

## **91APP, Inc. and Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2022 and 2021 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
91APP, Inc.

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of 91APP, Inc. and its subsidiaries (collectively, the "Group") as of September 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2022 and 2021, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis for Qualified Conclusion**

As disclosed in Note 10 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements as of September 30, 2022 and 2021 referred to in the first paragraph were not reviewed. As of September 30, 2022 and 2021, combined total assets of these non-significant subsidiaries were NT\$69,874 thousand and NT\$22,196 thousand, representing 1.94% and 0.66%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$45,609 thousand and NT\$12,328 thousand, representing 3.9% and 1.18%, respectively, of the consolidated total liabilities; for the three months and nine months ended September 30, 2022 and 2021, the amounts of combined comprehensive income (loss) of these subsidiaries were NT\$1,767 thousand, NT\$(1,190) thousand, NT\$4,276 thousand and NT\$(5,073) thousand, representing 1.06%, (1.60%), 1.02% and (2.73%), respectively, of the consolidated comprehensive income.

Also, as disclosed in Note 11 to the consolidated financial statements, the investments accounted for using the equity method were NT\$193,749 thousand and NT\$85,558 thousand as of September 30, 2022 and 2021, respectively, and the share of profits (losses) of associates and joint ventures accounted for using the equity method for the three months and nine months ended September 30, 2022 and 2021 was NT\$(1,790) thousand, NT\$(396) thousand, NT\$(11,213) thousand and NT\$(1,376) thousand, respectively.

### **Qualified Conclusion**

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of September 30, 2022 and 2021, its consolidated financial performance for the three months ended September 30, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

November 10, 2022

### 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 review such consolidated financial statements are those generally applied in the Republic of China.*

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

# 91APP, Inc. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2022 (Reviewed)		December 31, 2021 (Audited)		September 30, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Notes 6 and 27)	\$ 2,313,889	64	\$ 643,991	16	\$ 607,423	18
Financial assets at amortized cost - current (Notes 8, 27 and 29)	17,900	1	1,557,508	37	1,732,377	52
Notes receivable (Notes 9 and 27)	50	-	150	-	284	-
Trade receivables (Notes 9, 19 and 27)	52,253	1	53,547	1	37,821	1
Trade receivables from related parties (Notes 9, 19, 27 and 28)	2,135	-	814	-	119	-
Other receivables (Notes 9, 15 and 27)	200,708	6	277,097	7	351,604	11
Other receivables from related parties (Notes 9, 27 and 28)	123	-	254	-	523	-
Current tax assets	-	-	-	-	6,424	-
Other financial assets (Notes 15 and 27)	668,495	19	1,346,880	32	473,955	14
Other current assets (Note 15)	17,246	-	10,836	-	13,226	-
Total current assets	<u>3,272,799</u>	<u>91</u>	<u>3,891,077</u>	<u>93</u>	<u>3,223,756</u>	<u>96</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income - non-current (Notes 7 and 27)	63,500	2	-	-	-	-
Investments accounted for using the equity method (Note 11)	193,749	5	186,959	4	85,558	2
Property, plant and equipment (Note 12)	27,399	1	24,829	1	18,958	1
Right-of-use assets (Note 13)	39,341	1	23,591	1	25,130	1
Goodwill (Note 14)	3,405	-	2,969	-	2,988	-
Deferred tax assets	1	-	1,658	-	1,559	-
Other non-current assets (Notes 15 and 27)	8,457	-	60,765	1	3,796	-
Total non-current assets	<u>335,852</u>	<u>9</u>	<u>300,771</u>	<u>7</u>	<u>137,989</u>	<u>4</u>
<b>TOTAL</b>	<u>\$ 3,608,651</u>	<u>100</u>	<u>\$ 4,191,848</u>	<u>100</u>	<u>\$ 3,361,745</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Contract liabilities - current (Note 19)	\$ 91,207	2	\$ 68,252	2	\$ 76,396	2
Notes payable (Note 27)	10	-	86	-	-	-
Other payables (Notes 16 and 27)	831,135	23	1,456,255	35	750,254	22
Other payables to related parties (Notes 16, 27 and 28)	284	-	83	-	16	-
Current tax liabilities	28,507	1	59,681	1	34,173	1
Lease liabilities - current (Notes 13 and 27)	20,612	1	12,419	-	13,444	-
Other current liabilities (Note 16)	164,303	4	163,891	4	150,560	5
Total current liabilities	<u>1,136,058</u>	<u>31</u>	<u>1,760,667</u>	<u>42</u>	<u>1,024,843</u>	<u>30</u>
<b>NON-CURRENT LIABILITIES</b>						
Contract liabilities - non-current (Note 19)	10,338	-	7,655	-	6,257	-
Deferred tax liabilities	2,613	-	-	-	-	-
Lease liabilities - non-current (Notes 13 and 27)	20,907	1	11,488	-	12,018	1
Deposits received (Note 27)	-	-	100	-	-	-
Total non-current liabilities	<u>33,858</u>	<u>1</u>	<u>19,243</u>	<u>-</u>	<u>18,275</u>	<u>1</u>
Total liabilities	<u>1,169,916</u>	<u>32</u>	<u>1,779,910</u>	<u>42</u>	<u>1,043,118</u>	<u>31</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 18)</b>						
Ordinary shares	602,890	17	602,890	14	602,890	18
Capital surplus	1,223,004	34	1,221,152	29	1,220,456	36
Retained earnings						
Legal reserve	29,841	1	-	-	-	-
Unappropriated earnings	738,630	20	607,576	15	508,048	15
Other equity	173,445	5	(24,533)	-	(14,933)	-
Treasury shares	(335,477)	(9)	-	-	-	-
Total equity attributable to owners of the Company	<u>2,432,333</u>	<u>68</u>	<u>2,407,085</u>	<u>58</u>	<u>2,316,461</u>	<u>69</u>
<b>NON-CONTROLLING INTERESTS</b>	<u>6,402</u>	<u>-</u>	<u>4,853</u>	<u>-</u>	<u>2,166</u>	<u>-</u>
Total equity	<u>2,438,735</u>	<u>68</u>	<u>2,411,938</u>	<u>58</u>	<u>2,318,627</u>	<u>69</u>
<b>TOTAL</b>	<u>\$ 3,608,651</u>	<u>100</u>	<u>\$ 4,191,848</u>	<u>100</u>	<u>\$ 3,361,745</u>	<u>100</u>

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

(With Deloitte & Touche auditors' review report dated November 10, 2022)

## 91APP, Inc. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 19 and 28)	\$ 296,847	100	\$ 272,886	100	\$ 874,960	100	\$ 766,711	100
OPERATING COSTS (Notes 20 and 28)	<u>77,188</u>	<u>26</u>	<u>66,162</u>	<u>24</u>	<u>232,422</u>	<u>27</u>	<u>191,420</u>	<u>25</u>
GROSS PROFIT	<u>219,659</u>	<u>74</u>	<u>206,724</u>	<u>76</u>	<u>642,538</u>	<u>73</u>	<u>575,291</u>	<u>75</u>
OPERATING EXPENSES (Notes 20 and 28)								
Selling and marketing expenses	54,869	18	44,907	17	152,810	17	129,908	17
General and administrative expenses	52,445	18	40,440	15	148,706	17	119,961	16
Research and development expenses	32,628	11	29,903	11	93,301	11	88,641	11
Expected credit loss	<u>12</u>	<u>-</u>	<u>46</u>	<u>-</u>	<u>26</u>	<u>-</u>	<u>159</u>	<u>-</u>
Total operating expenses	<u>139,954</u>	<u>47</u>	<u>115,296</u>	<u>43</u>	<u>394,843</u>	<u>45</u>	<u>338,669</u>	<u>44</u>
PROFIT FROM OPERATIONS	<u>79,705</u>	<u>27</u>	<u>91,428</u>	<u>33</u>	<u>247,695</u>	<u>28</u>	<u>236,622</u>	<u>31</u>
NON-OPERATING INCOME AND EXPENSES (Notes 20 and 28)								
Interest income	1,883	1	1,483	-	7,691	1	3,090	-
Other income	7,556	2	2,201	1	12,147	1	4,540	1
Other gains and losses	12,111	4	(43)	-	23,145	3	1,987	-
Finance costs	(112)	-	(83)	-	(329)	-	(218)	-
Share of profit or loss of associates and joint ventures accounted for using equity method	<u>(1,790)</u>	<u>(1)</u>	<u>(396)</u>	<u>-</u>	<u>(11,213)</u>	<u>(1)</u>	<u>(1,376)</u>	<u>-</u>
Total non-operating income and expenses	<u>19,648</u>	<u>6</u>	<u>3,162</u>	<u>1</u>	<u>31,441</u>	<u>4</u>	<u>8,023</u>	<u>1</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	99,353	33	94,590	34	279,136	32	244,645	32
INCOME TAX EXPENSE (Notes 4 and 21)	<u>(19,332)</u>	<u>(6)</u>	<u>(19,422)</u>	<u>(7)</u>	<u>(59,558)</u>	<u>(7)</u>	<u>(48,283)</u>	<u>(7)</u>
NET PROFIT FOR THE PERIOD	<u>80,021</u>	<u>27</u>	<u>75,168</u>	<u>27</u>	<u>219,578</u>	<u>25</u>	<u>196,362</u>	<u>25</u>

(Continued)

## 91APP, Inc. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss								
Exchange differences on translation to the presentation currency	\$ 163,599	55	\$ (922)	-	\$ 343,210	39	\$ (23,681)	(3)
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating foreign operations	<u>(76,572)</u>	<u>(26)</u>	<u>320</u>	<u>-</u>	<u>(144,489)</u>	<u>(16)</u>	<u>13,119</u>	<u>2</u>
Other comprehensive income (loss) for the period, net of income tax	<u>87,027</u>	<u>29</u>	<u>(602)</u>	<u>-</u>	<u>198,721</u>	<u>23</u>	<u>(10,562)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 167,048</u>	<u>56</u>	<u>\$ 74,566</u>	<u>27</u>	<u>\$ 418,299</u>	<u>48</u>	<u>\$ 185,800</u>	<u>24</u>
NET PROFIT								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 79,662	27	\$ 75,769	27	\$ 218,772	25	\$ 198,881	25
Non-controlling interests	<u>359</u>	<u>-</u>	<u>(601)</u>	<u>-</u>	<u>806</u>	<u>-</u>	<u>(2,519)</u>	<u>-</u>
	<u>\$ 80,021</u>	<u>27</u>	<u>\$ 75,168</u>	<u>27</u>	<u>\$ 219,578</u>	<u>25</u>	<u>\$ 196,362</u>	<u>25</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 166,287	56	\$ 75,179	27	\$ 416,750	48	\$ 188,420	24
Non-controlling net interests	<u>761</u>	<u>-</u>	<u>(613)</u>	<u>-</u>	<u>1,549</u>	<u>-</u>	<u>(2,620)</u>	<u>-</u>
	<u>\$ 167,048</u>	<u>56</u>	<u>\$ 74,566</u>	<u>27</u>	<u>\$ 418,299</u>	<u>48</u>	<u>\$ 185,800</u>	<u>24</u>
EARNINGS PER SHARE (Note 22)								
Basic	<u>\$ 0.67</u>		<u>\$ 0.63</u>		<u>\$ 1.83</u>		<u>\$ 1.75</u>	
Diluted	<u>\$ 0.67</u>		<u>\$ 0.63</u>		<u>\$ 1.83</u>		<u>\$ 1.75</u>	

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

(With Deloitte & Touche auditors' review report dated November 10, 2022)

(Concluded)

**91APP, Inc. AND SUBSIDIARIES**

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

	Equity Attributable to Owners of the Company						Other Equity Exchange Differences Arising on the Translation of the Financial Statements of Foreign Operations	Treasury Shares	Total	Non-controlling Interests	Total Equity
	Share Capital - Ordinary Shares		Capital Surplus	Retained Earnings							
	Number of Shares (In Thousands)	Amount		Legal Reserve	Unappropriated Earnings						
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 nine months ended September 30, 2021	-	-	-	-	198,881	-	-	198,881	(2,519)	196,362	
Other comprehensive loss for the nine months ended September 30, 2021, net of income tax	-	-	-	-	-	(10,461)	-	(10,461)	(101)	(10,562)	
Total comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	198,881	(10,461)	-	188,420	(2,620)	185,800	
Issue of shares	13,398	66,990	1,203,406	-	-	-	-	1,270,396	-	1,270,396	
Share-based payments	-	-	7,937	-	-	-	-	7,937	-	7,937	
BALANCE AT SEPTEMBER 30, 2021	<u>120,578</u>	<u>\$ 602,890</u>	<u>\$ 1,220,456</u>	<u>\$ -</u>	<u>\$ 508,048</u>	<u>\$ (14,933)</u>	<u>\$ -</u>	<u>\$ 2,316,461</u>	<u>\$ 2,166</u>	<u>\$ 2,318,627</u>	
BALANCE AT JANUARY 1, 2022	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 nine months ended September 30, 2022	-	-	-	-	218,772	-	-	218,772	806	219,578	
Other comprehensive income for the nine months ended September 30, 2022, net of income tax	-	-	-	-	-	197,978	-	197,978	743	198,721	
Total comprehensive income for the nine months ended September 30, 2022	-	-	-	-	218,772	197,978	-	416,750	1,549	418,299	
Buy-back of ordinary shares	-	-	-	-	-	-	(335,477)	(335,477)	-	(335,477)	
Share-based payments	-	-	1,852	-	-	-	-	1,852	-	1,852	
BALANCE AT SEPTEMBER 30, 2022	<u>120,578</u>	<u>\$ 602,890</u>	<u>\$ 1,223,004</u>	<u>\$ 29,841</u>	<u>\$ 738,630</u>	<u>\$ 173,445</u>	<u>\$ (335,477)</u>	<u>\$ 2,432,333</u>	<u>\$ 6,402</u>	<u>\$ 2,438,735</u>	

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

(With Deloitte & Touche auditors' review report dated November 10, 2022)

## 91APP, Inc. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax from continuing operations	\$ 279,136	\$ 244,645
Adjustments for:		
Depreciation expense	27,385	16,377
Expected credit loss	26	159
Finance costs	329	218
Interest income	(7,691)	(3,090)
Share-based payments	1,852	7,937
Share of profit of associates and joint ventures accounted for using equity method	11,213	1,376
Loss on disposal of property, plant and equipment	190	-
Changes in operating assets and liabilities		
Notes receivable	100	(234)
Trade receivables	(28)	3,178
Other receivables	75,039	(118,924)
Other current assets	(6,410)	(6,202)
Other financial assets	678,385	(473,955)
Contract liabilities	25,638	23,757
Notes payable	(76)	-
Other payables	(624,919)	1,327
Other current liabilities	412	42,606
Cash generated from (used in) operations	460,581	(260,825)
Interest received	9,147	3,215
Interest paid	(329)	(218)
Income tax paid	(86,462)	(57,195)
Net cash generated from (used in) operating activities	<u>382,937</u>	<u>(315,023)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(1,426,988)	(2,044,541)
Proceeds from sale of financial assets at amortized cost	2,966,596	954,956
Payments for property, plant and equipment	(11,601)	(9,840)
Proceeds from disposal of property, plant and equipment	20	-
Increase in refundable deposits	(3,405)	8
Prepayment for equipment	(1,100)	-
Dividends received	3,779	2,552
Net cash generated from (used in) investing activities	<u>1,527,301</u>	<u>(1,096,865)</u>

(Continued)



## 91APP, Inc. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

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	2022	2021
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Refund of guarantee deposits received	\$ (100)	\$ -
Repayment of the principal portion of lease liabilities	(15,227)	(9,642)
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>(408,681)</u>	<u>1,260,754</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>		
	<u>168,341</u>	<u>(9,139)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,669,898	(160,273)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>643,991</u>	<u>767,696</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 2,313,889</u>	<u>\$ 607,423</u>

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

(With Deloitte & Touche auditors' review report dated November 10, 2022)

(Concluded)

# 91APP, Inc. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

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### 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 November 10, 2022.

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

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

- c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

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

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

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

As of the date the consolidated financial statements were authorized for issue, the 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

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

- 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. 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).

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2021.

Taxation

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

## **5. 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

	September 30, 2022	December 31, 2021	September 30, 2021
Cash on hand	\$ 41	\$ 40	\$ 40
Checking accounts and demand deposits	425,963	574,751	537,758
Cash equivalents (investments with original maturities within 3 months)			
Time deposits	<u>1,887,885</u>	<u>69,200</u>	<u>69,625</u>
	<u>\$ 2,313,889</u>	<u>\$ 643,991</u>	<u>\$ 607,423</u>

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

	September 30, 2022	December 31, 2021	September 30, 2021
Time deposits	2.88%-4.05%	0.25%-0.28%	0.22%-0.25%

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

### Investments in Equity Instruments at FVTOCI

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Non-current</u>			
Foreign investments			
Unlisted shares	<u>\$ 63,500</u>	<u>\$ -</u>	<u>\$ -</u>

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

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 8,500	\$ 1,548,108	\$ 1,716,477
Pledged time deposits (b)	<u>9,400</u>	<u>9,400</u>	<u>15,900</u>
	<u>\$ 17,900</u>	<u>\$ 1,557,508</u>	<u>\$ 1,732,377</u>

- a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 1.2%-1.31%, 0.22%-0.81% and 0.18%-0.81% per annum as of September 30, 2022, December 31, 2021 and September 30, 2021, respectively.
- b. Refer to Note 29 for information relating to investments in financial assets at amortized cost pledged as security.

## 9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 50	\$ 150	\$ 284
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 50</u>	<u>\$ 150</u>	<u>\$ 284</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 52,262	\$ 53,555	\$ 37,829
Less: Allowance for impairment loss	<u>(9)</u>	<u>(8)</u>	<u>(8)</u>
	<u>\$ 52,253</u>	<u>\$ 53,547</u>	<u>\$ 37,821</u>
<u>Trade receivables from related parties</u>			
At amortized cost			
Gross carrying amount	\$ 2,135	\$ 814	\$ 119
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,135</u>	<u>\$ 814</u>	<u>\$ 119</u>

(Continued)

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Other receivables</u>			
At amortized cost			
Gross carrying amount	\$ 200,988	\$ 277,352	\$ 351,857
Less: Allowance for impairment loss	<u>(280)</u>	<u>(255)</u>	<u>(253)</u>
	<u>\$ 200,708</u>	<u>\$ 277,097</u>	<u>\$ 351,604</u>

Other receivables from related parties

At amortized cost			
Gross carrying amount	\$ 123	\$ 254	\$ 523
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 123</u>	<u>\$ 254</u>	<u>\$ 523</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

September 30, 2022

	<b>1 to 30 Days</b>	<b>31 to 90 Days</b>	<b>Total</b>
Expected credit loss rate	0%	0%	-
Gross carrying amount	\$ 50	\$ -	\$ 50
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 50</u>

December 31, 2021

	<b>1 to 30 Days</b>	<b>31 to 90 Days</b>	<b>Total</b>
Expected credit loss rate	0%	0%	-
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>

September 30, 2021

	<b>1 to 30 Days</b>	<b>31 to 90 Days</b>	<b>Total</b>
Expected credit loss rate	0%	0%	-
Gross carrying amount	\$ 284	\$ -	\$ 284
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 284</u>	<u>\$ -</u>	<u>\$ 284</u>

The movements of the loss allowance of notes receivable as of September 30, 2022 and 2021 have not changed.

Trade receivables

September 30, 2022

	<b>1 to 30 Days</b>	<b>31 to 90 Days</b>	<b>91 to 180 Days</b>	<b>Over 181 Days</b>	<b>Total</b>
Expected credit loss rate	0%	0%	0%	100%	-
Gross carrying amount	\$ 47,367	\$ 6,914	\$ 107	\$ 9	\$ 54,397
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9)</u>	<u>(9)</u>
Amortized cost	<u>\$ 47,367</u>	<u>\$ 6,914</u>	<u>\$ 107</u>	<u>\$ -</u>	<u>\$ 54,388</u>



December 31, 2021

	<b>1 to 30 Days</b>	<b>31 to 90 Days</b>	<b>91 to 180 Days</b>	<b>Over 181 Days</b>	<b>Total</b>
Expected credit loss rate	0%	0%	0%	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>

September 30, 2021

	<b>1 to 30 Days</b>	<b>31 to 90 Days</b>	<b>91 to 180 Days</b>	<b>Over 181 Days</b>	<b>Total</b>
Expected credit loss rate	0%	0%	0%	100%	-
Gross carrying amount	\$ 31,896	\$ 5,992	\$ 52	\$ 8	\$ 37,948
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8)</u>	<u>(8)</u>
Amortized cost	<u>\$ 31,896</u>	<u>\$ 5,992</u>	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ 37,940</u>

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 8	\$ 7
Add: Net remeasurement of loss allowance	<u>1</u>	<u>1</u>
Balance at September 30	<u>\$ 9</u>	<u>\$ 8</u>

## b. Other receivables (Note 15)

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:

	<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 255	\$ 95
Add: Net remeasurement of loss allowance	<u>25</u>	<u>158</u>
Balance at September 30	<u>\$ 280</u>	<u>\$ 253</u>

## 10. SUBSIDIARIES

### Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	<b>Proportion of Ownership</b>			Remark
			September 30, 2022	December 31, 2021	September 30, 2021	
91APP, Inc.	91APP (Taiwan), Inc.	Internet related business	100	100	100	-
91APP, Inc.	Omni-channel Retail System Corporation	Internet related business	100	100	100	*
91APP, Inc.	91APP HK Limited	Internet related business	70	70	70	*

\* The financial statements for the third quarter of 2022 and 2021 of the unimportant subsidiaries have not been reviewed.

## 11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates	September 30, 2022	December 31, 2021	September 30, 2021
Material associate			
EasyStore Commerce SDN. BHD.	\$ 105,615	\$ 100,615	\$ 49,972
Omnichat Limited	53,532	50,048	-
Associates that are not individually material	<u>34,602</u>	<u>36,296</u>	<u>35,586</u>
	<u>\$ 193,749</u>	<u>\$ 186,959</u>	<u>\$ 85,558</u>

a. Material associate

Name of Associate	<b>Proportion of Ownership and Voting Rights</b>		
	September 30, 2022	December 31, 2021	September 30, 2021
EasyStore Commerce SDN. BHD.	36.35%	36.35%	27.30%
Omnichat Limited	35.80%	35.80%	-

Refer to Table 3 “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 by entering into the market.

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.

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Current assets	\$ 69,174	\$ 26,072	\$ 42,450
Non-current assets	15,563	19,322	16,730
Current liabilities	<u>(118,748)</u>	<u>(51,558)</u>	<u>(53,174)</u>
Equity	<u>\$ (34,011)</u>	<u>\$ (6,164)</u>	<u>\$ 6,006</u>
Proportion of the Group's ownership	36.35%	36.35%	27.30%
Equity attributable to the Group	\$ (12,363)	\$ (2,241)	\$ 1,640
Goodwill	<u>117,978</u>	<u>102,856</u>	<u>48,332</u>
Carrying amount	<u>\$ 105,615</u>	<u>\$ 100,615</u>	<u>\$ 49,972</u>

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Operating revenue	<u>\$ 17,143</u>	<u>\$ 18,574</u>	<u>\$ 58,922</u>	<u>\$ 51,368</u>
Net loss for the period	\$ (8,042)	\$ (6,694)	\$ (27,081)	\$ (12,588)
Other comprehensive income (loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the period	<u>\$ (8,042)</u>	<u>\$ (6,694)</u>	<u>\$ (27,081)</u>	<u>\$ (12,588)</u>

Omnichat Limited

	<b>September 30</b>	
	<b>2022</b>	<b>2021</b>
Current assets	\$ 59,038	\$ 58,349
Non-current assets	31,626	11,755
Current liabilities	<u>(33,270)</u>	<u>(5,708)</u>
Equity	<u>\$ 57,394</u>	<u>\$ 64,396</u>
Proportion of the Group's ownership	35.80%	35.80%
Equity attributable to the Group	\$ 20,547	\$ 23,054
Goodwill	30,025	24,148
Customer relationships	<u>2,960</u>	<u>2,846</u>
Carrying amount	<u>\$ 53,532</u>	<u>\$ 50,048</u>

	<b>For the Three Months Ended September 30</b>	<b>For the Nine Months Ended September 30</b>
Operating revenue	<u>\$ 11,275</u>	<u>\$ 19,985</u>
Net gain (loss) for the period	\$ 1,331	\$ (8,856)
Other comprehensive income (loss)	<u>          -</u>	<u>          -</u>
Total comprehensive income (loss) for the period	<u>\$ 1,331</u>	<u>\$ (8,856)</u>

b. Aggregate information of associates that are not individually material

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
The Group's share of:				
Profit from continuing operations	<u>\$ 755</u>	<u>\$ 1,432</u>	<u>\$ 2,084</u>	<u>\$ 2,061</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 not been reviewed for the same periods.

## 12. PROPERTY, PLANT AND EQUIPMENT

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Assets used by the Group	<u>\$ 27,399</u>	<u>\$ 24,829</u>	<u>\$ 18,958</u>
<u>Assets used by the Group</u>			
	<b>Office Equipment</b>	<b>Leasehold Improvements</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2022	\$ 40,873	\$ 31,995	\$ 72,868
Additions	6,663	4,938	11,601
Disposals	(4,167)	(4,267)	(8,434)
Reclassify	-	1,453	1,453
Effects of foreign currency exchange differences	<u>85</u>	<u>          -</u>	<u>85</u>
Balance at September 30, 2022	<u>\$ 43,454</u>	<u>\$ 34,119</u>	<u>\$ 77,573</u>

(Continued)

	<b>Office Equipment</b>	<b>Leasehold Improvements</b>	<b>Total</b>
<u>Accumulated depreciation</u>			
Balance at January 1, 2022	\$ 28,308	\$ 19,731	\$ 48,039
Disposals	(3,957)	(4,267)	(8,224)
Depreciation expenses	5,304	5,012	10,316
Effects of foreign currency exchange differences	<u>31</u>	<u>12</u>	<u>43</u>
Balance at September 30, 2022	<u>\$ 29,686</u>	<u>\$ 20,488</u>	<u>\$ 50,174</u>
Carrying amount at September 30, 2022	<u>\$ 13,768</u>	<u>\$ 13,631</u>	<u>\$ 27,399</u>
Carrying amount at January 1, 2021 and December 31, 2022	<u>\$ 12,565</u>	<u>\$ 12,264</u>	<u>\$ 24,829</u>
<u>Cost</u>			
Balance at January 1, 2021	\$ 35,621	\$ 21,041	\$ 56,662
Additions	6,121	3,719	9,840
Effects of foreign currency exchange differences	<u>(10)</u>	<u>-</u>	<u>(10)</u>
Balance at September 30, 2021	<u>\$ 41,732</u>	<u>\$ 24,760</u>	<u>\$ 66,492</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2021	\$ 24,389	\$ 16,631	\$ 41,020
Depreciation expenses	4,389	2,127	6,516
Effects of foreign currency exchange differences	<u>(2)</u>	<u>-</u>	<u>(2)</u>
Balance at September 30, 2021	<u>\$ 28,776</u>	<u>\$ 18,758</u>	<u>\$ 47,534</u>
Carrying amount at September 30, 2021	<u>\$ 12,956</u>	<u>\$ 6,002</u>	<u>\$ 18,958</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 improvement	3-5 years

The Group did not recognize any impairment loss for the nine months ended September 30, 2022 and 2021 as there were no indications of impairment.

### 13. LEASE ARRANGEMENTS

#### a. Right-of-use assets

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>	
<u>Carrying amounts</u>				
Buildings	\$ 37,546	\$ 23,591	\$ 24,963	
Transportation equipment	<u>1,795</u>	<u>-</u>	<u>167</u>	
	<u>\$ 39,341</u>	<u>\$ 23,591</u>	<u>\$ 25,130</u>	
	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Additions to right-of-use assets	<u>\$ 6,975</u>	<u>\$ 8,365</u>	<u>\$ 31,413</u>	<u>\$ 23,624</u>
Depreciation charge for right-of-use assets				
Buildings	\$ 5,541	\$ 3,562	\$ 16,384	\$ 8,930
Transportation equipment	<u>228</u>	<u>211</u>	<u>685</u>	<u>931</u>
	<u>\$ 5,769</u>	<u>\$ 3,773</u>	<u>\$ 17,069</u>	<u>\$ 9,861</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 nine months ended September 30, 2022 and 2021.

#### b. Lease liabilities

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
<u>Carrying amounts</u>			
Current	<u>\$ 20,612</u>	<u>\$ 12,419</u>	<u>\$ 13,444</u>
Non-current	<u>\$ 20,907</u>	<u>\$ 11,488</u>	<u>\$ 12,018</u>

Range of discount rate for lease liabilities was as follows:

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Buildings	0.74%-2.66%	0.94%-2.66%	0.94%-2.66%
Transportation equipment	1.49%	-	2.5%-2.78%

#### 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

	<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
<u>Cost</u>		
Balance at January 1	\$ 6,144	\$ 6,322
Effect of foreign currency exchange differences	<u>903</u>	<u>(139)</u>
Balance at September 30	<u>\$ 7,047</u>	<u>\$ 6,183</u>
<u>Accumulated impairment losses</u>		
Balance at January 1	\$ (3,175)	\$ (3,267)
Effect of foreign currency exchange differences	<u>(467)</u>	<u>72</u>
Balance at September 30	<u>\$ (3,642)</u>	<u>\$ (3,195)</u>
Carrying amount at September 30	<u>\$ 3,405</u>	<u>\$ 2,988</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. OTHER ASSETS

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
<u>Current</u>			
Other receivables			
Interest receivables	\$ 1,133	\$ 2,589	\$ 1,497
Receivables from receipts under custody (a)	190,735	261,427	340,386
Others	<u>8,840</u>	<u>13,081</u>	<u>9,721</u>
	<u>\$ 200,708</u>	<u>\$ 277,097</u>	<u>\$ 351,604</u>
Other financial assets			
Restricted trust deposits (b)	<u>\$ 668,495</u>	<u>\$ 1,346,880</u>	<u>\$ 473,955</u>
Other assets			
Prepayments	\$ 16,134	\$ 9,518	\$ 11,051
Others	<u>1,112</u>	<u>1,318</u>	<u>2,175</u>
	<u>\$ 17,246</u>	<u>\$ 10,836</u>	<u>\$ 13,226</u>
<u>Non-current</u>			
Prepaid investments (c)	\$ -	\$ 55,360	\$ -
Prepaid equipment	1,100	1,453	-
Refundable deposits	<u>7,357</u>	<u>3,952</u>	<u>3,796</u>
	<u>\$ 8,457</u>	<u>\$ 60,765</u>	<u>\$ 3,796</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.

## 16. OTHER LIABILITIES

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Other payables			
Payables for receipts under custody*	\$ 693,595	\$ 1,293,476	\$ 634,669
Payables for salaries or bonuses	72,104	72,295	58,059
Payables for annual leave	320	320	320
Payables for employees' compensation	9,784	13,208	8,840
Payables for insurance premiums	7,508	6,384	6,250
Payables for pension	7,041	6,340	6,202
Payables for VAT	61	29,271	6,363
Others	<u>40,722</u>	<u>34,961</u>	<u>29,551</u>
	<u>\$ 831,135</u>	<u>\$ 1,456,255</u>	<u>\$ 750,254</u>
Payables to related parties	<u>\$ 284</u>	<u>\$ 83</u>	<u>\$ 16</u>
Other liabilities			
Receipts under custody	\$ 162,415	\$ 157,608	\$ 144,732
Temporary receipts	<u>1,888</u>	<u>6,283</u>	<u>5,828</u>
	<u>\$ 164,303</u>	<u>\$ 163,891</u>	<u>\$ 150,560</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, recognized as other financial assets; refer to Note 15.

## 17. 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 \$7,180 thousand, \$6,286 thousand, \$20,968 thousand and \$18,028 thousand for the three months ended September 30, 2022 and 2021, and for the nine months ended September 30, 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.

## 18. EQUITY

### a. Share capital - ordinary shares

	September 30, 2022	December 31, 2021	September 30, 2021
Shares authorized (in thousands of shares)	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>
Shares authorized	<u>\$ 900,000</u>	<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>	<u>120,578</u>
Shares issued and fully paid	<u>\$ 602,890</u>	<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

	September 30, 2022	December 31, 2021	September 30, 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	\$ 1,207,885
<u>May be used to offset deficit</u>			
Employee share options	-	-	4,543
<u>May not be used for any purpose</u>			
Employee share options	<u>3,964</u>	<u>5,294</u>	<u>8,028</u>
	<u>\$ 1,223,004</u>	<u>\$ 1,221,152</u>	<u>\$ 1,220,456</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 20,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 was as follows:

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

The above 2021 appropriation for cash dividends had been resolved by the Company's board of directors on March 10, 2022; the other appropriation for 2021 had been resolved by the shareholders in their meeting on June 9, 2022.

d. Other equity items

Exchange differences on translating the financial statements of foreign operations

	<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ (24,533)	\$ (4,472)
Exchange differences arising on the translation of the financial statements of foreign operations	(144,489)	13,119
Exchange differences on translation to the presentation currency	<u>342,467</u>	<u>(23,580)</u>
Balance at September 30	<u>\$ 173,445</u>	<u>\$ (14,933)</u>

e. Treasury shares

<b>Purpose of Buy-back</b>	<b>Shares Transferred to Employees (In Thousands of Shares)</b>
Number of shares at January 1, 2022	-
Increase during the period	<u>2,500</u>
Number of shares at September 30, 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 September 30, 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.

## 19. REVENUE

### a. Revenue from contracts with customers

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Operating revenue	\$ 296,847	\$ 272,886	\$ 874,960	\$ 766,711

### b. Contract balances

	September 30, 2022	December 31, 2021	September 30, 2021	January 1, 2021
Trade receivables (Note 9)	\$ 52,253	\$ 53,547	\$ 37,821	\$ 41,119
Trade receivables from related parties (Note 9)	\$ 2,135	\$ 814	\$ 119	\$ -
Contract liabilities - current				
System services	\$ 91,207	\$ 68,252	\$ 76,396	\$ 53,803
Contract liabilities - non-current				
System services	10,338	7,655	6,257	5,093
	\$ 101,545	\$ 75,907	\$ 82,653	\$ 58,896

### c. Disaggregation of revenue

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Taiwan	\$ 280,485	\$ 265,486	\$ 828,855	\$ 746,026
Others	16,362	7,400	46,105	20,685
	\$ 296,847	\$ 272,886	\$ 874,960	\$ 766,711
Recurring revenue	\$ 267,040	\$ 255,908	\$ 795,142	\$ 713,677
Non-recurring revenue	29,807	16,978	79,818	53,034
	\$ 296,847	\$ 272,886	\$ 874,960	\$ 766,711

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.

## 20. NET PROFIT FROM CONTINUING OPERATIONS

### a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Bank deposits	\$ 1,883	\$ 1,483	\$ 7,691	\$ 3,090

b. Other income

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Service revenue (Note 28)	\$ 312	\$ 764	\$ 2,188	\$ 2,293
Government grants (Note 24)	1,328	-	1,974	-
Rental income (Note 28)	649	-	1,832	-
Others	<u>5,267</u>	<u>1,437</u>	<u>6,153</u>	<u>2,247</u>
	<u>\$ 7,556</u>	<u>\$ 2,201</u>	<u>\$ 12,147</u>	<u>\$ 4,540</u>

c. Other gains and (losses)

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Net foreign exchange (losses) gains	\$ 12,112	\$ (43)	\$ 23,335	\$ 1,987
Losses on disposal of property, plant and equipment	<u>(1)</u>	<u>-</u>	<u>(190)</u>	<u>-</u>
	<u>\$ 12,111</u>	<u>\$ (43)</u>	<u>\$ 23,145</u>	<u>\$ 1,987</u>

d. Finance costs

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Interest on lease liabilities	<u>\$ 112</u>	<u>\$ 83</u>	<u>\$ 329</u>	<u>\$ 218</u>

e. Depreciation and amortization

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Property, plant and equipment	\$ 3,570	\$ 2,441	\$ 10,316	\$ 6,516
Right-of-use assets	<u>5,769</u>	<u>3,773</u>	<u>17,069</u>	<u>9,861</u>
	<u>\$ 9,339</u>	<u>\$ 6,214</u>	<u>\$ 27,385</u>	<u>\$ 16,377</u>
An analysis of depreciation by function				
Operating costs	\$ 2,637	\$ 2,482	\$ 8,495	\$ 6,499
Operating expenses	<u>6,702</u>	<u>3,732</u>	<u>18,890</u>	<u>9,878</u>
	<u>\$ 9,339</u>	<u>\$ 6,214</u>	<u>\$ 27,385</u>	<u>\$ 16,377</u>

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Short-term benefits	\$ 156,308	\$ 136,875	\$ 468,271	\$ 395,442
Post-employment benefits				
Defined contribution plans (Note 17)	7,180	6,286	20,968	18,028
	163,488	143,161	489,239	413,470
Share-based payments				
Equity-settled (Note 23)	483	890	1,852	7,937
Total employee benefits expense	<u>\$ 163,971</u>	<u>\$ 144,051</u>	<u>\$ 491,091</u>	<u>\$ 421,407</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 55,583	\$ 48,022	\$ 170,705	\$ 140,384
Operating expenses	108,388	96,029	320,386	281,023
	<u>\$ 163,971</u>	<u>\$ 144,051</u>	<u>\$ 491,091</u>	<u>\$ 421,407</u>

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 nine months ended September 30, 2022 and 2021, the employees' compensation and the remuneration of directors were as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2022	2021
Employees' compensation	3%	3%
Remuneration of directors	-	-

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Employees' compensation	<u>\$ 2,640</u>	<u>\$ 2,250</u>	<u>\$ 6,890</u>	<u>\$ 6,210</u>
Remuneration of directors	<u>\$ -</u>	<u>\$ -</u>	<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.

The employee's compensation and remuneration to directors for the years ended December 31, 2021 and 2020 which have been approved by the Company's board of directors on March 10, 2022 and March 25, 2021, respectively.

Amount

	<b><u>For the Year Ended December 31</u></b>	
	<b>2021</b>	<b>2020</b>
Employees' compensation	<u>\$ 9,290</u>	<u>\$ 6,270</u>
Remuneration of directors	<u>\$ -</u>	<u>\$ -</u>

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.

## 21. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<b><u>For the Three Months Ended</u></b>		<b><u>For the Nine Months Ended</u></b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Current tax				
In respect of the current period	\$ 17,149	\$ 19,434	\$ 52,688	\$ 50,827
Income tax on unappropriated earnings	-	-	14,065	9,275
Adjustments for prior year	-	-	(11,465)	(12,644)
Deferred tax				
In respect of the current period	<u>2,183</u>	<u>(12)</u>	<u>4,270</u>	<u>825</u>
Income tax expense recognized in profit or loss	<u>\$ 19,332</u>	<u>\$ 19,422</u>	<u>\$ 59,558</u>	<u>\$ 48,283</u>

b. 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 through 2020. 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.

## 22. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Basic earnings per share from continuing operations	<u>\$ 0.67</u>	<u>\$ 0.63</u>	<u>\$ 1.83</u>	<u>\$ 1.75</u>
Diluted earnings per share from continuing operations	<u>\$ 0.67</u>	<u>\$ 0.63</u>	<u>\$ 1.83</u>	<u>\$ 1.75</u>
<u>Net profit for the period</u>				
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Earnings used in the computation of basic earnings per share	<u>\$ 79,662</u>	<u>\$ 75,769</u>	<u>\$ 218,772</u>	<u>\$ 198,881</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 79,662</u>	<u>\$ 75,769</u>	<u>\$ 218,772</u>	<u>\$ 198,881</u>

The weighted average number of ordinary shares outstanding (in thousands of shares) are as follows

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	118,078	120,578	119,592	113,707
Effect of potentially dilutive ordinary shares				
Employees' compensation	<u>95</u>	<u>28</u>	<u>109</u>	<u>57</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>118,173</u>	<u>120,606</u>	<u>119,701</u>	<u>113,764</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.



## 23. 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 \$483 thousand, \$890 thousand, \$1,852 thousand and \$3,394 thousand for the three months ended September 30, 2022 and 2021, and for the nine months ended September 30, 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:

	<b>For the Nine Months Ended September 30, 2022</b>	
	<b>Number of Options (In Thousands of Units)</b>	<b>Weighted- average Exercise Price (\$)</b>
Balance at January 1	-	\$ -
Options granted	1,340	66
Options forfeited	-	-
Options exercised	<u>(1,340)</u>	
Balance at September 30	<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:

	<b>May 2021</b>
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 nine months ended September 30, 2021.

## 24. GOVERNMENT GRANTS

For the nine months ended September 30, 2022, the Group's subsidiaries in Hong Kong received a government grant of \$1,974 thousand. The amount was recognized as other income as set out in Note 20.

## 25. CASH FLOW INFORMATION

### Changes in Liabilities Arising from Financing Activities

For the nine months ended September 30, 2022

						<b>For the Nine Months Ended September 30, 2022</b>	
	<b>January 1, 2022</b>	<b>Cash Flows</b>	<b>New Leases</b>	<b>Interest Expense</b>	<b>Effect of Foreign Currency Exchange Difference</b>	<b>Included in Operating Activities Interest Paid</b>	<b>September 30, 2022</b>
Total cash outflow from lease							<u>\$ (15,556)</u>
			<u>Non-cash Changes</u>				
Lease liabilities	<u>\$ 23,907</u>	<u>\$ (15,227)</u>	<u>\$ 31,413</u>	<u>\$ 329</u>	<u>\$ 1,426</u>	<u>\$ (329)</u>	<u>\$ 41,519</u>

For the nine months ended September 30, 2021

						<b>For the Nine Months Ended September 30, 2021</b>	
	<b>January 1, 2021</b>	<b>Cash Flows</b>	<b>New Leases</b>	<b>Interest Expense</b>	<b>Included in Operating Activities Interest Paid</b>	<b>September 30, 2021</b>	
Total cash outflow from lease							<u>\$ (9,860)</u>
			<u>Non-cash Changes</u>				
Lease liabilities	<u>\$ 11,480</u>	<u>\$ (9,642)</u>	<u>\$ 23,624</u>	<u>\$ 218</u>	<u>\$ (218)</u>	<u>\$ 25,462</u>	

## 26. 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 Group's overall strategy remains unchanged from 2016.

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.

## 27. FINANCIAL INSTRUMENTS

- a. 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

September 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI investments in equity				
Unlisted shares	\$ _____ -	\$ _____ -	\$ <u>63,500</u>	\$ <u>63,500</u>

There were no transfers between Levels 1 and 2 in the September 30, 2022.

- 2) Reconciliation of Level 3 fair value measurements of financial instruments

For the nine months ended September 30, 2022

Financial Assets	<u>Financial Assets at FVTOCI Equity Instruments</u>
Balance at January 1, 2022	\$ -
Purchases	55,360
Foreign currency exchange differences	<u>8,140</u>
Balance at September 30, 2022	\$ <u>63,500</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

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 3,262,910	\$ 3,884,193	\$ 3,207,902
Financial assets at FVTOC	63,500	-	-
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	734,611	1,328,706	664,236

- 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 30.

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.

	<b>U.S. Dollar Impact</b>			
	<b>For the Three Months Ended</b>		<b>For the Nine Months Ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Profit or loss	<u>\$ 6,498</u>	<u>\$ (7)</u>	<u>\$ 8,028</u>	<u>\$ 1,418</u>

The above impact was mainly attributable to the exposure on outstanding U.S. dollar cash, cash equivalents time deposits with original maturities of more than 3 months and trade receivable 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 exposed to interest rate risk because entities in the Group borrowed funds at floating interest rates. The risk is managed by the Group by maintaining floating rate and fixed rate borrowings.

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:

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Fair value interest rate risk			
Financial assets	<u>\$ 1,905,785</u>	<u>\$ 1,626,708</u>	<u>\$ 1,802,002</u>
Financial liabilities	<u>\$ 41,519</u>	<u>\$ 23,907</u>	<u>\$ 25,462</u>
Cash flow interest rate risk			
Financial assets	<u>\$ 1,094,458</u>	<u>\$ 1,921,631</u>	<u>\$ 1,011,713</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 nine months ended September 30, 2022 and 2021 would increase/decrease by \$2,052 thousand and \$1,897 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 nine months ended September 30, 2022 would have increased/decreased by \$6,350 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 September 30, 2022, December 31, 2021 and September 30, 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.

#### September 30, 2022

	<b>Less than 1 Year</b>	<b>1-2 Years</b>	<b>2-5 Years</b>	<b>Total</b>
<u>Non-derivative financial liabilities</u>				
Notes payable	\$ 10	\$ -	\$ -	\$ 10
Other payables	831,135	-	-	831,135
Other payable to related parties	284	-	-	284
Lease liabilities	20,919	16,746	4,289	41,954
Other current liabilities	<u>164,303</u>	<u>-</u>	<u>-</u>	<u>164,303</u>
	<u>\$ 1,016,651</u>	<u>\$ 16,746</u>	<u>\$ 4,289</u>	<u>\$ 1,037,686</u>

December 31, 2021

	<b>Less than 1 Year</b>	<b>1-2 Years</b>	<b>2-5 Years</b>	<b>Total</b>
<u>Non-derivative financial liabilities</u>				
Notes payable	\$ 86	\$ -	\$ -	\$ 86
Other payables	1,456,255	-	-	1,456,255
Other payable 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>

September 30, 2021

	<b>Less than 1 Year</b>	<b>1-2 Years</b>	<b>2-5 Years</b>	<b>Total</b>
<u>Non-derivative financial liabilities</u>				
Other payables	\$ 750,254	\$ -	\$ -	\$ 750,254
Other payable to related parties	16	-	-	16
Lease liabilities	13,660	6,577	5,590	25,827
Other current liabilities	<u>150,560</u>	<u>-</u>	<u>-</u>	<u>150,560</u>
	<u>\$ 914,490</u>	<u>\$ 6,577</u>	<u>\$ 5,590</u>	<u>\$ 926,657</u>

b) Financing facilities

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Unsecured bank loan facilities which may be extended by mutual agreements			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>-</u>	<u>35,000</u>	<u>35,000</u>
	<u>\$ -</u>	<u>\$ 35,000</u>	<u>\$ 35,000</u>

## 28. 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 Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
91APP SDN. BHD.	\$ 151	\$ 168	\$ 494	\$ 484
Omni-channel Retail System Corporation	876	-	2,054	-
Omnichat Limited	-	-	37	-
MYDRESS HOLDING LIMITED	<u>4,178</u>	<u>-</u>	<u>4,178</u>	<u>-</u>
	<u>\$ 5,205</u>	<u>\$ 168</u>	<u>\$ 6,763</u>	<u>\$ 484</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 Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Jinghong, Inc.	<u>\$ 210</u>	<u>\$ 490</u>	<u>\$ 576</u>	<u>\$ 789</u>

The companies 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

<b>Line Item</b>	<b>Related Party Name</b>	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Trade receivables from related parties	Jinghong, Inc.	\$ 2	\$ 2	\$ 2
	91APP SDN. BHD.	100	103	117
	Omni-channel Retail System Corporation	362	709	-
	MYDRESS HOLDINGS LIMITED	<u>1,671</u>	<u>-</u>	<u>-</u>
		<u>\$ 2,135</u>	<u>\$ 814</u>	<u>\$ 119</u>
Other receivables from related parties	91APP SDN. BHD.	\$ 11	\$ -	\$ 14
	EasyStore Commerce Sdn. Bhd.	<u>112</u>	<u>254</u>	<u>509</u>
		<u>\$ 123</u>	<u>\$ 254</u>	<u>\$ 523</u>

Receivables from related parties mentioned above were not guaranteed, and no provision for impairment loss was accrued for the nine months ended September 30, 2022 and 2021.

e. Payables to related parties

<b>Line Item</b>	<b>Related Party Name</b>	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Other payables to related parties	Jinghong, Inc.	<u>\$ 284</u>	<u>\$ 83</u>	<u>\$ 16</u>

The outstanding other payables to related parties are unsecured.

f. Others

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
		<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Service expenses	Jinghong, Inc.	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ -</u>
Service revenue	EasyStore Commerce Sdn. Bhd.	<u>\$ 312</u>	<u>\$ 764</u>	<u>\$ 2,188</u>	<u>\$ 2,293</u>
Rental revenue	EasyStore Commerce Sdn. Bhd.	\$ 70	\$ -	\$ 148	\$ -
	MYDRESS HOLDINGS LIMITED	<u>579</u>	<u>-</u>	<u>1,588</u>	<u>-</u>
		<u>\$ 649</u>	<u>\$ -</u>	<u>\$ 1,736</u>	<u>\$ -</u>
Operating expenses	MYDRESS HOLDING LIMITED	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 29</u>	<u>\$ -</u>

g. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Short-term employee benefits	\$ 10,699	\$ 10,727	\$ 33,484	\$ 29,904
Post-employment benefits	333	378	1,139	1,089
Share-based payments	<u>25</u>	<u>45</u>	<u>93</u>	<u>397</u>
	<u>\$ 11,057</u>	<u>\$ 11,150</u>	<u>\$ 34,716</u>	<u>\$ 31,390</u>

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

## 29. 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:

	September 30, 2022	December 31, 2021	September 30, 2021
Pledged deposits (classified as financial assets at amortized cost - current)	<u>\$ 9,400</u>	<u>\$ 9,400</u>	<u>\$ 15,900</u>

## 30. 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:

### September 30, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 25,283	31.75 (USD:NTD)	<u>\$ 802,749</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>

September 30, 2021

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 5,091	27.85 (USD:NTD)	<u>\$ 141,773</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:

<b>For the Nine Months Ended September 30</b>				
<b>2022</b>			<b>2021</b>	
<b>Functional Currency</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain (Loss)</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain (Loss)</b>
USD	1 (NTD:NTD)	<u>\$ 2,194</u>	1 (NTD:NTD)	<u>\$ 5,076</u>
<b>For the Three Months Ended September 30</b>				
<b>2022</b>			<b>2021</b>	
<b>Functional Currency</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain (Loss)</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain (Loss)</b>
USD	1 (NTD:NTD)	<u>\$ 1,463</u>	1 (NTD:NTD)	<u>\$ (26)</u>

### 31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. information on 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.

c. 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.
- d. 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)

### 32. 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:

	<b>Taiwan</b>	<b>Others</b>	<b>Total</b>
For the nine months ended			
<u>September 30, 2022</u>			
Revenue from external customers	\$ 828,855	\$ 46,105	\$ 874,960
Inter-segment revenue	<u>1,591</u>	<u>-</u>	<u>1,591</u>
Segment revenue	830,446	46,105	876,551
Eliminations	<u>(1,591)</u>	<u>-</u>	<u>(1,591)</u>
Consolidated revenue	<u>\$ 828,855</u>	<u>\$ 46,105</u>	<u>\$ 874,960</u>
Segment income (excluding central administration costs)	\$ 257,509	\$ 938	\$ 258,447
Central administration costs			<u>(10,752)</u>
Segment income			247,695
Interest income			7,691
Other income			12,147
Other gains and losses			23,145
Finance costs			(329)
Share of profit of associates accounted for using the equity method			<u>(11,213)</u>
Profit before tax (continuing operations)			<u>\$ 279,136</u>
For the nine months ended			
<u>September 30, 2021</u>			
Revenue from external customers	\$ 746,026	\$ 20,685	\$ 766,711
Inter-segment revenue	<u>3,687</u>	<u>-</u>	<u>3,687</u>
Segment revenue	749,713	20,685	770,398
Eliminations	<u>(3,687)</u>	<u>-</u>	<u>(3,687)</u>
Consolidated revenue	<u>\$ 746,026</u>	<u>\$ 20,685</u>	<u>\$ 766,711</u>

(Continued)

	<b>Taiwan</b>	<b>Others</b>	<b>Total</b>
Segment income (excluding central administration costs)	\$ 253,523	\$ (5,060)	\$ 248,463
Central administration costs			<u>(11,841)</u>
Segment income			236,622
Interest income			3,090
Other income			4,540
Other gains and losses			1,987
Finance costs			(218)
Share of profit of associates accounted for using the equity method			<u>(1,376)</u>
Profit before tax (continuing operations)			<u>\$ 244,645</u> (Concluded)

Segment profit represented the profit before tax earned by each segment without the allocation of central administration costs and share of profit of associates, gains recognized on disposal of interests in former associates, interest income, gains or losses on disposal of property, plant and equipment, exchange gains or losses, rental revenue, 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

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
<u>Segment assets</u>			
Taiwan	\$ 2,201,034	\$ 2,609,700	\$ 1,770,437
Others	66,978	26,491	19,300
Headquarters	<u>1,340,639</u>	<u>1,555,657</u>	<u>1,572,008</u>
Consolidated total assets	<u>\$ 3,608,651</u>	<u>\$ 4,191,848</u>	<u>\$ 3,361,745</u>
<u>Segment liabilities</u>			
Taiwan	\$ 1,122,507	\$ 1,767,975	\$ 1,029,899
Others	45,572	10,162	12,290
Headquarters	<u>1,837</u>	<u>1,773</u>	<u>929</u>
Consolidated total liabilities	<u>\$ 1,169,916</u>	<u>\$ 1,779,910</u>	<u>\$ 1,043,118</u>

**91APP, Inc. AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD  
SEPTEMBER 30, 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	September 30, 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	<u>\$ 63,500</u>	3.5	<u>\$ 63,500</u>	-

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 NINE MONTHS ENDED SEPTEMBER 30, 2022  
 (In Thousands of New Taiwan Dollars and Shares, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2022	December 31, 2021	Number of Shares	%	Carrying Amount			
91APP, Inc.	91APP (Taiwan), Inc.	Taiwan	Internet related business	\$ 200,000	\$ 200,000	20,000	100.00	\$ 1,084,081	\$ 227,028	\$ 227,028	Subsidiary
	Omni-channel Retail System Corporation	Taiwan	Internet related business	6,400	6,400	2,550	100.00	2,859	(1)	(1)	Subsidiary
	91APP HK Limited	Hong Kong	Internet related business	13,750	13,750	1,400	70.00	18,343	2,686	1,880	Subsidiary
				(HK\$ 3,400)	(HK\$ 3,400)			(US\$ 578)	(US\$ 92)	(US\$ 64)	
	EasyStore Commerce Sdn. Bhd.	Malaysia	Internet related business	109,494	109,494	568	36.35	105,615	(27,081)	(9,845)	Associate
			(MYR 16,600)	(MYR 16,600)			(US\$ 3,326)	(US\$ -925)	(US\$ -336)		
	Omnichat Limited	Hong Kong	Internet related business	57,227	57,227	10,305	35.80	53,532	(8,856)	(3,452)	Associate
				(HK\$ 14,151)	(HK\$ 14,151)			(US\$ 1,686)	(US\$ -302)	(US\$ -118)	
91APP (Taiwan), Inc.	Jinghong, Inc.	Taiwan	Internet related business	34,350	34,350	390	35.00	34,602	7,276	2,084	Associate

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 31.75; for HKD is 4.044; for MYR is 6.596 and the average exchange rate for USD is 29.285).



**91APP, Inc. AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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	\$ 8,344	Note 5	-
1	91APP (Taiwan) Inc.	91APP HK Limited	c	Receivable to related parties	196	Note 5	-
		91APP HK Limited	c	Contract liabilities	120	Note 5	-
		91APP HK Limited	c	Revenue	1,591	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  
SEPTEMBER 30, 2022**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
NineYi Capital Inc.	30,799,999	25.54
N-Team, Inc.	18,580,000	15.40
Nexdoor Inc.	9,981,000	8.27
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.