

91APP, Inc. and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2023 and 2022 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 March 31, 2023 and 2022, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months ended March 31, 2023 and 2022, 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 the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of 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 referred to in the first paragraph were not reviewed. As of March 31, 2023 and 2022, combined total assets of these non-significant subsidiaries were NT\$56,093 thousand and NT\$70,403 thousand, respectively, representing 1.47% and 1.86%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$31,305 thousand and NT\$49,486 thousand, respectively, representing 2.38% and 3.76%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2023 and 2022, the amounts of combined comprehensive income of these subsidiaries were NT\$3,183 thousand and NT\$1,330 thousand, respectively, representing 4.36% and 1.11%, respectively, of the consolidated total comprehensive income. Also, as disclosed in Note 11 to the consolidated financial statements, the investments accounted for using the equity method were NT\$182,763 thousand and NT\$189,334 thousand, respectively, as of March 31, 2023 and 2022, and the share of profits or losses of associates and joint ventures recognized by the equity method for the three months ended March 31, 2023 and 2022 were NT\$(7,628) thousand and NT\$(2,648) thousand, respectively.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the non-significant subsidiaries and associates and joint ventures recognized by the equity method 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 March 31, 2023 and 2022, its consolidated financial performance for the three months ended March 31, 2023 and 2022, and its consolidated financial performance and of its consolidated cash flows for the three months ended March 31, 2023 and 2022 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 audits resulting in this independent auditors’ report are Chien Ming Tseng and Pan Fa Wang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 11, 2023

Notice to Readers

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

	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 27)	\$ 2,491,009	65	\$ 2,466,950	63	\$ 1,177,800	31
Financial assets at amortized cost - current (Notes 8, 27 and 29)	10,400	-	10,400	-	1,250,417	33
Notes receivable (Notes 9 and 27)	368	-	133	-	150	-
Trade receivables (Notes 9, 20 and 27)	60,687	2	73,989	2	59,222	2
Trade receivables from related parties (Notes 9, 20, 27 and 28)	2,940	-	2,495	-	229	-
Other receivables (Notes 9, 16 and 27)	195,046	5	276,769	7	275,922	7
Other receivables from related parties (Notes 9, 27 and 28)	11	-	-	-	282	-
Other financial assets (Notes 16 and 27)	677,339	18	764,054	19	691,125	18
Other current assets (Note 16)	19,704	-	17,325	1	8,705	-
Total current assets	<u>3,457,504</u>	<u>90</u>	<u>3,612,115</u>	<u>92</u>	<u>3,463,852</u>	<u>91</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Notes 7 and 27)	97,795	3	57,235	1	57,250	2
Investments accounted for using the equity method (Note 11)	182,763	5	186,129	5	189,334	5
Property, plant and equipment (Note 12)	28,003	1	31,566	1	29,636	1
Right-of-use assets (Note 13)	35,009	1	37,533	1	42,815	1
Goodwill (Note 14)	3,266	-	3,294	-	3,070	-
Other intangible assets (Note 15)	2,750	-	3,000	-	-	-
Deferred tax assets	6,348	-	5,319	-	705	-
Other non-current assets (Notes 16 and 27)	7,242	-	7,281	-	4,182	-
Total non-current assets	<u>363,176</u>	<u>10</u>	<u>331,357</u>	<u>8</u>	<u>326,992</u>	<u>9</u>
TOTAL	<u>\$ 3,820,680</u>	<u>100</u>	<u>\$ 3,943,472</u>	<u>100</u>	<u>\$ 3,790,844</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities - current (Note 20)	\$ 91,182	3	\$ 90,767	2	\$ 85,407	2
Notes payable (Note 27)	-	-	128	-	167	-
Other payables (Notes 17 and 27)	920,993	24	1,014,367	26	950,655	25
Other payables to related parties (Notes 17, 27 and 28)	60	-	60	-	510	-
Current tax liabilities	90,089	2	63,530	2	76,376	2
Lease liabilities - current (Notes 13 and 27)	21,437	1	20,989	-	19,778	1
Other current liabilities (Notes 17 and 27)	166,258	4	216,425	5	146,944	4
Total current liabilities	<u>1,290,019</u>	<u>34</u>	<u>1,406,266</u>	<u>35</u>	<u>1,279,837</u>	<u>34</u>
NON-CURRENT LIABILITIES						
Contract liabilities - non-current (Note 20)	9,200	-	9,240	-	10,997	-
Lease liabilities - non-current (Notes 13 and 27)	15,629	-	18,419	1	25,256	1
Total non-current liabilities	<u>24,829</u>	<u>-</u>	<u>27,659</u>	<u>1</u>	<u>36,253</u>	<u>1</u>
Total liabilities	<u>1,314,848</u>	<u>34</u>	<u>1,433,925</u>	<u>36</u>	<u>1,316,090</u>	<u>35</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)						
Ordinary shares	602,890	16	602,890	15	602,890	16
Capital surplus	1,229,377	32	1,223,378	31	1,221,833	32
Retained earnings						
Legal reserve	29,841	1	29,841	1	-	-
Unappropriated earnings	851,144	23	857,741	22	616,450	16
Other equity	121,392	3	124,948	3	28,323	1
Treasury shares	(335,477)	(9)	(335,477)	(8)	-	-
Total equity attributable to owners of the Company	<u>2,499,167</u>	<u>66</u>	<u>2,503,321</u>	<u>64</u>	<u>2,469,496</u>	<u>65</u>
NON-CONTROLLING INTERESTS	<u>6,665</u>	<u>-</u>	<u>6,226</u>	<u>-</u>	<u>5,258</u>	<u>-</u>
Total equity	<u>2,505,832</u>	<u>66</u>	<u>2,509,547</u>	<u>64</u>	<u>2,474,754</u>	<u>65</u>
TOTAL	<u>\$ 3,820,680</u>	<u>100</u>	<u>\$ 3,943,472</u>	<u>100</u>	<u>\$ 3,790,844</u>	<u>100</u>

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

(With Deloitte & Touche auditors' review report dated May 11, 2023)

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 March 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 20 and 28)	\$ 323,623	100	\$ 282,130	100
OPERATING COSTS (Notes 21 and 28)	<u>85,434</u>	<u>26</u>	<u>77,286</u>	<u>28</u>
GROSS PROFIT	<u>238,189</u>	<u>74</u>	<u>204,844</u>	<u>72</u>
OPERATING EXPENSES (Notes 21 and 28)				
Selling and marketing expenses	54,527	17	47,516	17
General and administrative expenses	55,066	17	47,009	16
Research and development expenses	32,322	10	30,208	11
Expected credit loss	<u>-</u>	<u>-</u>	<u>6</u>	<u>-</u>
Total operating expenses	<u>141,915</u>	<u>44</u>	<u>124,739</u>	<u>44</u>
PROFIT FROM OPERATIONS	<u>96,274</u>	<u>30</u>	<u>80,105</u>	<u>28</u>
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 28)				
Interest income	23,444	7	1,951	1
Other income	606	-	1,147	-
Other gains and losses	(9,287)	(3)	4,245	2
Finance costs	(115)	-	(115)	-
Share of profit or loss of associates and joint ventures accounted for using equity method	<u>(7,628)</u>	<u>(2)</u>	<u>(2,648)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>7,020</u>	<u>2</u>	<u>4,580</u>	<u>2</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	103,294	32	84,685	30
INCOME TAX EXPENSE (Notes 4 and 22)	<u>(26,703)</u>	<u>(8)</u>	<u>(17,680)</u>	<u>(6)</u>
NET PROFIT FOR THE PERIOD	<u>76,591</u>	<u>24</u>	<u>67,005</u>	<u>24</u>

(Continued)

91APP, INC. AND SUBSIDIARIES

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

	<u>For the Three Months Ended March 31</u>			
	<u>2023</u>		<u>2022</u>	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	\$ 7,651	2	\$ -	-
Exchange differences on translation to the presentation currency	(21,222)	(6)	83,843	30
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	<u>9,921</u>	<u>3</u>	<u>(30,836)</u>	<u>(11)</u>
Other comprehensive (loss) income for the period, net of income tax	<u>(3,650)</u>	<u>(1)</u>	<u>53,007</u>	<u>19</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 72,941</u>	<u>23</u>	<u>\$ 120,012</u>	<u>43</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 76,058	24	\$ 66,751	24
Non-controlling net interests	<u>533</u>	<u>-</u>	<u>254</u>	<u>-</u>
	<u>\$ 76,591</u>	<u>24</u>	<u>\$ 67,005</u>	<u>24</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 72,502	23	\$ 119,607	43
Non-controlling interests	<u>439</u>	<u>-</u>	<u>405</u>	<u>-</u>
	<u>\$ 72,941</u>	<u>23</u>	<u>\$ 120,012</u>	<u>43</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 0.64</u>		<u>\$ 0.55</u>	
Diluted	<u>\$ 0.64</u>		<u>\$ 0.55</u>	

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

(With Deloitte & Touche auditors' review report dated May 11, 2023)

(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										
	Share Capital - Ordinary Shares		Capital Surplus	Retained Earnings		Other Equity		Treasury Shares	Total	Non-controlling Interests	Total Equity
	Number of Shares (In Thousands)	Amount		Legal Reserve	Unappropriated Earnings	Exchange Differences Arising on the Translation of the Financial Statements of Foreign Operations	Unrealized Gain on Investments in Equity Instruments at Fair Value Through Other Comprehensive Income				
BALANCE AT JANUARY 1, 2022	120,578	\$ 602,890	\$ 1,221,152	\$ -	\$ 607,576	\$ (24,533)	\$ -	\$ -	\$ 2,407,085	\$ 4,853	\$ 2,411,938
Appropriation of 2021 earnings											
Cash dividends distributed by the Company	-	-	-	-	(57,877)	-	-	-	(57,877)	-	(57,877)
Net profit for the three months ended March 31, 2022	-	-	-	-	66,751	-	-	-	66,751	254	67,005
Other comprehensive income for the three months ended March 31, 2022, net of income tax	-	-	-	-	-	52,856	-	-	52,856	151	53,007
Total comprehensive income for the three months ended March 31, 2022	-	-	-	-	66,751	52,856	-	-	119,607	405	120,012
Share-based payment transactions	-	-	681	-	-	-	-	-	681	-	681
BALANCE AT MARCH 31, 2022	120,578	\$ 602,890	\$ 1,221,833	\$ -	\$ 616,450	\$ 28,323	\$ -	\$ -	\$ 2,469,496	\$ 5,258	\$ 2,474,754
BALANCE AT JANUARY 1, 2023	120,578	\$ 602,890	\$ 1,223,378	\$ 29,841	\$ 857,741	\$ 129,134	\$ (4,186)	\$ (335,477)	\$ 2,503,321	\$ 6,226	\$ 2,509,547
Appropriation of 2022 earnings											
Cash dividends distributed by the Company	-	-	-	-	(82,655)	-	-	-	(82,655)	-	(82,655)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	5,632	-	-	-	-	-	5,632	-	5,632
Net profit for the three months ended March 31, 2023	-	-	-	-	76,058	-	-	-	76,058	533	76,591
Other comprehensive income (loss) for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	(11,207)	7,651	-	(3,556)	(94)	(3,650)
Total comprehensive income (loss) for the year ended March 31, 2023	-	-	-	-	76,058	(11,207)	7,651	-	72,502	439	72,941
Share-based payment transactions	-	-	367	-	-	-	-	-	367	-	367
BALANCE AT MARCH 31, 2023	120,578	\$ 602,890	\$ 1,229,377	\$ 29,841	\$ 851,144	\$ 117,927	\$ 3,465	\$ (335,477)	\$ 2,499,167	\$ 6,665	\$ 2,505,832

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

(With Deloitte & Touche auditors' review report dated May 11, 2023)

91APP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	\$ 103,294	\$ 84,685
Adjustments for:		
Expected credit loss	-	6
Depreciation expenses	9,576	8,902
Amortization expenses	250	-
Share-based payments	367	681
Finance costs	115	115
Share of profit of associates and joint ventures accounted for using equity method	7,628	2,648
Interest income	(23,444)	(1,951)
Loss on disposal of property, plant and equipment	205	189
Changes in operating assets and liabilities		
Notes receivable	(235)	-
Trade receivables	12,857	(5,090)
Other receivables	85,671	(615)
Other current assets	(2,379)	2,131
Other financial assets	86,715	655,755
Contract liabilities	375	20,497
Notes payable	(128)	81
Other payables	(176,029)	(563,050)
Other current liabilities	(50,167)	(16,947)
Cash generated from operations	54,671	188,037
Interest received	19,485	3,707
Interest paid	(115)	(115)
Income tax paid	(1,173)	(32)
Net cash generated from operating activities	<u>72,868</u>	<u>191,597</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(33,425)	-
Purchase of financial assets at amortized cost	-	(1,118,708)
Proceeds from sale of financial assets at amortized cost	-	1,425,799
Payments for property, plant and equipment	(459)	(6,975)
Proceeds from disposal of property, plant and equipment	29	11
Increase in refundable deposits	-	(230)
Decrease in refundable deposits	39	-
Net cash (used in) generated from investing activities	<u>(33,816)</u>	<u>299,897</u>

(Continued)

91APP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended	
	March 31	
	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Refund of guarantee deposits received	\$ -	\$ (100)
Repayment of the principal portion of lease liabilities	<u>(5,595)</u>	<u>(3,384)</u>
Net cash used in financing activities	<u>(5,595)</u>	<u>(3,484)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(9,398)</u>	<u>45,799</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	24,059	533,809
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>2,466,950</u>	<u>643,991</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 2,491,009</u>	<u>\$ 1,177,800</u>

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

(With Deloitte & Touche auditors' review report dated May 11, 2023)

(Concluded)

91APP, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

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 May 11, 2023.

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

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

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

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

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

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

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

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of 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 MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and 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).

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.

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

d. Other material accounting policies

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

Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's material 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

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	\$ 40	\$ 40	\$ 51
Checking accounts and demand deposits	480,183	313,379	747,687
Cash equivalents (investments with original maturities within 3 months)			
Time deposits	<u>2,010,786</u>	<u>2,153,531</u>	<u>430,062</u>
	<u>\$ 2,491,009</u>	<u>\$ 2,466,950</u>	<u>\$ 1,177,800</u>

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

	March 31, 2023	December 31, 2022	March 31, 2022
Bank deposits	0.51%-1.25%	0.385%-1.05%	0.001%-0.10%
Time deposits	4.84%-5.13%	4.38%-4.92%	0.23%-0.95%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Non-current</u>			
Domestic investments			
Emerging market shares	\$ 41,045	\$ -	\$ -
Foreign investments			
Unlisted shares	<u>56,750</u>	<u>57,235</u>	<u>57,250</u>
	<u>\$ 97,795</u>	<u>\$ 57,235</u>	<u>\$ 57,250</u>

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.

Refer to Table 1 for information relating to the Group's holding preference shares and emerging market shares.

8. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 1,000	\$ 1,000	\$ 1,241,017
Pledged time deposits (b)	<u>9,400</u>	<u>9,400</u>	<u>9,400</u>
	<u>\$ 10,400</u>	<u>\$ 10,400</u>	<u>\$ 1,250,417</u>

- a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 1.2%, 1.2% and 0.22%-1.5% per annum as of March 31, 2023, December 31, 2022 and March 31, 2022, 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

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 368	\$ 133	\$ 150
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 368</u>	<u>\$ 133</u>	<u>\$ 150</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 60,696	\$ 73,998	\$ 59,230
Less: Allowance for impairment loss	<u>(9)</u>	<u>(9)</u>	<u>(8)</u>
	<u>\$ 60,687</u>	<u>\$ 73,989</u>	<u>\$ 59,222</u>
<u>Trade receivables from related parties</u>			
At amortized cost			
Gross carrying amount	\$ 2,940	\$ 2,495	\$ 229
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,940</u>	<u>\$ 2,495</u>	<u>\$ 229</u>
<u>Other receivables</u>			
At amortized cost			
Gross carrying amount	\$ 195,338	\$ 277,061	\$ 276,183
Less: Allowance for impairment loss	<u>(292)</u>	<u>(292)</u>	<u>(261)</u>
	<u>\$ 195,046</u>	<u>\$ 276,769</u>	<u>\$ 275,922</u>
<u>Other receivables from related parties</u>			
At amortized cost			
Gross carrying amount	\$ 11	\$ -	\$ 282
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 282</u>
a. Notes receivable			
<u>March 31, 2023</u>			
	1 to 30 Days	31 to 90 Days	Total
Expected credit loss rate	0%	0%	-
Gross carrying amount	\$ 232	\$ 136	\$ 368
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 232</u>	<u>\$ 136</u>	<u>\$ 368</u>

December 31, 2022

	1 to 30 Days	31 to 90 Days	Total
Expected credit loss rate	0%	0%	-
Gross carrying amount	\$ 133	\$ -	\$ 133
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 133</u>	<u>\$ -</u>	<u>\$ 133</u>

March 31, 2022

	1 to 30 Days	31 to 90 Days	Total
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>

The movements of the loss allowance of notes receivable of March 31, 2023 and 2022 have not changed.

b. 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 notes receivable and trade receivables based on the Group's provision matrix (based on invoice date):

Trade receivables

March 31, 2023

	1 to 30 Days	31 to 90 Days	91 to 180 Days	Over 181 Days	Total
Expected credit loss rate	0%	0%	0%	100%	-
Gross carrying amount	\$ 42,328	\$ 20,867	\$ 432	\$ 9	\$ 63,636
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9)</u>	<u>(9)</u>
Amortized cost	<u>\$ 42,328</u>	<u>\$ 20,867</u>	<u>\$ 432</u>	<u>\$ -</u>	<u>\$ 63,627</u>

December 31, 2022

	1 to 30 Days	31 to 90 Days	91 to 180 Days	Over 181 Days	Total
Expected credit loss rate	0%	0%	0%	100%	-
Gross carrying amount	\$ 60,429	\$ 15,584	\$ 471	\$ 9	\$ 76,493
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9)</u>	<u>(9)</u>
Amortized cost	<u>\$ 60,429</u>	<u>\$ 15,584</u>	<u>\$ 471</u>	<u>\$ -</u>	<u>\$ 76,484</u>

March 31, 2022

	1 to 30 Days	31 to 90 Days	91 to 180 Days	Over 181 Days	Total
Expected credit loss rate	0.02%	0.1%	5.55%	100%	-
Gross carrying amount	\$ 50,671	\$ 8,780	\$ -	\$ 8	\$ 59,459
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8)</u>	<u>(8)</u>
Amortized cost	<u>\$ 50,671</u>	<u>\$ 8,780</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,451</u>

The movements of the loss allowance of trades receivable of March 31, 2023 and 2022 have not changed.

c. Other receivables (Note 16)

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

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

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

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 292	\$ 255
Add: Net remeasurement of loss allowance	<u>-</u>	<u>6</u>
Balance at March 31	<u>\$ 292</u>	<u>\$ 261</u>

10. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership			Remark
			March 31, 2023	December 31, 2022	March 31, 2022	
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 first of 2023 of the unimportant subsidiaries have been not reviewed.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates	March 31, 2023	December 31, 2022	March 31, 2022
Material associate			
EasyStore Commerce Sdn. Bhd.	\$ 105,723	\$ 101,585	\$ 100,479
Omnichat Limited	41,128	49,350	51,927
Associates that are not individually material	<u>35,912</u>	<u>35,194</u>	<u>36,928</u>
	<u>\$ 182,763</u>	<u>\$ 186,129</u>	<u>\$ 189,334</u>

a. Material associate

Investments in Associates	Proportion of Ownership and Voting Rights		
	March 31, 2023	December 31, 2022	March 31, 2022
EasyStore Commerce Sdn. Bhd.	35.98%	36.35%	36.35%
Omnichat Limited	35.80%	35.80%	35.80%

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

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

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.

	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 103,796	\$ 81,527	\$ 36,994
Non-current assets	32,497	19,070	18,468
Current liabilities	(147,604)	(131,957)	(71,660)
Non-current liabilities	<u>(6,217)</u>	<u>-</u>	<u>-</u>
Equity	<u>\$ (17,528)</u>	<u>\$ (31,360)</u>	<u>\$ (16,198)</u>
Proportion of the Group's ownership	35.98%	36.35%	36.35%
Equity attributable to the Group	\$ (6,306)	\$ (11,399)	\$ (5,888)
Goodwill	112,028	113,017	102,856
Effect of foreign currency exchange differences	<u>1</u>	<u>(33)</u>	<u>3,511</u>
Carrying amount	<u>\$ 105,723</u>	<u>\$ 101,585</u>	<u>\$ 100,479</u>

**For the Three Months Ended
March 31**

	2023	2022
Operating revenue	<u>\$ 22,449</u>	<u>\$ 19,654</u>
Net loss for the period	\$ (1,773)	\$ (9,659)
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive loss for the period	<u>\$ (1,773)</u>	<u>\$ (9,659)</u>

Omnichat Limited

	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 60,080	\$ 58,821	\$ 58,832
Non-current assets	13,066	32,263	12,959
Current liabilities	<u>(46,085)</u>	<u>(42,081)</u>	<u>(4,721)</u>
Equity	<u>\$ 27,061</u>	<u>\$ 49,003</u>	<u>\$ 67,070</u>
Proportion of the Group's ownership	35.80%	35.80%	35.80%
Equity attributable to the Group	\$ 9,688	17,543	\$ 24,011
Goodwill	28,796	29,042	26,994
Customer relationships	<u>2,644</u>	<u>2,765</u>	<u>922</u>
Carrying amount	<u>\$ 41,128</u>	<u>\$ 49,350</u>	<u>\$ 51,927</u>

	For the Three Months Ended March 31	
	2023	2022
Operating revenue	<u>\$ 18,478</u>	<u>\$ 6,652</u>
Net (loss) profit for the period	\$ (21,258)	\$ 645
Other comprehensive (loss) income	<u>-</u>	<u>-</u>
Total comprehensive (loss) income for the period	<u>\$ (21,258)</u>	<u>\$ 645</u>

b. Aggregate information of associates that are not individually material

	For the Three Months Ended March 31	
	2023	2022
The Group's share of:		
Profit from continuing operations	<u>\$ 717</u>	<u>\$ 632</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

	March 31, 2023	December 31, 2022	March 31, 2022
Assets used by the Group	<u>\$ 28,003</u>	<u>\$ 31,566</u>	<u>\$ 29,636</u>
<u>Assets used by the Group</u>			
	Office Equipment	Leasehold Improvements	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ 46,676	\$ 38,750	\$ 85,426
Additions	278	181	459
Disposals	(4,600)	-	(4,600)
Effects of foreign currency exchange differences	<u>(13)</u>	<u>(9)</u>	<u>(22)</u>
Balance at March 31, 2023	<u>\$ 42,341</u>	<u>\$ 38,922</u>	<u>\$ 81,263</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2023	\$ 31,616	\$ 22,244	\$ 53,860
Disposals	(4,366)	-	(4,366)
Depreciation expenses	1,961	1,813	3,774
Effects of foreign currency exchange differences	<u>(5)</u>	<u>(3)</u>	<u>(8)</u>
Balance at March 31, 2023	<u>\$ 29,206</u>	<u>\$ 24,054</u>	<u>\$ 53,260</u>

(Continued)

	Office Equipment	Leasehold Improvements	Total
Carrying amount at March 31, 2023	<u>\$ 13,135</u>	<u>\$ 14,868</u>	<u>\$ 28,003</u>
Carrying amount at January 1, 2023 and December 31, 2022	<u>\$ 15,060</u>	<u>\$ 16,506</u>	<u>\$ 31,566</u>
<u>Cost</u>			
Balance at January 1, 2022	\$ 40,873	\$ 31,995	\$ 72,868
Additions	2,272	4,703	6,975
Disposals	(4,127)	-	(4,127)
Reclassification	-	1,453	1,453
Effects of foreign currency exchange differences	<u>18</u>	<u>(140)</u>	<u>(122)</u>
Balance at March 31, 2022	<u>\$ 39,036</u>	<u>\$ 38,011</u>	<u>\$ 77,047</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2022	\$ 28,308	\$ 19,731	\$ 48,039
Disposals	(3,927)	-	(3,927)
Depreciation expenses	1,650	1,645	3,295
Effects of foreign currency exchange differences	<u>5</u>	<u>(1)</u>	<u>4</u>
Balance at March 31, 2022	<u>\$ 26,036</u>	<u>\$ 21,375</u>	<u>\$ 47,411</u>
Carrying amount at March 31, 2022	<u>\$ 13,000</u>	<u>\$ 16,636</u>	<u>\$ 29,636</u> (Concluded)

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

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

There were no indications of impairment for the three months ended March 31, 2023 and 2022.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Carrying amounts</u>			
Buildings	\$ 33,671	\$ 35,967	\$ 40,564
Transportation equipment	<u>1,338</u>	<u>1,566</u>	<u>2,251</u>
	<u>\$ 35,009</u>	<u>\$ 37,533</u>	<u>\$ 42,815</u>

	For the Three Months Ended March 31	
	2023	2022
Additions to right-of-use assets	<u>\$ 3,519</u>	<u>\$ 24,438</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 5,574	\$ 5,379
Transportation equipment	<u>228</u>	<u>228</u>
	<u>\$ 5,802</u>	<u>\$ 5,607</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 three months ended March 31, 2023 and 2022.

b. Lease liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Carrying amounts</u>			
Current	<u>\$ 21,437</u>	<u>\$ 20,989</u>	<u>\$ 19,778</u>
Non-current	<u>\$ 15,629</u>	<u>\$ 18,419</u>	<u>\$ 25,256</u>

Range of discount rate for lease liabilities was as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Buildings	0.94%-2.18%	0.74%-2.18%	0.74%-2.66%
Transportation equipment	1.49%	1.49%	1.49%

c. Material leasing activities and terms

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

14. GOODWILL

	For the Three Months Ended March 31	
	2023	2022
<u>Cost</u>		
Balance at January 1	\$ 6,817	\$ 6,144
Effect of foreign currency exchange differences	<u>(58)</u>	<u>210</u>
Balance at March 31	<u>\$ 6,759</u>	<u>\$ 6,354</u>

(Continued)

	For the Three Months Ended March 31	
	2023	2022
<u>Accumulated impairment losses</u>		
Balance at January 1	\$ (3,523)	\$ (3,175)
Effect of foreign currency exchange differences	<u>30</u>	<u>(109)</u>
Balance at March 31	<u>\$ (3,493)</u>	<u>\$ (3,284)</u>
Carrying amount at March 31	<u>\$ 3,266</u>	<u>\$ 3,070</u> (Concluded)

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

15. INTANGIBLE ASSETS

	Computer Software
<u>Cost</u>	
Balance at January 1, 2023	<u>\$ 3,579</u>
Balance at March 31, 2023	<u>\$ 3,579</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2023	\$ 579
Selling and marketing expenses	<u>250</u>
Balance at March 31, 2023	<u>\$ 829</u>
Carrying amount at March 31, 2023	<u>\$ 2,750</u>
<u>Cost</u>	
Balance at January 1, 2022	<u>\$ 579</u>
Balance at March 31, 2022	<u>\$ 579</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2022	<u>\$ 579</u>
Balance at March 31, 2022	<u>\$ 579</u>
Carrying amount at March 31, 2022	<u>\$ -</u>

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

16. OTHER ASSETS

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Other receivables			
Interest receivables	\$ 8,624	\$ 4,665	\$ 833
Receivables from receipts under custody (a)	179,197	262,597	267,853
Others	<u>7,225</u>	<u>9,507</u>	<u>7,236</u>
	<u>\$ 195,046</u>	<u>\$ 276,769</u>	<u>\$ 275,922</u>
Other financial assets			
Restricted trust deposits (b)	<u>\$ 677,339</u>	<u>\$ 764,054</u>	<u>\$ 691,125</u>
Other assets			
Prepayments	\$ 19,056	\$ 15,269	\$ 7,887
Others	<u>648</u>	<u>2,056</u>	<u>818</u>
	<u>\$ 19,704</u>	<u>\$ 17,325</u>	<u>\$ 8,705</u>
<u>Non-current</u>			
Refundable deposits	<u>\$ 7,242</u>	<u>\$ 7,281</u>	<u>\$ 4,182</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”.

17. OTHER LIABILITIES

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Other payables			
Payables for receipts under custody (a)	\$ 719,485	\$ 831,208	\$ 765,674
Payables for salaries or bonuses	51,564	78,349	49,211
Payables for annual leave	320	320	320
Payables for employees' compensation	3,459	14,788	3,139
Payables for insurance premiums	7,836	7,578	7,060
Payables for pension	7,077	6,998	6,552
Payables for VAT	13,084	24,109	16,728
Payables for dividend (b)	82,655	-	57,877
Others	<u>35,513</u>	<u>51,017</u>	<u>44,094</u>
	<u>\$ 920,993</u>	<u>\$ 1,014,367</u>	<u>\$ 950,655</u>

(Continued)

	March 31, 2023	December 31, 2022	March 31, 2022
Payables to related parties	\$ <u>60</u>	\$ <u>60</u>	\$ <u>510</u>
Other liabilities			
Receipts under custody	\$ 163,947	\$ 213,893	\$ 140,702
Temporary receipts	<u>2,311</u>	<u>2,532</u>	<u>6,242</u>
	<u>\$ 166,258</u>	<u>\$ 216,425</u>	<u>\$ 146,944</u> (Concluded)

- a. 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 16.
- b. The cash dividend allotted by the resolution of the board of directors has not been distributed on March 31, 2023 (Note 19).

18. RETIREMENT BENEFIT PLANS

Defined Contribution Plans

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

The Group recognized pension costs of \$7,722 thousand and \$6,655 thousand for the three months ended March 31, 2023 and 2022, respectively.

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

19. EQUITY

- a. Share capital - ordinary shares

	March 31, 2023	December 31, 2022	March 31, 2022
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>

b. Capital surplus

	March 31, 2023	December 31, 2022	March 31, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*			
Additional paid-in capital	\$ 1,219,040	\$ 1,219,040	\$ 1,215,858
Share of changes in capital surplus of associates or joint ventures by using the equity method	5,632	-	-
<u>May not be used for any purpose</u>			
Employee share options	<u>4,705</u>	<u>4,338</u>	<u>5,975</u>
	<u>\$ 1,229,377</u>	<u>\$ 1,223,378</u>	<u>\$ 1,221,833</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 5% of the total dividend.

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

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

The appropriation of earnings for 2022 and 2021, which was proposed by the Company's board of directors on March 9, 2023, and will be approved by shareholders in their meeting on June 9, 2022, respectively, was as follows:

	For the Year Ended December 31	
	2022	2021
Legal reserve	\$ 33,788	\$ 29,841
Cash dividends	\$ 82,655	\$ 57,877
Cash dividends per share (NT\$)	\$ 0.70	\$ 0.48

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

d. Other equity items

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

	For the Three Months Ended	
	March 31	
	2023	2022
Balance at January 1	\$ 129,134	\$ (24,533)
Exchange differences on the translation of the financial statements of foreign operations	9,921	(30,836)
Exchange differences on translation to the presentation currency	<u>(21,128)</u>	<u>83,692</u>
Balance at March 31	<u>\$ 117,927</u>	<u>\$ 28,323</u>

- 2) Unrealized valuation gain on financial assets at FVTOCI

	For the Three Months Ended
	March 31, 2023
Balance at January 1	\$ (4,186)
Recognized for the year	
Unrealized gain or loss	
Equity Instruments	<u>7,651</u>
Other comprehensive loss for the year	<u>7,651</u>
Balance at March 31	<u>\$ 3,465</u>

e. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)
Number of shares at January 1, 2023	<u>2,500</u>
Number of shares at March 31, 2023	<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 at a total amount \$335,477 thousand.

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

20. REVENUE

a. Revenue from contracts with customers

	For the Three Months Ended March 31	
	2023	2022
Operating revenue	<u>\$ 323,623</u>	<u>\$ 282,130</u>

b. Contract balances

	March 31, 2023	December 31, 2022	March 31, 2022	January 1, 2022
Trade receivables (Note 9)	<u>\$ 60,687</u>	<u>\$ 73,989</u>	<u>\$ 59,222</u>	<u>\$ 53,547</u>
Trade receivables from related parties (Note 9)	<u>\$ 2,940</u>	<u>\$ 2,495</u>	<u>\$ 229</u>	<u>\$ 814</u>
Contract liabilities - current				
System services	\$ 91,182	\$ 90,767	\$ 85,407	\$ 68,252
Contract liabilities - non-current				
System services	<u>9,200</u>	<u>9,240</u>	<u>10,997</u>	<u>7,655</u>
	<u>\$ 100,382</u>	<u>\$ 100,007</u>	<u>\$ 96,404</u>	<u>\$ 75,907</u>

c. Disaggregation of revenue

	For the Three Months Ended March 31	
	2023	2022
Taiwan	\$ 305,240	\$ 267,469
Others	<u>18,383</u>	<u>14,661</u>
	<u>\$ 323,623</u>	<u>\$ 282,130</u>
Recurring revenue	\$ 298,379	\$ 260,281
Non-recurring revenue	<u>25,244</u>	<u>21,849</u>
	<u>\$ 323,623</u>	<u>\$ 282,130</u>

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

21. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended March 31	
	2023	2022
Bank deposits	\$ 23,444	\$ 1,951

b. Other income

	For the Three Months Ended March 31	
	2023	2022
Service revenue (Note 28)	\$ -	\$ 1,029
Rental income (Note 28)	582	22
Others	<u>24</u>	<u>96</u>
	<u>\$ 606</u>	<u>\$ 1,147</u>

c. Other gains and (losses)

	For the Three Months Ended March 31	
	2023	2022
Net foreign exchange (losses) gains	\$ (9,082)	\$ 4,434
Losses on disposal of property, plant and equipment	<u>(205)</u>	<u>(189)</u>
	<u>\$ (9,287)</u>	<u>\$ 4,245</u>

d. Finance costs

**For the Three Months Ended
March 31**

	2023	2022
Interest on lease liabilities	<u>\$ 115</u>	<u>\$ 115</u>

e. Depreciation and amortization

**For the Three Months Ended
March 31**

	2023	2022
Property, plant and equipment	\$ 3,774	\$ 3,295
Right-of-use assets	5,802	5,607
Other intangible assets	<u>250</u>	<u>-</u>
	<u>\$ 9,826</u>	<u>\$ 8,902</u>

An analysis of depreciation by function

Operating costs	\$ 3,234	\$ 2,843
Operating expenses	<u>6,342</u>	<u>6,059</u>
	<u>\$ 9,576</u>	<u>\$ 8,902</u>

An analysis of amortization by function

Operating expenses	<u>\$ 250</u>	<u>\$ -</u>
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f. Employee benefits expense

**For the Three Months Ended
March 31**

	2023	2022
Short-term benefits	\$ 164,218	\$ 152,585
Post-employment benefits		
Defined contribution plans (Note 18)	<u>7,222</u>	<u>6,655</u>
	171,440	159,240
Share-based payments		
Equity-settled (Note 24)	<u>367</u>	<u>681</u>
Total employee benefits expense	<u>\$ 171,807</u>	<u>\$ 159,921</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 62,155	\$ 55,585
Operating expenses	<u>109,652</u>	<u>104,336</u>
	<u>\$ 171,807</u>	<u>\$ 159,921</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 three months ended March 31, 2023 and 2022, the employees' compensation and the remuneration of directors were as follows:

Accrual rate

	For the Three Months Ended March 31	
	2023	2022
Employees' compensation	3%	3%
Remuneration of directors	-	-

Amount

	For the Three Months Ended March 31	
	2023	2022
Employees' compensation	\$ 2,430	\$ 2,240
Remuneration of directors	\$ -	\$ -

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, 2022 and 2021 which have been approved by the Company's board of directors on March 9, 2023 and March 10, 2022, respectively.

Amount

	For the Year Ended December 31	
	2022	2021
Employees' compensation	\$ 10,470	\$ 9,290
Remuneration of directors	\$ -	\$ -

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, 2022 and 2021.

Information on the employee's compensation and remuneration of directors and supervisors resolved by the Company's board of directors in 2022 and 2021 is available at the Market Observation Post System Website of Taiwan Stock Exchange.

22. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended March 31	
	2023	2022
Current tax		
In respect of the current period	\$ 21,440	\$ 16,727
Adjustments for prior year	6,292	-
Deferred tax		
In respect of the current period	<u>(1,029)</u>	<u>953</u>
Income tax expense recognized in profit or loss	<u>\$ 26,703</u>	<u>\$ 17,680</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.

23. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2023	2022
Basic earnings per share from continuing operations	<u>\$ 0.64</u>	<u>\$ 0.55</u>
Diluted earnings per share from continuing operations	<u>\$ 0.64</u>	<u>\$ 0.55</u>
<u>Net profit for the period</u>		
	For the Three Months Ended March 31	
	2023	2022
Earnings used in the computation of basic earnings per share	<u>\$ 76,058</u>	<u>\$ 66,751</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 76,058</u>	<u>\$ 66,751</u>

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

	For the Three Months Ended March 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	118,078	120,578
Effect of potentially dilutive ordinary shares		
Employees' compensation	<u>87</u>	<u>57</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>118,165</u>	<u>120,635</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, if the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

24. SHARE-BASED PAYMENT ARRANGEMENTS

The shareholders of the Company agreed in January 2020 that specific employees of subsidiaries are entitled to receive 1,088 thousand shares of the Company's stock for free. Equity-settled share-based payment arrangement granted to employees is measured by the fair value of the equity instrument on the grant date. The grant date is January 31, 2020, and the fair value per share on the grant date is \$10.34-\$12.62, and the vesting period is 1.5-4.5 years.

Compensation costs recognized were \$367 thousand and \$681 thousand for the three months ended March 31, 2023 and 2022, respectively.

25. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the three months ended March 31, 2023

	For the Three Months Ended March 31, 2023							
	Total cash outflow from lease							<u>\$ (5,710)</u>
	<u>January 1, 2023</u>	<u>Cash Flows</u>	<u>Non-cash Changes</u>			<u>Effect of Foreign Currency Exchange Differences</u>	<u>Included in Operating Activities Interest Paid</u>	<u>March 31, 2023</u>
			<u>New Leases</u>	<u>Interest Expense</u>				
Lease liabilities	<u>\$ 39,408</u>	<u>\$ (5,595)</u>	<u>\$ 3,519</u>	<u>\$ 115</u>	<u>\$ (266)</u>	<u>\$ (115)</u>	<u>\$ 37,066</u>	

For the three months ended March 31, 2022

**For the Three
Months Ended
March 31, 2022**

Total cash outflow from lease \$ (3,499)

		Non-cash Changes						
	January 1, 2022	Cash Flows	New Leases	Interest Expense	Effect of Foreign Currency Exchange Differences	Included in Operating Activities Interest Paid	March 31, 2022	
Lease liabilities	<u>\$ 23,907</u>	<u>\$ (3,384)</u>	<u>\$ 24,438</u>	<u>\$ 115</u>	<u>\$ 73</u>	<u>\$ (115)</u>	<u>\$ 45,034</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 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

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOC				
Investments in equity instruments				
Emerging market shares	\$ 41,045	\$ -	\$ -	\$ 41,045
Unlisted shares	<u>-</u>	<u>-</u>	<u>56,750</u>	<u>56,750</u>
	<u>\$ 41,045</u>	<u>\$ -</u>	<u>\$ 56,750</u>	<u>\$ 97,795</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOC				
Unlisted shares	\$ _____ -	\$ _____ -	\$ <u>57,235</u>	\$ <u>57,235</u>

March 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Unlisted shares	\$ _____ -	\$ _____ -	\$ <u>57,250</u>	\$ <u>57,250</u>

There were no transfers between Levels 1 and 2 in the March 31, 2023 and 2022.

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

For the three months ended March 31, 2023

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2023	\$ 57,235
Foreign currency exchange differences	<u>(485)</u>
Balance at March 31, 2023	\$ <u>56,750</u>

For the three months ended March 31, 2022

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2022	\$ -
Purchases	55,360
Foreign currency exchange differences	<u>1,890</u>
Balance at March 31, 2022	\$ <u>57,250</u>

3) Valuation techniques and inputs applied for Level 3 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 access a reasonable fair value by preferential share equity value allocation.

c. Categories of financial instruments

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 3,445,042	\$ 3,602,071	\$ 3,459,329
Financial assets at FVTOCI	97,795	57,235	57,250
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	1,003,971	1,098,838	1,015,266

- 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 other current liabilities.

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.

	U.S. Dollar Impact	
	For the Three Months Ended	
	March 31	
	2023	2022
Profit or loss	<u>\$ 10,065</u>	<u>\$ 1,477</u>

The above impact was mainly attributable to the exposure on outstanding U.S. dollar cash, cash equivalents and time deposits with original maturities of more than 3 months 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 not exposed to interest rate risk because entities in the Group did not borrow funds.

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

	March 31, 2023	December 31, 2022	March 31, 2022
Fair value interest rate risk			
Financial assets	<u>\$ 2,021,186</u>	<u>\$ 2,163,931</u>	<u>\$ 1,680,479</u>
Financial liabilities	<u>\$ 37,066</u>	<u>\$ 39,408</u>	<u>\$ 45,034</u>
Cash flow interest rate risk			
Financial assets	<u>\$ 1,157,522</u>	<u>\$ 1,077,433</u>	<u>\$ 1,438,812</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 three months ended March 31, 2023 and 2022 would increase/decrease by \$723 thousand and \$899 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 three months ended March 31, 2023 and 2022 would have increased/decreased by \$9,780 thousand and \$5,725 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 March 31, 2023, December 31, 2022 and March 31, 2022, 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.

March 31, 2023

	Less than 1 Year	1-2 Years	2-5 Years	Total
<u>Non-derivative financial liabilities</u>				
Other payables	\$ 920,993	\$ -	\$ -	\$ 920,993
Other payables to related parties	60	-	-	60

(Continued)

	Less than 1 Year	1-2 Years	2-5 Years	Total
Lease liabilities	\$ 21,767	\$ 12,905	\$ 2,859	\$ 37,531
Other current liabilities	<u>166,258</u>	<u>-</u>	<u>-</u>	<u>166,258</u>
	<u>\$ 1,109,078</u>	<u>\$ 12,905</u>	<u>\$ 2,859</u>	<u>\$ 1,124,842</u> (Concluded)

December 31, 2022

	Less than 1 Year	1-2 Years	2-5 Years	Total
<u>Non-derivative financial liabilities</u>				
Notes payable	\$ 128	\$ -	\$ -	\$ 128
Other payables	1,014,367	-	-	1,014,367
Other payables to related parties	60	-	-	60
Lease liabilities	21,316	15,944	2,611	39,871
Other current liabilities	<u>216,425</u>	<u>-</u>	<u>-</u>	<u>216,425</u>
	<u>\$ 1,252,296</u>	<u>\$ 15,944</u>	<u>\$ 2,611</u>	<u>\$ 1,270,851</u>

March 31, 2022

	Less than 1 Year	1-2 Years	2-5 Years	Total
<u>Non-derivative financial liabilities</u>				
Notes payable	\$ 167	\$ -	\$ -	\$ 167
Other payables	950,655	-	-	950,655
Other payable to related parties	510	-	-	510
Lease liabilities	20,103	15,433	9,531	45,067
Other current liabilities	<u>146,944</u>	<u>-</u>	<u>-</u>	<u>146,944</u>
	<u>\$ 1,118,379</u>	<u>\$ 15,433</u>	<u>\$ 9,531</u>	<u>\$ 1,143,343</u>

b) Financing facilities

	March 31, 2023	December 31, 2022	March 31, 2022
Unsecured bank loan facilities which may be extended by mutual agreement:			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>550,000</u>	<u>550,000</u>	<u>35,000</u>
	<u>\$ 550,000</u>	<u>\$ 550,000</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
91APP SDN. BHD.	Associate
Omni-channel Retail System Corporation	Associate
Jinghong, Inc.	Associate
EasyStore Commerce SDN. BHD.	Associate
MYDRESS HOLDING LIMITED	Related party in substance

b. Operating revenue

<u>Related Party Name</u>	<u>For the Three Months Ended March 31</u>	
	<u>2023</u>	<u>2022</u>
91APP SDN. BHD.	\$ 192	\$ 204
Omni-channel Retail System Corporation	-	501
Omnichat Limited	918	-
MYDRESS HOLDING LIMITED	<u>1,191</u>	<u>-</u>
	<u>\$ 2,301</u>	<u>\$ 705</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 March 31</u>	
	<u>2023</u>	<u>2022</u>
Jinghong, Inc.	<u>\$ 210</u>	<u>\$ 108</u>

The Company listed above provide 91APP, Inc. with system connection services; the transaction terms with related parties were not significantly different from those with third parties.

d. Receivables from related parties

Line Item	Related Party Name	March 31, 2023	December 31, 2022	March 31, 2022
Trade receivables from related parties	Jinghong, Inc.	\$ -	\$ -	\$ 2
	91APP SDN. BHD.	105	104	60
	Omni-channel Retail System Corporation	923	674	167
	MYDRESS HOLDING LIMITED	<u>1,912</u>	<u>1,717</u>	<u>-</u>
		<u>\$ 2,940</u>	<u>\$ 2,495</u>	<u>\$ 229</u>
Other receivables from related parties	EasyStore Commerce SDN. BHD.	\$ -	\$ -	\$ 282
	91APP SDN. BHD.	<u>11</u>	<u>-</u>	<u>-</u>
		<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 282</u>

Receivables from related parties mentioned above were not guaranteed, and no provision for impairment loss was accrued for the three months ended March 31, 2023 and 2022.

e. Payables to related parties

Line Item	Related Party Name	March 31, 2023	December 31, 2022	March 31, 2022
Other payables to related parties	Jinghong, Inc.	\$ 21	\$ 21	\$ 510
	MYDRESS HOLDING LIMITED	<u>39</u>	<u>39</u>	<u>-</u>
		<u>\$ 60</u>	<u>\$ 60</u>	<u>\$ 510</u>

The outstanding other payables to related parties are unsecured.

f. Lease arrangements

Operating lease

The Group leases the right to use of the office to its associates, EasyStore Commerce Sdn. Bhd. and MYDRESS HOLDING LIMITED as the operating lease with the lease term of one year. The rental of EasyStore Commerce Sdn. Bhd. is calculated based on \$4 thousand per person per month; and the rental of MYDRESS HOLDING LIMITED refers to the similar assets' rental level, and a fixed payment of HK\$50 thousand is received monthly according to the lease agreement.

The rent income is summarized as follows:

Related Party Name	For the Three Months Ended March 31	
	2023	2022
EasyStore Commerce SDN. BHD.	\$ -	\$ 22
MYDRESS HOLDING LIMITED	<u>582</u>	<u>-</u>
	<u>\$ 582</u>	<u>\$ 22</u>

g. Others

Line Item	Related Party Name	For the Three Months Ended March 31	
		2023	2022
Service expenses	Jinghong, Inc.	\$ -	\$ 12
Service revenue	EasyStore Commerce SDN. BHD.	\$ -	\$ 1,029

h. Compensation of key management personnel

	For the Three Months Ended March 31	
	2023	2022
Short-term employee benefits	\$ 12,284	\$ 11,533
Post-employment benefits	405	404
Share-based payments	18	34
	<u>\$ 12,707</u>	<u>\$ 11,971</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:

	March 31, 2023	December 31, 2022	March 31, 2022
Pledged deposits (classified as financial assets at amortized cost - current)	<u>\$ 9,400</u>	<u>\$ 9,400</u>	<u>\$ 9,400</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:

March 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 33,054	30.45 (USD:NTD)	<u>\$ 1,006,480</u>

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items USD	\$ 36,023	30.71 (USD:NTD)	<u>\$ 1,106,268</u>

March 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items USD	\$ 5,159	28.625 (USD:NTD)	<u>\$ 147,674</u>

The Group is mainly exposed to the USD. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed. The significant (realized and unrealized) foreign exchange gains (losses) were as follows:

Functional Currency	For the Three Months Ended March 31			
	2023	Net Foreign Exchange Loss	2022	Net Foreign Exchange Loss
USD	1 (NTD:NTD)	<u>\$ (305)</u>	1 (NTD:NTD)	<u>\$ (181)</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.

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (None)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (None):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

- c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 4)

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:

	Taiwan	Others	Total
<u>For the three months ended March 31, 2023</u>			
Revenue from external customers	\$ 305,240	\$ 18,383	\$ 323,623
Inter-segment revenue	<u>1,407</u>	<u>-</u>	<u>1,407</u>
Segment revenue	306,647	18,383	325,030
Eliminations	<u>(1,407)</u>	<u>-</u>	<u>(1,407)</u>
Consolidated revenue	<u>\$ 305,240</u>	<u>\$ 18,383</u>	<u>\$ 323,623</u>
Segment income (excluding central administration costs)	\$ 97,046	\$ 2,793	\$ 99,839
Central administration costs			<u>(3,565)</u>
Segment income			96,274
Interest income			23,444
Other income			606
Other gains and losses			(9,287)
Finance costs			(115)
Share of profit of associates accounted for using the equity method			<u>(7,628)</u>
Profit before tax (continuing operations)			<u>\$ 103,294</u>
<u>For the three months ended March 31, 2022</u>			
Revenue from external customers	267,469	14,661	\$ 282,130
Inter-segment revenue	<u>483</u>	<u>-</u>	<u>483</u>
Segment revenue	267,952	14,661	282,613
Eliminations	<u>(483)</u>	<u>-</u>	<u>(483)</u>
Consolidated revenue	<u>\$ 267,469</u>	<u>\$ 14,661</u>	<u>\$ 282,130</u>
Segment income (excluding central administration costs)	\$ 82,090	\$ 1,384	\$ 83,474
Central administration costs			<u>(3,369)</u>
Segment income			80,105
Interest income			1,951
Other income			1,147
Other gains and losses			4,245
Finance costs			(115)
Share of profit of associates accounted for using the equity method			<u>(2,648)</u>
Profit before tax (continuing operations)			<u>\$ 84,685</u>

Segment profit represented the profit before tax earned by each segment without the allocation of central administration costs and share of profit of associates, interest income, gains or losses on disposal of property, plant and equipment, exchange gains or losses, finance costs and income tax expense. This was the measure reported to the chief operating decision-maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
Taiwan	\$ 2,477,698	\$ 2,584,277	\$ 2,119,025
Others	53,196	62,059	67,507
Headquarters	<u>1,289,786</u>	<u>1,297,136</u>	<u>1,604,312</u>
Consolidated total assets	<u>\$ 3,820,680</u>	<u>\$ 3,943,472</u>	<u>\$ 3,790,844</u>
Taiwan	\$ 1,197,860	\$ 1,390,737	\$ 1,205,655
Others	31,268	41,518	49,449
Headquarters	<u>85,720</u>	<u>1,670</u>	<u>60,986</u>
Consolidated total liabilities	<u>\$ 1,314,848</u>	<u>\$ 1,433,925</u>	<u>\$ 1,316,090</u>

91APP, INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

MARCH 31, 2023

(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	March 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
91APP, Inc.	<u>Unlisted shares</u> inline group Limited	-	Non-current financial assets at fair value through other comprehensive income	200,000	\$ 56,750	3.5	\$ 56,750	-
	<u>Emerging market shares</u> ELAND INFORMATION CO., LTD.	-	Non-current financial assets at fair value through other comprehensive income	564,508	<u>41,045</u>	3.2	<u>41,045</u>	-
					<u>\$ 97,795</u>		<u>\$ 97,795</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 THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars, Dollars and Shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2023 (In Thousands of Foreign Currencies)	December 31, 2022 (In Thousands of Foreign Currencies)	Number of Shares	%	Carrying Amount			
91APP, Inc.	91APP (Taiwan), Inc.	Taiwan	Internet related business	\$ 200,000	\$ 200,000	20,000	100.00	\$ 1,279,107	\$ 75,384	\$ 75,384	Note 1
	Omni-channel Retail System Corporation	Taiwan	Internet related business	6,400	6,400	2,550	100.00	2,860	-	-	Note 1
	91APP HK Limited	Hong Kong	Internet related business	13,189	13,189	1,400	70.00	18,819	1,777	1,244	Note 1
				(HK\$ 3,400)	(HK\$ 3,400)			(US\$ 618)	(US\$ 58)	(US\$ 41)	
	EasyStore Commerce Sdn. Bhd.	Malaysia	Internet related business	109,859	109,859	568	35.98	105,723	(1,773)	(638)	Note 1
			(MYR 16,600)	(MYR 16,600)			(US\$ 3,472)	(US\$ -58)	(US\$ -21)		
	Omnichat Limited	Hong Kong	Internet related business	54,892	54,892	10,305	35.80	41,128	(21,258)	(7,707)	Note 1
				(HK\$ 14,151)	(HK\$ 14,151)			(US\$ 1,351)	(US\$ -699)	(US\$ -253)	
91APP (Taiwan), Inc.	Jinghong, Inc.	Taiwan	Internet related business	34,350	34,350	700	35.00	35,912	2,491	717	Note 1

Note 1: The marketable securities held by the companies in the above table are unsecured.

Note 2: Eliminated at the time of preparation of the consolidated financial statements.

Note 3: The amounts in this table are listed in NTD. For foreign currencies, they will be converted to NTD on the financial statement date (the current exchange rate for USD is 30.45; for HKD is 3.879; for MYR is 6.618 and the average exchange rate for USD is 30.395).

91APP, INC. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(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	\$ 2,430	Note 5	-
1	91APP (Taiwan) Inc.	91APP HK Limited	c	Receivable to related parties	626	Note 5	-
		91APP HK Limited	c	Contract liabilities	292	Note 5	-
		91APP HK Limited	c	Revenue	1,407	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
MARCH 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
NineYi Capital Inc.	30,574,999	25.35
N-Team, Inc.	18,355,000	15.22

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.