set forth in the Company's Articles. The employees may include certain employees of the subsidiaries who meet the conditions prescribed by the Company.

For the years ended December 31, 2022 and 2021, the employees' compensation and the remuneration of directors and supervisors which have been approved by the Company's board of directors on March 9, 2023 and March 10, 2022, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2022	2021
Employees' compensation	3%	3%
Remuneration of directors	-	-

Amount

	For the Year Ended December 31	
	2022	2021
Employees' compensation	<u>\$ 10,470</u>	<u>\$ 9,290</u>
Remuneration of directors	<u>\$ -</u>	<u>\$ -</u>

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

There was no difference between the actual amounts of employee's compensation and remuneration of directors paid and amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

Information on the employee's compensation and remuneration of directors and supervisors resolved by the Company's board of directors in 2021 and 2020 is available at the Market Observation Post System Website of Taiwan Stock Exchange.

22. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	\$ 88,722	\$ 76,344
Income tax on unappropriated earnings	14,065	9,275
Adjustments for prior year	(11,465)	(11,042)
Deferred tax		
In respect of the current year	<u>(3,661)</u>	<u>726</u>
Income tax expense recognized in profit or loss	<u>\$ 87,661</u>	<u>\$ 75,303</u>

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2022	2021
Profit before tax	<u>\$ 426,356</u>	<u>\$ 373,945</u>
Income tax expense calculated at the statutory rate	\$ -	\$ -
Effect of different tax rates of entities operating in other jurisdictions	<u>87,661</u>	<u>75,303</u>
Income tax expense recognized in profit or loss	<u>\$ 87,661</u>	<u>\$ 75,303</u>

b. Current tax liabilities

	December 31	
	2022	2021
Current tax liabilities		
Income tax payable	<u>\$ 63,530</u>	<u>\$ 59,681</u>

c. Deferred tax assets

The movements of deferred tax assets were as follows:

For the year ended December 31, 2022

	Beginning Balance	Recognized in Profit or Loss	Ending Balance
<u>Deferred tax assets</u>			
Temporary differences			
Unrealized exchange loss	<u>\$ 1,658</u>	<u>\$ 3,661</u>	<u>\$ 5,319</u>

For the year ended December 31, 2021

	Beginning Balance	Recognized in Profit or Loss	Ending Balance
<u>Deferred tax assets</u>			
Temporary differences			
Allowance for impairment loss	\$ 55	\$ (55)	\$ -
Unrealized exchange loss	<u>2,329</u>	<u>(671)</u>	<u>1,658</u>
	<u>\$ 2,384</u>	<u>\$ (726)</u>	<u>\$ 1,658</u>

d. Income tax assessments

Except for the Company which is exempt from paying income tax, income tax returns of 91APP (Taiwan), Inc. and Omni-channel Retail System Corporation have been assessed by the tax authorities of the ROC as of 2020 except 2021. The rest of the companies have completed the filing of income tax within the prescribed time limits set by the local governments of each country. The tax collection agencies will not voluntarily issue approval notices to enterprises. They will only issue tax payment notices for their respective years to enterprises when there is a tax dispute and reserve the right to propose additional taxation.

23. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2022	2021
Basic earnings per share from continuing operations	<u>\$ 2.83</u>	<u>\$ 2.58</u>
Diluted earnings per share from continuing operations	<u>\$ 2.83</u>	<u>\$ 2.58</u>

Net Profit for the Year

	For the Year Ended December 31	
	2022	2021
Earnings used in the computation of basic earnings per share	<u>\$ 337,883</u>	<u>\$ 298,409</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 337,883</u>	<u>\$ 298,409</u>

The weighted average number of ordinary shares outstanding (in thousands of shares) are as follows:

	For the Year Ended December 31	
	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	119,211	115,439
Effect of potentially dilutive ordinary shares Employees' compensation	<u>117</u>	<u>56</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>119,328</u>	<u>115,495</u>

If the Company offered to settle bonuses paid to employees in cash or shares, the Company assumed the entire amount of the bonus would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share as the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

24. SHARE-BASED PAYMENT ARRANGEMENTS

The shareholders of the Company agreed in January 2020 that specific employees of subsidiaries are entitled to receive 1,088 thousand shares of the Company's stock for free. Equity-settled share-based payment arrangement granted to employees is measured by the fair value of the equity instrument on the grant date. The grant date is January 31, 2020, and the fair value per share on the grant date is \$10.34-\$12.62, and the vesting period is 1.5-4.5 years.

Compensation costs recognized were \$2,226 thousand and \$4,090 thousand for the years ended December 31, 2022 and 2021, respectively.

Issuance of shares from cash capital increase reserved for employees' subscription

On March 25, 2021, the Company's board of directors resolved to issue 13,398 thousand ordinary shares. The above transaction was approved by the FSC on April 21, 2021.

The cash capital increase from issuance of new shares will be subscribed by the employees of the Company and the employees of the affiliated companies, and the grant date is May 12, 2021.

Information on employee share options was as follows:

	For the Year Ended December 31, 2021	
	Number of Options (In Thousands of Units)	Weighted- average Exercise Price (\$)
Balance at January 1	-	\$ -
Options granted	1,340	66
Options forfeited	-	-
Options exercised	<u>(1,340)</u>	
Balance at December 31	<u>-</u>	
Options exercisable, end of the period	<u>-</u>	
Weighted-average fair value of options granted (\$)	<u>\$ 3.39</u>	

The weighted average exercise price of the employee share options exercised in the year 2021 was \$66 on the exercise date.

The Company employees' subscriptions were priced using the Black-Scholes option pricing model.

The inputs value used in the option pricing model are as follows:

	May 2021
Number of shares	1,340 thousand
Restricted transfer period	None
Fair value per share on grant date	\$69.24
Execution price	\$66
Expected volatility	33.655%
Duration	0.01 years
Risk-free interest rate	0.1427%

Compensation cost recognized was \$4,543 thousand for the year ended December 31, 2021

25. GOVERNMENT GRANTS

In 2022, the Group's subsidiaries in Hong Kong received a government grant of \$2,010 thousand. The amount was recognized as other income as set out in Note 21.

26. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the year ended December 31, 2022

			<u>Non-cash Changes</u>			For the Year Ended December 31, 2022	
	January 1, 2022	Cash Flows	New Leases	Interest Expense	Lease Modification	Included in Operating Activities Interest Paid	December 31, 2022
Total cash outflow from lease							<u>\$(21,879)</u>
Lease liabilities	<u>\$ 23,907</u>	<u>\$(21,430)</u>	<u>\$ 36,339</u>	<u>\$ 449</u>	<u>\$ 592</u>	<u>\$ (449)</u>	<u>\$ 39,408</u>

For the year ended December 31, 2021

			<u>Non-cash Changes</u>			For the Year Ended December 31, 2021	
	January 1, 2021	Cash Flows	New Leases	Interest Expense	Lease Modification	Included in Operating Activities Interest Paid	December 31, 2021
Total cash outflow from lease							<u>\$(13,815)</u>
Lease liabilities	<u>\$ 11,480</u>	<u>\$(13,525)</u>	<u>\$ 26,998</u>	<u>\$ 290</u>	<u>\$(1,046)</u>	<u>\$(290)</u>	<u>\$ 23,907</u>

27. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt and equity of the Group (comprising issued capital, capital surplus, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

28. FINANCIAL INSTRUMENTS

- Fair value of financial instruments that are not measured at fair value

The management believes that the book value of financial assets and financial liabilities approximate the fair value.

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

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI investments in equity				
Unlisted shares	\$ -	\$ -	\$ 57,235	\$ 57,235

There were no transfers between Levels 1 and 2 in the December 31, 2022.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2022

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2022	\$ -
Purchases	55,360
Recognized in other comprehensive loss (unrealized loss of financial instrument at FVTOCI)	(4,186)
Foreign currency exchange differences	<u>6,061</u>
Balance at December 31, 2022	<u>\$ 57,235</u>

3) Valuation techniques and inputs applied for fair value measurement

Unlisted shares

The fair values of unlisted equity securities were determined using the income approach. In this approach, the discounted cash flow method was used to calculate the present value of the expected future economic benefits to be derived from the ownership of these investees; and to assess a reasonable fair value by preferential share equity value allocation

c. Categories of financial instruments

	<u>December 31</u>	
	2022	2021
<u>Financial assets</u>		
Financial assets at amortized cost (1)	\$ 3,602,071	\$ 3,884,193
Financial assets at FVTOC	57,235	-
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (2)	882,413	1,328,706

- 1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost - current, notes receivable, trade and other receivables (including related parties receivable), other financial assets - current and refundable deposits.
 - 2) The balances included financial liabilities measured at amortized cost, which comprise notes payable, other payables (including related parties payables) (excluding payables for salaries or bonuses, payables for annual leave, payables for employees' compensation, payables for insurance premiums, payables for pension, and payables for VAT) and deposits received.
- d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, financial assets at amortized cost - current, financial assets at fair value through other comprehensive income, notes receivable, trade and other receivables, other receivables, other financial assets - current, refundable deposits, notes payable, other payables and lease liabilities. The Group's corporate treasury function provides services to the business and manages the financial risks relating to the operations of the Group. These risks include market risk (mainly foreign currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

The Group had foreign currency denominated transactions, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 31.

Sensitivity analysis

The exposure to foreign currency fluctuations mainly relates to the Group's subsidiaries in the ROC, which was mainly impacted by U.S. dollar exchange rate fluctuations.

The following table details the sensitivity of the Group's subsidiaries in ROC to a 1% increase and decrease in the New Taiwan dollar (i.e. the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit for a 1% weakening of the New Taiwan dollar against the relevant currency. For a 1% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	U.S. Dollar Impact	
	For the Year Ended December 31	
	2022	2021
Profit or loss	\$ 11,063	\$ 1,417

The above impact was mainly attributable to the exposure on outstanding U.S. dollar cash, cash equivalents and time deposits with original maturities of more than 3 months of the Group's subsidiaries in the ROC which were not hedged at the end of the reporting period.

b) Interest rate risk

The Group was not exposed to interest rate risk because entities in the Group did not borrow funds.

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

	December 31	
	2022	2021
Fair value interest rate risk		
Financial assets	<u>\$ 2,163,931</u>	<u>\$ 1,626,708</u>
Financial liabilities	<u>\$ 39,408</u>	<u>\$ 23,907</u>
Cash flow interest rate risk		
Financial assets	<u>\$ 1,077,433</u>	<u>\$ 1,921,631</u>

Sensitivity analysis

The fixed-rate financial assets and financial liabilities held by the Company are not included in the analysis because they are measured at amortized cost. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. A 0.25% basis point 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 0.25% basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2022 and 2021 would decrease/increase by \$2,694 thousand and \$4,804 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in FVTOCI.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the period.

If equity prices had been 10% higher/lower, other comprehensive income for the ended December 31, 2022 would have increased/decreased by \$5,724 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

Since the Group's counterparties are all creditworthy financial institutions and entities, no significant credit risk is expected.

The Group transacts with a large number of unrelated customers and thus, credit risk is not highly concentrated.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2022 and 2021, the Group had available unutilized bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

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

December 31, 2022

	Less than 1 Year	1-2 Years	2-5 Years	Total
<u>Non-derivative financial liabilities</u>				
Notes payable	\$ 128	\$ -	\$ -	\$ 128
Other payables	1,014,367	-	-	1,014,367
Other payables to related parties	60	-	-	60
Lease liabilities	21,316	15,944	2,611	39,871
Other current liabilities	<u>216,425</u>	<u>-</u>	<u>-</u>	<u>216,425</u>
	<u>\$ 1,252,296</u>	<u>\$ 15,944</u>	<u>\$ 2,611</u>	<u>\$ 1,270,851</u>

December 31, 2021

	Less than 1 Year	1-2 Years	2-5 Years	Total
<u>Non-derivative financial liabilities</u>				
Notes payable	\$ 86	\$ -	\$ -	\$ 86
Other payables	1,456,255	-	-	1,456,255
Other payables to related parties	83	-	-	83
Lease liabilities	12,617	7,049	4,564	24,230
Other current liabilities	<u>163,891</u>	<u>-</u>	<u>-</u>	<u>163,891</u>
	<u>\$ 1,632,932</u>	<u>\$ 7,049</u>	<u>\$ 4,564</u>	<u>\$ 1,644,545</u>

b) Financing facilities

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Unsecured bank loan facilities which may be extended by mutual agreement:		
Amount used	\$ -	\$ -
Amount unused	<u>550,000</u>	<u>35,000</u>
	<u>\$ 550,000</u>	<u>\$ 35,000</u>

29. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows:

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Omnichat Limited	Associate
Jinghong, Inc.	Associate
Omni-channel Retail System Corporation	Associate
EasyStore Commerce Sdn. Bhd.	Associate
91APP SDN. BHD.	Associate
MYDRESS HOLDING LIMITED	Related party in substance

b. Operating revenue

<u>Related Party Name</u>	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
91APP SDN. BHD.	\$ 788	\$ 783
Omni-channel Retail System Corporation	2,939	435
Omnichat Limited	39	-
MYDRESS HOLDING LIMITED	<u>5,615</u>	<u>-</u>
	<u>\$ 9,381</u>	<u>\$ 1,218</u>

The Company provides services to the related parties; the transaction terms with related parties were not significantly different from those with third parties.

c. Purchase of services

<u>Related Party Name</u>	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Jinghong, Inc.	<u>\$ 1,019</u>	<u>\$ 727</u>

The Company listed above provide 91APP, Inc. with system connection services; the transaction terms with related parties were not significantly different from those with third parties.

d. Receivables from related parties

Line Item	Related Party Name	December 31	
		2022	2021
Trade receivables from related parties	Jinghong, Inc.	\$ -	\$ 2
	91APP SDN. BHD.	104	103
	Omni-channel Retail System Corporation	674	709
	MYDRESS HOLDING LIMITED	<u>1,717</u>	<u>-</u>
		<u>\$ 2,495</u>	<u>\$ 814</u>
Other receivables from related parties	EasyStore Commerce Sdn. Bhd.	<u>\$ -</u>	<u>\$ 254</u>

Receivables from related parties mentioned above were not guaranteed, and no provision for impairment loss was accrued for the years ended December 31, 2022 and 2021.

e. Payables to related parties

Line Item	Related Party Name	December 31	
		2022	2021
Other payables to related parties	Jinghong, Inc.	\$ 21	\$ 83
	MYDRESS HOLDING LIMITED	<u>39</u>	<u>-</u>
		<u>\$ 60</u>	<u>\$ 83</u>

The outstanding other payables to related parties are unsecured.

f. Lease arrangements

Operating lease

The Group leases the right to use of the office to its associates, EasyStore Commerce Sdn. Bhd. and MYDRESS HOLDING LIMITED as the operating lease with the lease term of one year. The rental of EasyStore Commerce Sdn. Bhd. is calculated based on \$4 thousand per person per month; and the rental of MYDRESS HOLDING LIMITED refers to the similar assets' rental level, and a fixed payment of HK\$50 thousand is received monthly according to the lease agreement.

The rent income is summarized as follows:

Related Party Name	For the Year Ended December 31	
	2022	2021
EasyStore Commerce Sdn. Bhd.	\$ 163	\$ -
MYDRESS HOLDING LIMITED	<u>2,188</u>	<u>-</u>
	<u>\$ 2,351</u>	<u>\$ -</u>

g. Others

Line Item	Related Party Name	For the Year Ended December 31	
		2022	2021
Service expenses	Jinghong, Inc.	\$ 44	\$ 67
Service revenue	EasyStore Commerce Sdn. Bhd.	\$ 2,292	\$ 3,063
Operating expenses	MYDRESS HOLDING LIMITED	\$ 59	\$ -

h. Compensation of key management personnel

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	\$ 43,221	\$ 40,054
Post-employment benefits	1,463	1,467
Share-based payments	111	432
	<u>\$ 44,795</u>	<u>\$ 41,953</u>

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

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were pledged as collateral for commercial credit cards and performance guarantees held by the Group:

	December 31	
	2022	2021
Pledged deposits (classified as financial assets at amortized cost - current)	\$ 9,400	\$ 9,400

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 36,023	30.71 (USD:NTD)	<u>\$ 1,106,268</u>

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 5,120	27.68 (USD:NTD)	<u>\$ 141,720</u>

The Group is mainly exposed to the USD. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed. The significant (realized and unrealized) foreign exchange gains (losses) were as follows:

Functional Currency	For the Year Ended December 31			
	2022	Net Foreign Exchange Gain	2021	Net Foreign Exchange Gain
	Exchange Rate		Exchange Rate	
USD	1 (NTD:NTD)	<u>\$ 2,188</u>	1 (NTD:NTD)	<u>\$ 5,104</u>

32. SEPARATELY DISCLOSED ITEMS

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

- 1) Financing provided to others (None)
- 2) Endorsements/guarantees provided (None)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 1)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 10% of total equity attributable to owners of the Company (None, Note)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 10% of total equity attributable to owners of the Company (None, Note)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 10% of total equity attributable to owners of the Company (None, Note)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 10% of total equity attributable to owners of the Company (None, Note)
- 8) Receivables from related parties amounting to at least NT\$100 million or 10% of total equity attributable to owners of the Company (None, Note)
- 9) Trading in derivative instruments (None)
- 10) Intercompany relationships and significant intercompany transactions (Table 3)
- 11) Information on investees (Table 2)

Note: If the issuer's stock has no denomination or the denomination per share is not \$10, the aforementioned regulations listed in numbers 4 to 8 on the transaction amount of 20% of the paid-in capital amount shall be calculated based on 10% of total equity attributable to owners of the Company on the balance sheet.

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (None)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (None):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

- c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 4)

33. SEGMENT INFORMATION

Information reported to the chief operating decision-maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

The Group's management identifies reportable segments based on regions of Taiwan. However, when preparing the consolidated financial report, the Group considers that operating segments outside of Taiwan have similar long-term operating margins. The Group summarizes these operating segments as a single segment, and takes the overall operating profit and loss as a consideration. As the Company focuses on the online merchandise sales and information system software design, the main income of the operating segments disclosed are based on the online merchandise sales and information system software design.

a. Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	Taiwan	Others	Total
<u>For the year ended December 31, 2022</u>			
Revenue from external customers	\$ 1,200,076	\$ 62,764	\$ 1,262,840
Inter-segment revenue	<u>2,209</u>	<u>-</u>	<u>2,209</u>
Segment revenue	1,202,285	62,764	1,265,049
Eliminations	<u>(2,209)</u>	<u>-</u>	<u>(2,209)</u>
Consolidated revenue	<u>\$ 1,200,076</u>	<u>\$ 62,764</u>	<u>\$ 1,262,840</u>
Segment income (excluding central administration costs)	\$ 423,905	\$ 960	\$ 424,865
Central administration costs			<u>(14,305)</u>
Segment income			410,560
Interest income			30,925
Other income			14,866
Other gains and losses			(17,439)
Finance costs			(449)
Share of profit of associates accounted for using the equity method			<u>(12,107)</u>
Profit before tax (continuing operations)			<u>\$ 426,356</u>
<u>For the year ended December 31, 2021</u>			
Revenue from external customers	\$ 1,058,251	\$ 42,675	\$ 1,100,926
Inter-segment revenue	<u>5,029</u>	<u>-</u>	<u>5,029</u>
Segment revenue	1,063,280	42,675	1,105,955
Eliminations	<u>(5,029)</u>	<u>-</u>	<u>(5,029)</u>
Consolidated revenue	<u>\$ 1,058,251</u>	<u>\$ 42,675</u>	<u>\$ 1,100,926</u>
Segment income (excluding central administration costs)	\$ 378,328	\$ 5,835	\$ 384,163
Central administration costs			<u>(16,112)</u>
Segment income			368,051
Interest income			4,540
Other income			6,317
Other gains and losses			607
Finance costs			(290)
Share of profit of associates accounted for using the equity method			<u>(5,280)</u>
Profit before tax (continuing operations)			<u>\$ 373,945</u>

Segment profit represented the profit before tax earned by each segment without the allocation of central administration costs and share of profit of associates, rental revenue, interest income, gains or losses on disposal of property, plant and equipment, gains on disposal of subsidiary, exchange gains or losses, finance costs and income tax expense. This was the measure reported to the chief operating decision-maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

	December 31	
	2022	2021
Taiwan	\$ 2,584,277	\$ 2,609,700
Others	62,059	26,491
Headquarters	<u>1,297,136</u>	<u>1,555,657</u>
Consolidated total assets	<u>\$ 3,943,472</u>	<u>\$ 4,191,848</u>
Taiwan	\$ 1,390,737	\$ 1,767,975
Others	41,518	10,162
Headquarters	<u>1,670</u>	<u>1,773</u>
Consolidated total liabilities	<u>\$ 1,433,925</u>	<u>\$ 1,779,910</u>

91APP, Inc. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2022

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

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	December 31, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
91APP, Inc.	Unlisted shares inline group Limited	None	Financial assets at fair value through other comprehensive income - non-current	200,000	\$ 57,235	3.5	\$ 57,235	-

Note 1: The term "securities" in this table refers to stocks, bonds, beneficiary certificates and the securities derived from the above items that fall within the scope of IFRS No. 9 "Financial Instruments".

Note 2: If the issuer of securities is not relationship with the holding company, this column is not required.

Note 3: The securities held by the merged company do not provide guarantees, pledge loans or other restrictions as agreed.

Note 4: Refer to Table 2 for information of investment in subsidiaries, investments in associates and joint venture.

91APP, INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES

FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars, Dollars and Shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022 (In Thousands of Foreign Currencies)	December 31, 2021 (In Thousands of Foreign Currencies)	Number of Shares	%	Carrying Amount			
91APP, Inc.	91APP (Taiwan), Inc.	Taiwan	Internet related business	\$ 200,000	\$ 200,000	20,000	100.00	\$ 1,200,927	\$ 339,919	\$ 339,919	Note 1
	Omni-channel Retail System Corporation	Taiwan	Internet related business	6,400	6,400	2,550	100.00	2,860	1	1	Note 1
	91APP HK Limited	Hong Kong	Internet related business	13,389	13,389	1,400	70.00	17,820	2,707	1,895	Note 1
				(HK\$ 3,400)	(HK\$ 3,400)			(US\$ 580)	(US\$ 91)	(US\$ 64)	
	EasyStore Commerce Sdn. Bhd.	Malaysia	Internet related business	111,203	111,203	568	36.35	101,585	(24,119)	(8,768)	Note 1
				(MYR 16,600)	(MYR 16,600)			(US\$ 3,308)	(US\$ -809)	(US\$ -294)	
	Omnichat Limited	Hong Kong	Internet related business	55,727	55,727	10,305	35.80	49,350	(15,740)	(6,016)	Note 1
				(HK\$ 14,151)	(HK\$ 14,151)			(US\$ 1,607)	(US\$ -528)	(US\$ -202)	
91APP (Taiwan), Inc.	Jinghong, Inc.	Taiwan	Internet related business	34,350	34,350	700	35.00	35,194	9,412	2,677	Note 1

Note 1: The marketable securities held by the companies in the above table are unsecured.

Note 2: Eliminated at the time of preparation of the consolidated financial statements.

Note 3: The amounts in this table are listed in NTD. For foreign currencies, they will be converted to NTD on the financial statement date (the current exchange rate for USD is 30.71; for HKD is 3.938; for MYR is 6.699 and the average exchange rate for USD is 29.805).

91APP, INC. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	The Company	91APP (Taiwan) Inc.	a	Other payable to related parties	\$ 10,470	Note 5	-
1	91APP (Taiwan) Inc.	91APP HK Limited	c	Receivable to related parties	315	Note 5	-
		91APP HK Limited	c	Contract liabilities	210	Note 5	-
		91APP HK Limited	c	Revenue	2,209	Note 5	-

Note 1: a. 0 represents the Company.
b. Subsidiaries are numbered from 1.

Note 2: Relationships between the investee company and counterparty are classified into the following three categories (if it is the same transaction between the parent company and the subsidiary or between the subsidiaries, it is not necessary to disclose it repeatedly. For example, if the parent company's transaction with the subsidiary is disclosed, the subsidiary's part does not need to be repeatedly disclosed; for transactions between subsidiaries, if one of the subsidiaries has already been disclosed, the other subsidiary does not need to be repeatedly disclosed).

- a. Parent company to subsidiary.
- b. Subsidiary to parent company.
- c. Subsidiary to subsidiary.

Note 3: The calculation of the ratio of the transaction amount to the combined total revenue or total assets: If it is an asset and liability item, it is calculated as the ending balance divided by the combined total assets; if it is a profit or loss item, it is calculated as accumulated amount in the period divided by the combined total revenue.

Note 4: The listing of important transactions in this table can be determined by the Company according to the materiality principle.

Note 5: Since there is no related similar transaction to follow, the two parties negotiate and decode the transaction.

TABLE 4**91APP, INC.****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
NineYi Capital Inc.	30,764,999	25.51
N-Team, Inc.	18,545,000	15.38
Nexdoor Inc.	9,488,000	7.86
APPWORKS FUND II CO., LTD.	7,663,000	6.35

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

91APP, Inc.

Chairman: Ho, Ying-Chi