

91APP, Inc. and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2023 and 2022 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
91APP, Inc.

Qualified Opinion

We have audited the accompanying consolidated financial statements of 91APP, Inc. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of June 30, 2023 and 2022, and the consolidated statements of comprehensive income for the three months ended June 30, 2023 and 2022 and for the six months ended June 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2023 and 2022, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2023 and 2022, and its consolidated financial performance for the three months ended June 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2023 and 2022 in accordance with 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.

Basis for Qualified Opinion

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 audited. As of June 30, 2023 and 2022, combined total assets of these non-significant subsidiaries were NT\$57,078 thousand and NT\$63,293 thousand, representing 1.43% and 1.68%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$32,313 thousand and NT\$41,359 thousand, representing 2.34% and 2.81%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2023 and 2022, the amounts of combined comprehensive income (loss) of these subsidiaries were NT\$958 thousand and NT\$1,179 thousand, representing 0.84% and 0.90%, respectively, of the consolidated comprehensive income, and for the six months ended June 30, 2023 and 2022, the amounts of combined comprehensive income (loss) of these subsidiaries were NT\$4,141 thousand and NT\$2,509 thousand, representing 2.21% and 1.00%, 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\$175,799 thousand and NT\$184,798 thousand as of June 30, 2023 and 2022, respectively, and the share of profit or loss of associates and joint ventures accounted for using the equity method for the three months ended June 30, 2023 and 2022 was NT\$(7,745) thousand and NT\$(6,775) thousand, respectively, and the share of profit or loss of associates and joint ventures accounted for using the equity method for the six months ended June 30, 2023 and 2022 was NT\$(15,373) thousand and NT\$(9,423) thousand, respectively. Because we had no access to the financial information and management of these non-significant subsidiaries and associates and joint ventures, we were unable

to obtain sufficient appropriate audit evidence regarding such amounts. Consequently, we were unable to exercise judgment on whether any adjustments to these amounts were necessary.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the six months ended June 30, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matter described below as a key audit matter to be communicated in our report.

The key audit matter identified in the Group's consolidated financial statements for the six months ended June 30, 2023 is stated as follows:

Accuracy of Online Store Services Revenue

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

The online store services revenue of the Group is NT\$75,202 thousand, which includes third-party fee revenue and digital marketing revenue. The Group enters into service contract with its customers, and the service revenue is determined according to the reconciliation period and the commission ratio stipulated in the contract based on performance, which is recognized at a certain point in time. As the process of online store services revenue recognition involves manual confirmation of the net performance amount and verification of relevant documents, it is likely that the amount of revenue recognized at the end of the financial reporting period is inappropriate. Therefore, online store services revenue recognition was identified as a key audit matter.

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

1. We obtained an understanding of the key internal controls related to project sales revenue recognition and tested the operating effectiveness of these controls.
2. We selected samples from the online store services revenue, which had already been recognized as of the end of the reporting period, and reviewed the contracts, reconciled the documents and confirmed that the amounts and counterparties were the same.
3. We checked the post-period receipts and post-period sales returns or discounts and confirmed that there was no write-off or reversal.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the six months ended June 30, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 17, 2023

Notice to Readers

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

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

91APP, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2023		December 31, 2022		June 30, 2022	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 27)	\$ 2,455,622	61	\$ 2,466,950	63	\$ 1,332,264	36
Financial assets at amortized cost - current (Notes 8 and 27)	10,400	-	10,400	-	992,262	26
Notes receivable (Notes 9 and 27)	263	-	133	-	357	-
Trade receivables (Notes 9, 20 and 27)	60,782	2	73,989	2	51,294	1
Trade receivables from related parties (Notes 9, 20, 27 and 28)	3,668	-	2,495	-	429	-
Other receivables (Notes 9, 16 and 27)	190,060	5	276,769	7	314,303	8
Other receivables from related parties (Notes 9, 27 and 28)	-	-	-	-	339	-
Other financial assets (Notes 16 and 27)	750,706	19	764,054	19	735,618	20
Other current assets (Note 16)	16,597	-	17,325	1	14,488	-
Total current assets	<u>3,488,098</u>	<u>87</u>	<u>3,612,115</u>	<u>92</u>	<u>3,441,354</u>	<u>91</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Notes 7 and 27)	266,258	7	57,235	1	59,440	2
Investments accounted for using the equity method (Note 11)	175,799	4	186,129	5	184,798	5
Property, plant and equipment (Note 12)	26,045	1	31,566	1	28,784	1
Right-of-use assets (Note 13)	32,515	1	37,533	1	37,846	1
Goodwill (Note 14)	3,340	-	3,294	-	3,188	-
Other intangible assets (Note 15)	3,233	-	3,000	-	-	-
Deferred tax assets	1,181	-	5,319	-	1	-
Other non-current assets (Notes 16 and 27)	6,697	-	7,281	-	7,175	-
Total non-current assets	<u>515,068</u>	<u>13</u>	<u>331,357</u>	<u>8</u>	<u>321,232</u>	<u>9</u>
TOTAL	<u>\$ 4,003,166</u>	<u>100</u>	<u>\$ 3,943,472</u>	<u>100</u>	<u>\$ 3,762,586</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities - current (Note 20)	\$ 103,098	3	\$ 90,767	2	\$ 101,981	3
Notes payable (Note 27)	100	-	128	-	-	-
Other payables (Notes 17 and 27)	978,497	24	1,014,367	26	1,107,054	29
Other payables to related parties (Notes 17, 27 and 28)	339	-	60	-	396	-
Current tax liabilities	67,034	2	63,530	2	49,559	1
Lease liabilities - current (Notes 13 and 27)	22,606	-	20,989	-	18,197	1
Other current liabilities (Notes 17 and 27)	189,924	5	216,425	5	160,076	4
Total current liabilities	<u>1,361,598</u>	<u>34</u>	<u>1,406,266</u>	<u>35</u>	<u>1,437,263</u>	<u>38</u>
NON-CURRENT LIABILITIES						
Contract liabilities - non-current (Note 20)	9,007	-	9,240	-	10,812	-
Deferred tax liabilities	-	-	-	-	430	-
Lease liabilities - non-current (Notes 13 and 27)	12,047	1	18,419	1	21,969	1
Total non-current liabilities	<u>21,054</u>	<u>1</u>	<u>27,659</u>	<u>1</u>	<u>33,211</u>	<u>1</u>
Total liabilities	<u>1,382,652</u>	<u>35</u>	<u>1,433,925</u>	<u>36</u>	<u>1,470,474</u>	<u>39</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)						
Ordinary shares	602,890	15	602,890	15	602,890	16
Capital surplus	1,229,747	31	1,223,378	31	1,222,521	32
Legal reserve	63,629	1	29,841	1	29,841	1
Unappropriated earnings	916,272	23	857,741	22	658,968	18
Other equity	136,788	3	124,948	3	86,820	2
Treasury shares	(335,477)	(8)	(335,477)	(8)	(314,569)	(8)
Total equity attributable to owners of the Company	<u>2,613,849</u>	<u>65</u>	<u>2,503,321</u>	<u>64</u>	<u>2,286,471</u>	<u>61</u>
NON-CONTROLLING INTERESTS	<u>6,665</u>	<u>-</u>	<u>6,226</u>	<u>-</u>	<u>5,641</u>	<u>-</u>
Total equity	<u>2,620,514</u>	<u>65</u>	<u>2,509,547</u>	<u>64</u>	<u>2,292,112</u>	<u>61</u>
TOTAL	<u>\$ 4,003,166</u>	<u>100</u>	<u>\$ 3,943,472</u>	<u>100</u>	<u>\$ 3,762,586</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated August 17, 2023)

91APP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 20 and 28)	\$ 324,902	100	\$ 295,983	100	\$ 648,525	100	\$ 578,113	100
OPERATING COSTS (Notes 21 and 28)	<u>84,931</u>	<u>26</u>	<u>77,948</u>	<u>26</u>	<u>170,365</u>	<u>26</u>	<u>155,234</u>	<u>27</u>
GROSS PROFIT	<u>239,971</u>	<u>74</u>	<u>218,035</u>	<u>74</u>	<u>478,160</u>	<u>74</u>	<u>422,879</u>	<u>73</u>
OPERATING EXPENSES (Notes 21 and 28)								
Selling and marketing expenses	56,396	18	50,425	17	110,923	17	97,941	17
General and administrative expenses	56,173	17	49,252	17	111,239	17	96,261	17
Research and development expenses	34,598	11	30,465	10	66,920	11	60,673	10
Expected credit loss	<u>51</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>51</u>	<u>-</u>	<u>14</u>	<u>-</u>
Total operating expenses	<u>147,218</u>	<u>46</u>	<u>130,150</u>	<u>44</u>	<u>289,133</u>	<u>45</u>	<u>254,889</u>	<u>44</u>
PROFIT FROM OPERATIONS	<u>92,753</u>	<u>28</u>	<u>87,885</u>	<u>30</u>	<u>189,027</u>	<u>29</u>	<u>167,990</u>	<u>29</u>
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 28)								
Interest income	28,112	9	3,857	1	51,556	8	5,808	1
Other income	1,112	-	3,444	1	1,718	-	4,591	1
Other gains and losses	20,837	6	6,789	2	11,550	2	11,034	2
Finance costs	(123)	-	(102)	-	(238)	-	(217)	-
Share of profit or loss of associates and joint ventures accounted for using equity method	<u>(7,745)</u>	<u>(2)</u>	<u>(6,775)</u>	<u>(2)</u>	<u>(15,373)</u>	<u>(2)</u>	<u>(9,423)</u>	<u>(2)</u>
Total non-operating income and expenses	<u>42,193</u>	<u>13</u>	<u>7,213</u>	<u>2</u>	<u>49,213</u>	<u>8</u>	<u>11,793</u>	<u>2</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	134,946	41	95,098	32	238,240	37	179,783	31
INCOME TAX EXPENSE (Notes 4 and 22)	<u>(36,188)</u>	<u>(11)</u>	<u>(22,546)</u>	<u>(8)</u>	<u>(62,891)</u>	<u>(10)</u>	<u>(40,226)</u>	<u>(7)</u>
NET PROFIT FOR THE PERIOD	<u>98,758</u>	<u>30</u>	<u>72,552</u>	<u>24</u>	<u>175,349</u>	<u>27</u>	<u>139,557</u>	<u>24</u>

(Continued)

91APP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	\$ (4,346)	(1)	\$ -	-	\$ 3,305	-	\$ -	-
Exchange differences arising on translation to the presentation currency	58,006	18	95,768	32	36,784	6	179,611	31
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	(29,828)	(9)	(37,081)	(12)	(19,907)	(3)	(67,917)	(12)
Unrealized loss on investments in debts instruments at fair value through other comprehensive income	(8,278)	(3)	-	-	(8,278)	(1)	-	-
Other comprehensive income (loss) for the period, net of income tax	15,554	5	58,687	20	11,904	2	111,694	19
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 114,312	35	\$ 131,239	44	\$ 187,253	29	\$ 251,251	43
NET PROFIT								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 98,916	30	\$ 72,359	24	\$ 174,974	27	\$ 139,110	24
Non-controlling interests	(158)	-	193	-	375	-	447	-
	<u>\$ 98,758</u>	<u>30</u>	<u>\$ 72,552</u>	<u>24</u>	<u>\$ 175,349</u>	<u>27</u>	<u>\$ 139,557</u>	<u>24</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 114,312	35	\$ 130,856	44	\$ 186,814	29	\$ 250,463	43
Non-controlling interests	-	-	383	-	439	-	788	-
	<u>\$ 114,312</u>	<u>35</u>	<u>\$ 131,239</u>	<u>44</u>	<u>\$ 187,253</u>	<u>29</u>	<u>\$ 251,251</u>	<u>43</u>
EARNINGS PER SHARE (Note 23)								
Basic	<u>\$ 0.84</u>		<u>\$ 0.60</u>		<u>\$ 1.48</u>		<u>\$ 1.16</u>	
Diluted	<u>\$ 0.84</u>		<u>\$ 0.60</u>		<u>\$ 1.48</u>		<u>\$ 1.16</u>	

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

(With Deloitte & Touche auditors' report dated August 17, 2023)

(Concluded)

91APP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	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 Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets 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											
Legal reserve	-	-	-	29,841	(29,841)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(57,877)	-	-	-	(57,877)	-	(57,877)
Net income for the six months ended June 30, 2022	-	-	-	-	139,110	-	-	-	139,110	447	139,557
Other comprehensive income for six months ended June 30, 2022, net of income tax	-	-	-	-	-	111,353	-	-	111,353	341	111,694
Total comprehensive income for the six months ended June 30, 2022	-	-	-	-	139,110	111,353	-	-	250,463	788	251,251
Buy-back of ordinary shares	-	-	-	-	-	-	-	(314,569)	(314,569)	-	(314,569)
Share-based payments	-	-	1,369	-	-	-	-	-	1,369	-	1,369
BALANCE AT JUNE 30, 2022	<u>120,578</u>	<u>\$ 602,890</u>	<u>\$ 1,222,521</u>	<u>\$ 29,841</u>	<u>\$ 658,968</u>	<u>\$ 86,820</u>	<u>\$ -</u>	<u>\$ (314,569)</u>	<u>\$ 2,286,471</u>	<u>\$ 5,641</u>	<u>\$ 2,292,112</u>
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											
Legal reserve	-	-	-	33,788	(33,788)	-	-	-	-	-	-
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 six months ended June 30, 2023	-	-	-	-	174,974	-	-	-	174,974	375	175,349
Other comprehensive loss for the six months ended June 30, 2023, net of income tax	-	-	-	-	-	16,813	(4,973)	-	11,840	64	11,904
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	174,974	16,813	(4,973)	-	186,814	439	187,253
Share-based payments	-	-	737	-	-	-	-	-	737	-	737
BALANCE AT JUNE 30, 2023	<u>120,578</u>	<u>\$ 602,890</u>	<u>\$ 1,229,747</u>	<u>\$ 63,629</u>	<u>\$ 916,272</u>	<u>\$ 145,947</u>	<u>\$ (9,159)</u>	<u>\$ (335,477)</u>	<u>\$ 2,613,849</u>	<u>\$ 6,665</u>	<u>\$ 2,620,514</u>

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

(With Deloitte & Touche auditors' report dated August 17, 2023)

91APP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	\$ 238,240	\$ 179,783
Adjustments for:		
Expected credit loss	51	14
Depreciation expense	19,008	18,046
Amortization expense	567	-
Share-based payments	737	1,369
Finance costs	238	217
Share of profit of associates and joint ventures accounted for using equity method	15,373	9,423
Interest income	(51,556)	(5,808)
Gain on lease modifications	(11)	-
Loss on disposal of property, plant and equipment	205	189
Changes in operating assets and liabilities		
Notes receivable	(130)	(207)
Trade receivables	12,026	2,637
Other receivables	89,139	(36,551)
Other current assets	728	(3,652)
Other financial assets	13,348	611,262
Other payables	(118,246)	(482,335)
Contract liabilities	12,098	36,886
Notes payable	(28)	(86)
Other current liabilities	(26,501)	(3,815)
Cash generated from operations	205,286	327,372
Interest received	50,408	5,055
Interest paid	(238)	(217)
Income tax paid	(55,249)	(48,261)
Net cash generated from operating activities	<u>200,207</u>	<u>283,949</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(211,986)	-
Purchase of financial assets at amortized cost	-	(1,225,185)
Proceeds from sale of financial assets at amortized cost	-	1,790,431
Payments for property, plant and equipment	(2,250)	(9,424)
Proceeds from disposal of property, plant and equipment	29	11
Increase in refundable deposits	-	(3,223)
Decrease in refundable deposits	584	-
Payments for intangible asset	(800)	-
Dividends received	3,294	3,779
Net cash (used in) generated from investing activities	<u>(211,129)</u>	<u>556,389</u>

(Continued)

91APP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Six Months Ended	
	June 30	
	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Refund of guarantee deposits received	\$ -	\$ (100)
Repayment of the principal portion of lease liabilities	(11,211)	(8,770)
Payments for buy-back of ordinary shares	<u>-</u>	<u>(238,999)</u>
Net cash used in financing activities	<u>(11,211)</u>	<u>(247,869)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>10,805</u>	<u>95,804</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(11,328)	688,273
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>\$ 2,455,622</u>	<u>\$ 1,332,264</u>

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

(With Deloitte & Touche auditors' report dated August 17, 2023)

(Concluded)

91APP, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on August 17, 2023.

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

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

<u>New, Amended Standards and Revised and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024
Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”	Note 3

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.

Note 3: The requirement that the Group apply the exception and the requirement to disclose that fact are applied immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

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 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

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 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 significant 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 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

	June 30, 2023	December 31, 2022	June 30, 2022
Cash on hand	\$ 40	\$ 40	\$ 40
Checking accounts and demand deposits	696,472	313,379	916,144
Cash equivalents (investments with original maturities within 3 months)			
Time deposits	<u>1,759,110</u>	<u>2,153,531</u>	<u>416,080</u>
	<u>\$ 2,455,622</u>	<u>\$ 2,466,950</u>	<u>\$ 1,332,264</u>

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

	June 30, 2023	December 31, 2022	June 30, 2022
Bank deposits	0.51%-1.35%	0.385%-1.05%	0.14%-0.35%
Time deposits	3.5%-5.55%	4.38%-4.92%	1.12%-2.65%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Non-current</u>			
Investments in debt instruments at fair value through other comprehensive income or loss			
Convertible bonds (a)	\$ 146,671	\$ -	\$ -
Investments in equity instruments at fair value through other comprehensive income or loss			
Emerging market shares	37,551	-	-
Domestic unlisted shares	24,000	-	-
Foreign unlisted shares	<u>58,036</u>	<u>57,235</u>	<u>59,440</u>
	<u>119,587</u>	<u>57,235</u>	<u>59,440</u>
	<u>\$ 266,258</u>	<u>\$ 57,235</u>	<u>\$ 59,440</u>

- a. In May 2023, the Group bought 10- to 30-year corporate bonds with coupon rates of 3.40%-4.80%, effective interest rates of 3.77%-4.50%, and maturity dates ranging from April 15, 2033 to February 11, 2043.
- b. 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.
- c. Refer to Note 27 for information on credit risk management and impairment assessment of investments in debt instruments at FVTOCI.

8. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 1,000	\$ 1,000	\$ 982,862
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>\$ 992,262</u>

- a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 1.58%, 1.20% and 0.22%-2.48% per annum as of June 30, 2023, December 31, 2022 and June 30, 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

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 263	\$ 133	\$ 357
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 263</u>	<u>\$ 133</u>	<u>\$ 357</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 60,799	\$ 73,998	\$ 51,303
Less: Allowance for impairment loss	<u>(17)</u>	<u>(9)</u>	<u>(9)</u>
	<u>\$ 60,782</u>	<u>\$ 73,989</u>	<u>\$ 51,294</u>
<u>Trade receivables from related parties</u>			
At amortized cost			
Gross carrying amount	\$ 3,668	\$ 2,495	\$ 429
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,668</u>	<u>\$ 2,495</u>	<u>\$ 429</u>
<u>Other receivables</u>			
At amortized cost			
Gross carrying amount	\$ 190,395	\$ 277,061	\$ 314,571
Less: Allowance for impairment loss	<u>(335)</u>	<u>(292)</u>	<u>(268)</u>
	<u>\$ 190,060</u>	<u>\$ 276,769</u>	<u>\$ 314,303</u>
<u>Other receivables from related parties</u>			
At amortized cost			
Gross carrying amount	\$ -	\$ -	\$ 339
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 339</u>

a. Notes receivable

June 30, 2023

	1 to 30 Days	31 to 90 Days	Total
Expected credit loss rate	0%	0%	-
Gross carrying amount	\$ 263	\$ -	\$ 263
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 263</u>	<u>\$ -</u>	<u>\$ 263</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>

June 30, 2022

	1 to 30 Days	31 to 90 Days	Total
Expected credit loss rate	0%	0%	-
Gross carrying amount	\$ 357	\$ -	\$ 357
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 357</u>	<u>\$ -</u>	<u>\$ 357</u>

The movements of the loss allowance of notes receivable of June 30, 2023 and 2022 have not changed.

b. Trade receivables

The average credit period of sales is 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).

Trade receivable

June 30, 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	\$ 52,997	\$ 11,204	\$ 249	\$ 17	\$ 64,467
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17)</u>	<u>(17)</u>
Amortized cost	<u>\$ 52,997</u>	<u>\$ 11,204</u>	<u>\$ 249</u>	<u>\$ -</u>	<u>\$ 64,450</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>

June 30, 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	\$ 45,099	\$ 6,474	\$ 150	\$ 9	\$ 51,732
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9)</u>	<u>(9)</u>
Amortized cost	<u>\$ 45,099</u>	<u>\$ 6,474</u>	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ 51,723</u>

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

	For the Six Months Ended June 30	
	2023	2022
Balance at January 1	\$ 9	\$ 8
Add: Net remeasurement of loss allowance	<u>8</u>	<u>1</u>
Balance at June 30	<u>\$ 17</u>	<u>\$ 9</u>

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 Six Months Ended June 30	
	2023	2022
Balance at January 1	\$ 292	\$ 255
Add: Net remeasurement of loss allowance	<u>43</u>	<u>13</u>
Balance at June 30	<u>\$ 335</u>	<u>\$ 268</u>

10. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership			Remark
			June 30, 2023	December 31, 2022	June 30, 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 second quarter of 2023 and 2022 of the unimportant subsidiaries have not been audited.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates	June 30, 2023	December 31, 2022	June 30, 2022
Material associate			
EasyStore Commerce SDN. BHD.	\$ 108,441	\$ 101,585	\$ 101,208
Omnichat Limited	33,596	49,350	49,744
Associates that are not individually material	<u>33,762</u>	<u>35,194</u>	<u>33,846</u>
	<u>\$ 175,799</u>	<u>\$ 186,129</u>	<u>\$ 184,798</u>

a. Material associate

Investments in Associates	Proportion of Ownership and Voting Rights		
	June 30, 2023	December 31, 2022	June 30, 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.

	June 30, 2023	December 31, 2022	June 30, 2022
Current assets	\$ 59,149	\$ 81,527	\$ 50,440
Non-current assets	30,372	19,070	16,087
Current liabilities	<u>(106,547)</u>	<u>(131,957)</u>	<u>(91,911)</u>
Equity	<u>\$ (17,026)</u>	<u>\$ (31,360)</u>	<u>\$ (25,384)</u>
Proportion of the Group’s ownership	35.98%	36.35%	36.35%
Equity attributable to the Group	\$ (6,126)	\$ (11,399)	\$ (9,228)
Goodwill	114,567	113,017	110,436
Effect of foreign currency exchange differences	<u>-</u>	<u>(33)</u>	<u>-</u>
Carrying amount	<u>\$ 108,441</u>	<u>\$ 101,585</u>	<u>\$ 101,208</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Operating revenue	<u>\$ 22,930</u>	<u>\$ 22,125</u>	<u>\$ 45,379</u>	<u>\$ 41,779</u>
Net gain (loss) for the period	\$ 77	\$ (9,380)	\$ (1,696)	\$ (19,039)
Other comprehensive income (loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the period	<u>\$ 77</u>	<u>\$ (9,380)</u>	<u>\$ (1,696)</u>	<u>\$ (19,039)</u>

Omnichat Limited

	June 30, 2023	December 31, 2022	June 30, 2022
Current assets	\$ 78,158	\$ 58,821	\$ 63,906
Non-current assets	11,446	32,263	12,548
Current liabilities	(65,492)	(42,081)	(23,253)
Non-current liabilities	<u>(19,799)</u>	<u>-</u>	<u>-</u>
Equity	<u>\$ 4,313</u>	<u>\$ 49,003</u>	<u>\$ 53,201</u>
Proportion of the Group's ownership	35.80%	35.80%	35.80%
Equity attributable to the Group	\$ 1,544	\$ 17,543	\$ 19,046
Goodwill	29,448	29,042	27,833
Customer relationships	<u>2,604</u>	<u>2,765</u>	<u>2,865</u>
Carrying amount	<u>\$ 33,596</u>	<u>\$ 49,350</u>	<u>\$ 49,744</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Operating revenue	<u>\$ 25,737</u>	<u>\$ 2,058</u>	<u>\$ 44,215</u>	<u>\$ 8,710</u>
Net loss for the period	\$ (23,711)	\$ (10,832)	\$ (44,969)	\$ (10,187)
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the period	<u>\$ (23,711)</u>	<u>\$ (10,832)</u>	<u>\$ (44,969)</u>	<u>\$ (10,187)</u>

b. Aggregate information of associates that are not individually material

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
The Group's share of: Profit from continuing operations	<u>\$ 815</u>	<u>\$ 697</u>	<u>\$ 1,532</u>	<u>\$ 1,329</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 audited for the same periods.

12. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2023	December 31, 2022	June 30, 2022
Assets used by the Group	<u>\$ 26,045</u>	<u>\$ 31,566</u>	<u>\$ 28,784</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	2,069	181	2,250
Disposals	(4,600)	-	(4,600)
Effects of foreign currency exchange differences	<u>8</u>	<u>5</u>	<u>13</u>
Balance at June 30, 2023	<u>\$ 44,153</u>	<u>\$ 38,936</u>	<u>\$ 83,089</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2023	\$ 31,616	\$ 22,244	\$ 53,860
Disposals	(4,366)	-	(4,366)
Depreciation expense	3,910	3,632	7,542
Effects of foreign currency exchange differences	<u>4</u>	<u>4</u>	<u>8</u>
Balance at June 30, 2023	<u>\$ 31,164</u>	<u>\$ 25,880</u>	<u>\$ 57,044</u>
Carrying amount at June 30, 2023	<u>\$ 12,989</u>	<u>\$ 13,056</u>	<u>\$ 26,045</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	4,525	4,899	9,424
Disposals	(4,127)	(4,267)	(8,394)
Reclassify	-	1,453	1,453
Effects of foreign currency exchange differences	<u>40</u>	<u>-</u>	<u>40</u>
Balance at June 30, 2022	<u>\$ 41,311</u>	<u>\$ 34,080</u>	<u>\$ 75,391</u>

(Continued)

	Office Equipment	Leasehold Improvements	Total
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2022	\$ 28,308	\$ 19,731	\$ 48,039
Disposals	(3,927)	(4,267)	(8,194)
Depreciation expense	3,419	3,327	6,746
Effects of foreign currency exchange differences	<u>13</u>	<u>3</u>	<u>16</u>
Balance at June 30, 2022	<u>\$ 27,813</u>	<u>\$ 18,794</u>	<u>\$ 46,607</u>
Carrying amount at June 30, 2022	<u>\$ 13,498</u>	<u>\$ 15,286</u>	<u>\$ 28,784</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

There were no indications of impairment for the six months ended June 30, 2023 and 2022.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2023	December 31, 2022	June 30, 2022	
<u>Carrying amount</u>				
Buildings	\$ 32,385	\$ 35,967	\$ 35,823	
Transportation equipment	<u>130</u>	<u>1,566</u>	<u>2,023</u>	
	<u>\$ 32,515</u>	<u>\$ 37,533</u>	<u>\$ 37,846</u>	
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Additions to right-of-use assets			<u>\$ 7,523</u>	<u>\$ 24,438</u>
Depreciation charge for right-of-use assets				
Buildings	\$ 5,599	\$ 5,464	\$ 11,173	\$ 10,843
Transportation equipment	<u>65</u>	<u>229</u>	<u>293</u>	<u>457</u>
	<u>\$ 5,664</u>	<u>\$ 5,693</u>	<u>\$ 11,466</u>	<u>\$ 11,300</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 six months ended June 30, 2023 and 2022.

b. Lease liabilities

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Carrying amount</u>			
Current	<u>\$ 22,606</u>	<u>\$ 20,989</u>	<u>\$ 18,197</u>
Non-current	<u>\$ 12,047</u>	<u>\$ 18,419</u>	<u>\$ 21,969</u>

Range of discount rates for lease liabilities was as follows:

	June 30, 2023	December 31, 2022	June 30, 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 Six Months Ended June 30	
	2023	2022
<u>Cost</u>		
Balance at January 1	\$ 6,817	\$ 6,144
Effect of foreign currency exchange differences	<u>95</u>	<u>453</u>
Balance at June 30	<u>\$ 6,912</u>	<u>\$ 6,597</u>
<u>Accumulated impairment losses</u>		
Balance at January 1	\$ (3,523)	\$ (3,175)
Effect of foreign currency exchange differences	<u>(49)</u>	<u>(234)</u>
Balance at June 30	<u>\$ (3,572)</u>	<u>\$ (3,409)</u>
Carrying amount at June 30	<u>\$ 3,340</u>	<u>\$ 3,188</u>

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

15. INTANGIBLE ASSETS

	Computer Software
<u>Cost</u>	
Balance at January 1, 2023	\$ 3,579
Additions	<u>800</u>
Balance at June 30, 2023	<u>\$ 4,379</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2023	\$ 579
Amortization expense	<u>567</u>
Balance at June 30, 2023	<u>\$ 1,146</u>
Carrying amount at June 30, 2023	<u>\$ 3,233</u>
<u>Cost</u>	
Balance at January 1, 2022	<u>\$ 579</u>
Balance at June 30, 2022	<u>\$ 579</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2022	<u>\$ 579</u>
Balance at June 30, 2022	<u>\$ 579</u>
Carrying amount at June 30, 2022	<u>\$ -</u>

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

Aggregate amortization expense by function:

	For the Three Months Ended June 30	For the Six Months Ended June 30
Administrative expenses	<u>\$ 317</u>	<u>\$ 567</u>

16. OTHER ASSETS

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Current</u>			
Other receivables			
Interest receivables	\$ 7,138	\$ 4,665	\$ 3,342
Receivables from receipts under custody (a)	172,749	262,597	305,092
Others	<u>10,173</u>	<u>9,507</u>	<u>5,869</u>
	<u>\$ 190,060</u>	<u>\$ 276,769</u>	<u>\$ 314,303</u>
Other financial assets			
Restricted trust deposits (b)	<u>\$ 750,706</u>	<u>\$ 764,054</u>	<u>\$ 735,618</u>
Other assets			
Prepayments	\$ 15,986	\$ 15,269	\$ 13,281
Others	<u>611</u>	<u>2,056</u>	<u>1,207</u>
	<u>\$ 16,597</u>	<u>\$ 17,325</u>	<u>\$ 14,488</u>
<u>Non-current</u>			
Refundable deposits	<u>\$ 6,697</u>	<u>\$ 7,281</u>	<u>\$ 7,175</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

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Current</u>			
Other payables			
Payables for receipts under custody (a)	\$ 743,128	\$ 831,208	\$ 825,074
Payables for salaries or bonuses	58,605	78,349	63,869
Payables for annual leave	320	320	320
Payables for employees’ compensation	7,876	14,788	6,160
Payables for insurance premiums	8,200	7,578	7,565
Payables for pension	7,171	6,998	7,017
Payables for VAT	19,195	24,109	23,443
			(Continued)

	June 30, 2023	December 31, 2022	June 30, 2022
Payables for dividend (b)	\$ 82,655	\$ -	\$ 57,877
Payables for treasury share buyback cost	-	-	75,570
Others	<u>51,347</u>	<u>51,017</u>	<u>40,159</u>
	<u>\$ 978,497</u>	<u>\$ 1,014,367</u>	<u>\$ 1,107,054</u>
Payables to related parties	<u>\$ 339</u>	<u>\$ 60</u>	<u>\$ 396</u>
Other liabilities			
Receipts under custody	\$ 188,076	\$ 213,893	\$ 157,027
Temporary receipts	<u>1,848</u>	<u>2,532</u>	<u>3,049</u>
	<u>\$ 189,924</u>	<u>\$ 216,425</u>	<u>\$ 160,076</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 dividends approved in the board of directors' meeting were not yet distributed as June 30, 2023.

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 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.

The Group recognized pension costs of \$7,579 thousand and \$7,133 thousand for the three months ended June 30, 2023 and 2022, respectively, and \$14,801 thousand and \$13,788 thousand for the six months ended June 30, 2023 and 2022, respectively.

19. EQUITY

a. Share capital - ordinary shares

	June 30, 2023	December 31, 2022	June 30, 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

	June 30, 2023	December 31, 2022	June 30, 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>5,075</u>	<u>4,338</u>	<u>6,663</u>
	<u>\$ 1,229,747</u>	<u>\$ 1,223,378</u>	<u>\$ 1,222,521</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 dividend 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 theyear, 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 cash dividends for 2022 and 2021, which were approved in the board of directors' meeting on March 9, 2023 and March 10, 2022, respectively. The rest appropriations of earnings for 2022 and 2021, which were approved in the shareholders' meetings on June 9, 2023 and 2022, respectively, were as follows:

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

d. Other equity items

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

	For the Six Months Ended	
	June 30	
	2023	2022
Balance at January 1	\$ 129,134	\$ (24,533)
Exchange differences arising on translation of the financial statements of foreign operations	(19,907)	(67,917)
Exchange differences on translation to the presentation currency	<u>36,720</u>	<u>179,270</u>
Balance at June 30	<u>\$ 145,947</u>	<u>\$ 86,820</u>

2) Unrealized valuation gain on financial assets at FVTOCI

	For the Six Months Ended June 30, 2023
Balance at January 1	\$ (4,186)
Recognized for the year	
Unrealized gain or loss	
Debt Instrument	(8,278)
Equity Instruments	<u>3,305</u>
Other comprehensive gain (loss) for the year	<u>(4,973)</u>
Balance at June 30	<u>\$ (9,159)</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 June 30, 2023	<u>2,500</u>
Number of shares at January 1, 2022	-
Increase during the period	<u>2,345</u>
Number of shares at June 30, 2022	<u>2,345</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 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 June 30, 2023, the Company has bought back 2,500 thousand shares at a total amount \$335,477 thousand.

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

20. REVENUE

a. Revenue from contracts with customers

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Operating revenue	<u>\$ 324,902</u>	<u>\$ 295,983</u>	<u>\$ 648,525</u>	<u>\$ 578,113</u>

b. Contract balances

	June 30, 2023	December 31, 2022	June 30, 2022	January 1, 2022
Trade receivables (Note 9)	<u>\$ 60,782</u>	<u>\$ 73,989</u>	<u>\$ 51,294</u>	<u>\$ 53,547</u>
Trade receivables from related parties (Note 9)	<u>\$ 3,668</u>	<u>\$ 2,495</u>	<u>\$ 429</u>	<u>\$ 814</u>
Contract liabilities - current				
System services	\$ 103,098	\$ 90,767	\$ 101,981	\$ 68,252
Contract liabilities - non-current				
System services	<u>9,007</u>	<u>9,240</u>	<u>10,812</u>	<u>7,655</u>
	<u>\$ 112,105</u>	<u>\$ 100,007</u>	<u>\$ 112,793</u>	<u>\$ 75,907</u>

c. Disaggregation of revenue

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Taiwan	\$ 307,420	\$ 280,901	\$ 612,660	\$ 548,370
Others	<u>17,482</u>	<u>15,082</u>	<u>35,865</u>	<u>29,743</u>
	<u>\$ 324,902</u>	<u>\$ 295,983</u>	<u>\$ 648,525</u>	<u>\$ 578,113</u>
Recurring revenue	\$ 299,555	\$ 267,821	\$ 597,934	\$ 528,102
Non-recurring revenue	<u>25,347</u>	<u>28,162</u>	<u>50,591</u>	<u>50,011</u>
	<u>\$ 324,902</u>	<u>\$ 295,983</u>	<u>\$ 648,525</u>	<u>\$ 578,113</u>

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

21. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Bank deposits	\$ 27,588	\$ 3,857	\$ 51,032	\$ 5,808
Investments in debt instruments at fair value through other comprehensive income	<u>524</u>	<u>-</u>	<u>524</u>	<u>-</u>
	<u>\$ 28,112</u>	<u>\$ 3,857</u>	<u>\$ 51,556</u>	<u>\$ 5,808</u>

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Service revenue (Note 28)	\$ -	\$ 847	\$ -	\$ 1,876
Government grants	-	646	-	646
Rental income (Note 28)	587	1,065	1,169	1,183
Others	<u>525</u>	<u>886</u>	<u>549</u>	<u>886</u>
	<u>\$ 1,112</u>	<u>\$ 3,444</u>	<u>\$ 1,718</u>	<u>\$ 4,591</u>

The Group's subsidiaries in Hong Kong received a government grant of \$646 thousand for the six months ended June 30, 2022.

c. Other gains and (losses)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Net foreign exchange gains	\$ 20,826	\$ 6,789	\$ 11,744	\$ 11,223
Losses on disposal of property, plant and equipment	-	-	(205)	(189)
Gain on lease modification	<u>11</u>	<u>-</u>	<u>11</u>	<u>-</u>
	<u>\$ 20,837</u>	<u>\$ 6,789</u>	<u>\$ 11,550</u>	<u>\$ 11,034</u>

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Interest on lease liabilities	<u>\$ 123</u>	<u>\$ 102</u>	<u>\$ 238</u>	<u>\$ 217</u>

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Property, plant and equipment	\$ 3,768	\$ 3,451	\$ 7,542	\$ 6,746
Right-of-use assets	5,664	5,693	11,466	11,300
Other intangible assets	<u>317</u>	<u>-</u>	<u>567</u>	<u>-</u>
	<u>\$ 9,749</u>	<u>\$ 9,144</u>	<u>\$ 19,575</u>	<u>\$ 18,046</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
An analysis of depreciation by function				
Operating costs	\$ 3,058	\$ 3,015	\$ 6,292	\$ 5,858
Operating expenses	<u>6,374</u>	<u>6,129</u>	<u>12,716</u>	<u>12,188</u>
	<u>\$ 9,432</u>	<u>\$ 9,144</u>	<u>\$ 19,008</u>	<u>\$ 18,046</u>
An analysis of amortization by function				
Operating expenses	<u>\$ 317</u>	<u>\$ -</u>	<u>\$ 567</u>	<u>\$ -</u>
				(Concluded)

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Short-term benefits	\$ 169,448	\$ 159,378	\$ 333,666	\$ 311,963
Post-employment benefits				
Defined contribution plans (Note 18)	<u>7,579</u>	<u>7,133</u>	<u>14,801</u>	<u>13,788</u>
	177,027	166,511	348,467	325,751
Share-based payments				
Equity-settled (Note 24)	<u>370</u>	<u>688</u>	<u>737</u>	<u>1,369</u>
Total employee benefits expense	<u>\$ 177,397</u>	<u>\$ 167,199</u>	<u>\$ 349,204</u>	<u>\$ 327,120</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 61,210	\$ 59,537	\$ 123,365	\$ 115,122
Operating expenses	<u>116,187</u>	<u>107,662</u>	<u>225,839</u>	<u>211,998</u>
	<u>\$ 177,397</u>	<u>\$ 167,199</u>	<u>\$ 349,204</u>	<u>\$ 327,120</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. Employees' 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 six months ended June 30, 2023 and 2022, the employees' compensation and the remuneration of directors were as follows:

Accrual rate

	For the Six Months Ended June 30	
	2023	2022
Employees' compensation	3%	3%
Remuneration of directors	-	-

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Employees' compensation	<u>\$ 3,060</u>	<u>\$ 2,010</u>	<u>\$ 5,490</u>	<u>\$ 4,250</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, 2022 and 2021 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	<u>\$ 10,470</u>	<u>\$ 9,290</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, 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 June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Current tax				
In respect of the current period	\$ 17,085	\$ 18,812	\$ 38,525	\$ 35,539
Income tax on unappropriated earnings	23,100	14,065	23,100	14,065
Adjustments for prior year	(9,164)	(11,465)	(2,872)	(11,465)
Deferred tax				
In respect of the current period	<u>5,167</u>	<u>1,134</u>	<u>4,138</u>	<u>2,087</u>
Income tax expense recognized in profit or loss	<u>\$ 36,188</u>	<u>\$ 22,546</u>	<u>\$ 62,891</u>	<u>\$ 40,226</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 2021 and 2020, respectively. 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 June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Basic earnings per share from continuing operations	<u>\$ 0.84</u>	<u>\$ 0.60</u>	<u>\$ 1.48</u>	<u>\$ 1.16</u>
Diluted earnings per share from continuing operations	<u>\$ 0.84</u>	<u>\$ 0.60</u>	<u>\$ 1.48</u>	<u>\$ 1.16</u>

Net Profit for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Earnings used in the computation of basic earnings per share	<u>\$ 98,916</u>	<u>\$ 72,359</u>	<u>\$ 174,974</u>	<u>\$ 139,110</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 98,916</u>	<u>\$ 72,359</u>	<u>\$ 174,974</u>	<u>\$ 139,110</u>

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	118,078	120,149	118,078	120,362
Effect of potentially dilutive ordinary shares				
Employees' compensation	<u>39</u>	<u>33</u>	<u>71</u>	<u>54</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>118,117</u>	<u>120,182</u>	<u>118,149</u>	<u>120,416</u>

The Company may settle bonuses paid to employees in cash or shares; therefore, the Company assumes the entire amount of the bonus will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

24. SHARE-BASED PAYMENT ARRANGEMENTS

The shareholders of the Company agreed in January 2020 that specific employees of subsidiaries are entitled to receive 1,088 thousand shares of the Company's shares 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 \$370 thousand and \$688 thousand for the three months ended June 30, 2023 and 2022, respectively; and \$737 thousand and \$1,369 thousand for the six months ended June 30, 2023 and 2022, respectively.

25. CASH FLOW INFORMATION

a. Non-cash transactions

The cash dividends approved in the shareholders' meetings were not yet distributed as of June 30, 2023 and 2022, respectively, which were 82,655 thousand and 57,877 thousand, and are accounted for as dividends payable (refer to Notes 17 and 19).

b. Changes in liabilities arising from financing activities

For the six months ended June 30, 2023

								For the Six Months Ended June 30, 2023
Total cash outflow from lease								<u>\$ (11,449)</u>

	January 1, 2023	Cash Flows	Non-cash Changes				Included in Operating Activities Interest Paid	June 30, 2023
			New Leases	Interest Expense	Effect of Foreign Currency Exchange Differences	Disposal		
Lease liabilities	<u>\$ 39,408</u>	<u>\$ (11,211)</u>	<u>\$ 7,523</u>	<u>\$ 238</u>	<u>\$ 87</u>	<u>\$ (1,154)</u>	<u>\$ (238)</u>	<u>\$ 34,653</u>

For the six months ended June 30, 2022

								For the Six Months Ended June 30, 2022
Total cash outflow from lease								<u>\$ (8,987)</u>

	January 1, 2022	Cash Flows	Non-cash Changes				Included in Operating Activities Interest Paid	June 30, 2022
			New Leases	Interest Expense	Effect of Foreign Currency Exchange Differences	Disposal		
Lease liabilities	<u>\$ 23,907</u>	<u>\$ (8,770)</u>	<u>\$ 24,438</u>	<u>\$ 217</u>	<u>\$ 591</u>	<u>\$ (217)</u>	<u>\$ 40,166</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 carrying amount 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

June 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Emerging market share	\$ 37,551	\$ -	\$ -	\$ 37,551
Domestic unlisted shares	-	-	24,000	24,000
Foreign unlisted shares	-	-	58,036	58,036
Investments in debt instrument				
Foreign corporate bonds	-	146,671	-	146,671
	<u>\$ 37,551</u>	<u>\$ 146,671</u>	<u>\$ 82,036</u>	<u>\$ 266,258</u>

December 31, 2022

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

June 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,440</u>	<u>\$ 59,440</u>

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

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

For the six months ended June 30, 2023

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2023	\$ 57,235
Purchases	24,000
Foreign currency exchange differences	<u>801</u>
Balance at June 30, 2023	<u>\$ 82,036</u>

For the six months ended June 30, 2022

Financial Assets	Financial Assets at FVTOCI
	Equity Instruments
Balance at January 1, 2022	\$ -
Purchases	55,360
Foreign currency exchange differences	<u>4,080</u>
Balance at June 30, 2022	<u>\$ 59,440</u>

- 3) Valuation techniques and inputs applied for Level 2 fair value measurement

Investment in corporate bonds

The fair value of overseas corporate bonds held by the Company is measured by open market quotes provided by third-party institutions.

- 4) Valuation techniques and inputs applied for Level 3 fair value measurement

Unlisted shares

The fair values of foreign 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.

The financial statements include non-publicly quoted shares measured at fair value. The fair value of domestic unlisted (counter) equity investments is based on the market valuation method-net value method and financial ratio analysis method to assess a reasonable fair value.

c. Categories of financial instruments

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 3,478,198	\$ 3,602,071	\$ 3,434,041
Financial assets at FVTOCI			
Investments in equity	119,587	57,235	59,440
Investments in debt instrument	146,671	-	-
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	1,067,493	1,098,838	999,076

- 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 payables, 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 their translation was adjusted 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		For the Six Months Ended	
	June 30		June 30	
	2023	2022	2023	2022
Profit or loss	<u>\$ (1,463)</u>	<u>\$ 53</u>	<u>\$ 8,602</u>	<u>\$ 1,530</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 is 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:

	June 30, 2023	December 31, 2022	June 30, 2022
Fair value interest rate risk			
Financial assets	<u>\$ 1,916,181</u>	<u>\$ 2,163,931</u>	<u>\$ 1,408,342</u>
Financial liabilities	<u>\$ 34,653</u>	<u>\$ 39,408</u>	<u>\$ 40,166</u>
Cash flow interest rate risk			
Financial assets	<u>\$ 1,447,178</u>	<u>\$ 1,077,433</u>	<u>\$ 1,651,762</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 six months ended June 30, 2023 and 2022 would have increased/decreased by \$1,809 thousand and \$2,065 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 six months ended June 30, 2023 and 2022 would have increased/decreased by \$11,959 thousand and \$5,944 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.

The overseas corporate bonds invested by the merged company are debt instruments with a credit rating of investment grade or above (inclusive) and low credit risk in the impairment assessment.

Since the original recognition of these debt instruments, the credit risk has not increased significantly, resulting in changes in interest rates or terms, and no significant operating changes are expected to affect the ability to fulfill debts. Therefore, there is no expected credit loss. The merged company continuously tracks external rating information to monitor changes in its credit risk, and regularly reviews other information such as bond yield curve and debtor material information to assess whether the expected credit loss of the investment has increased significantly during the period since its original recognition.

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 June 30, 2023, December 31, 2022 and June 30, 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.

June 30, 2023

	Less than 1 Year	1-2 Years	2-5 Years	Total
<u>Non-derivative financial liabilities</u>				
Notes payable	\$ 100	\$ -	\$ -	\$ 100
Other payables	978,497	-	-	978,497
Other payable to related parties	339	-	-	339
Lease liabilities	22,920	10,306	1,843	35,069
Other current liabilities	<u>189,924</u>	<u>-</u>	<u>-</u>	<u>189,924</u>
	<u>\$ 1,191,780</u>	<u>\$ 10,306</u>	<u>\$ 1,843</u>	<u>\$ 1,203,929</u>

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 payable 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>

June 30, 2022

	Less than 1 Year	1-2 Years	2-5 Years	Total
<u>Non-derivative financial liabilities</u>				
Other payables	\$ 1,107,054	\$ -	\$ -	\$ 1,107,054
Other payable to related parties	396	-	-	396
Lease liabilities	18,477	15,278	6,846	40,601
Other current liabilities	<u>160,076</u>	<u>-</u>	<u>-</u>	<u>160,076</u>
	<u>\$ 1,286,003</u>	<u>\$ 15,278</u>	<u>\$ 6,846</u>	<u>\$ 1,308,127</u>

b) Financing facilities

	June 30, 2023	December 31, 2022	June 30, 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>
91APP SDN. BHD.	Associate
Omni-channel Retail System Corporation	Associate
Jinghong, Inc.	Associate
EasyStore Commerce SDN. BHD.	Associate
Omnichat Limited	Associate
MYDRESS HOLDINGS LIMITED	Related party in substance

b. Operating revenue

<u>Related Party Name</u>	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
91APP SDN. BHD.	\$ 142	\$ 139	\$ 334	\$ 343
Omni-channel Retail System Corporation	857	677	1,775	1,178
Omnichat Limited	-	37	-	37
MYDRESS HOLDINGS LIMITED	<u>1,159</u>	<u>-</u>	<u>2,350</u>	<u>-</u>
	<u>\$ 2,158</u>	<u>\$ 853</u>	<u>\$ 4,459</u>	<u>\$ 1,558</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 June 30</u>		<u>For the Six Months Ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Jinghong, Inc.	<u>\$ 414</u>	<u>\$ 258</u>	<u>\$ 624</u>	<u>\$ 366</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

Line Item	Related Party Name	June 30, 2023	December 31, 2022	June 30, 2022
Trade receivables from related parties	Jinghong, Inc.	\$ -	\$ -	\$ 2
	91APP SDN. BHD.	48	104	94
	Omni-channel Retail System Corporation	1,820	674	240
	Omnichat Limited	-	-	93
	MYDRESS HOLDINGS LIMITED	<u>1,800</u>	<u>1,717</u>	<u>-</u>
		<u>\$ 3,668</u>	<u>\$ 2,495</u>	<u>\$ 429</u>
Other receivables from related parties	91APP SDN. BHD.	\$ -	\$ -	\$ 12
	EasyStore Commerce SDN. BHD.	<u>-</u>	<u>-</u>	<u>327</u>
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 339</u>

Receivables from related parties mentioned above were not guaranteed, and no provision for impairment loss was accrued for the six months ended June 30, 2023 and 2022.

e. Payables to related parties

Line Item	Related Party Name	June 30, 2023	December 31, 2022	June 30, 2022
Other payables to related parties	Jinghong, Inc.	\$ 180	\$ 21	\$ 396
	Omni-channel Retail System Corporation	159	-	-
	MYDRESS HOLDINGS LIMITED	<u>-</u>	<u>39</u>	<u>-</u>
		<u>\$ 339</u>	<u>\$ 60</u>	<u>\$ 396</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 HOLDINGS 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 Holdings 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 June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
EasyStore Commerce SDN. BHD.	\$ -	\$ 56	\$ -	\$ 78
MYDRESS HOLDINGS LIMITED	<u>587</u>	<u>1,009</u>	<u>1,169</u>	<u>1,009</u>
	<u>\$ 587</u>	<u>\$ 1,065</u>	<u>\$ 1,169</u>	<u>\$ 1,087</u>

g. Others

Line Item	Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2023	2022	2023	2022
Service expenses	Jinghong, Inc.	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 24</u>
Service revenue	EasyStore Commerce SDN. BHD.	<u>\$ -</u>	<u>\$ 847</u>	<u>\$ -</u>	<u>\$ 1,876</u>

h. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 12,909	\$ 11,252	\$ 25,193	\$ 22,785
Post-employment benefits	429	402	834	806
Share-based payments	<u>19</u>	<u>34</u>	<u>37</u>	<u>68</u>
	<u>\$ 13,357</u>	<u>\$ 11,688</u>	<u>\$ 26,064</u>	<u>\$ 23,659</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:

	June 30, 2023	December 31, 2022	June 30, 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:

June 30, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 27,624	31.14 (USD:NTD)	\$ <u>860,221</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>

June 30, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 5,146	29.72 (USD:NTD)	\$ <u>152,953</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:

For the Six Months Ended June 30				
2023		2022		
Functional Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	1 (NTD:NTD)	\$ <u>(426)</u>	1 (NTD:NTD)	\$ <u>731</u>
For the Three Months Ended June 30				
2023		2022		
Functional Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	1 (NTD:NTD)	\$ <u>(121)</u>	1 (NTD:NTD)	\$ <u>912</u>

31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees 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 share 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:

	Taiwan	Others	Total
<u>For the six months ended June 30, 2023</u>			
Revenue from external customers	\$ 612,660	\$ 35,865	\$ 648,525
Inter-segment revenue	<u>2,889</u>	<u>-</u>	<u>2,889</u>
Segment revenue	615,549	35,865	651,414
Eliminations	<u>(2,889)</u>	<u>-</u>	<u>(2,889)</u>
Consolidated revenue	<u>\$ 612,660</u>	<u>\$ 35,865</u>	<u>\$ 648,525</u>
Segment income (excluding central administration costs)	\$ 193,023	\$ 3,118	\$ 196,141
Central administration costs			<u>(7,114)</u>
Segment income			189,027
Interest income			51,556
Other income			1,718
Other gains and losses			11,550
			(Continued)

	Taiwan	Others	Total
Finance costs			\$ (238)
Share of profit or loss of associates and joint ventures accounted for using the equity method			<u>(15,373)</u>
Profit before tax (continuing operations)			<u>\$ 238,240</u>
<u>For the six months ended June 30, 2022</u>			
Revenue from external customers	\$ 548,370	\$ 29,743	\$ 578,113
Inter-segment revenue	<u>1,020</u>	<u>-</u>	<u>1,020</u>
Segment revenue	549,390	29,743	579,133
Eliminations	<u>(1,020)</u>	<u>-</u>	<u>(1,020)</u>
Consolidated revenue	<u>\$ 548,370</u>	<u>\$ 29,743</u>	<u>\$ 578,113</u>
Segment income (excluding central administration costs)	\$ 173,446	\$ 1,036	\$ 174,482
Central administration costs			<u>(6,492)</u>
Segment income			167,990
Interest income			5,808
Other income			4,591
Other gains and losses			11,034
Finance costs			(217)
Share of profit or loss of associates and joint ventures accounted for using the equity method			<u>(9,423)</u>
Profit before tax (continuing operations)			<u>\$ 179,783</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

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Segment assets</u>			
Taiwan	\$ 2,633,833	\$ 2,584,277	\$ 2,294,469
Others	54,177	62,059	60,397
Headquarters	<u>1,315,156</u>	<u>1,297,136</u>	<u>1,407,720</u>
Consolidated total assets	<u>\$ 4,003,166</u>	<u>\$ 3,943,472</u>	<u>\$ 3,762,586</u> (Continued)

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Segment liabilities</u>			
Taiwan	\$ 1,263,862	\$ 1,390,737	\$ 1,293,281
Others	32,276	41,518	41,322
Headquarters	<u>86,514</u>	<u>1,670</u>	<u>135,871</u>
Consolidated total liabilities	<u>\$ 1,382,652</u>	<u>\$ 1,433,925</u>	<u>\$ 1,470,474</u> (Concluded)

91APP, INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 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	June 30, 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	\$ 58,036	3.5	\$ 58,036	-
	<u>Emerging market shares</u> ELAND INFORMATION CO., LTD.	-	Non-current financial assets at fair value through other comprehensive income	564,508	<u>37,551</u> \$ 95,587	3.2	<u>37,551</u> \$ 95,587	-
91APP (Taiwan), Inc.	<u>Public shares</u> All Win Fintech Company Limited	-	Non-current financial assets at fair value through other comprehensive income	2,000,000	\$ 24,000	2.0	\$ 24,000	-
	<u>Bonds</u> Microsoft Corp.	-	Non-current financial assets at fair value through other comprehensive income	-	25,942	-	25,942	-
	The Procter & Gamble Co.	-	Non-current financial assets at fair value through other comprehensive income	-	23,145	-	23,145	-
	Amazon Com Inc.	-	Non-current financial assets at fair value through other comprehensive income	-	26,773	-	26,773	-
	Berkshire Hathaway Inc.	-	Non-current financial assets at fair value through other comprehensive income	-	25,254	-	25,254	-
	Johnson & Johnson	-	Non-current financial assets at fair value through other comprehensive income	-	20,123	-	20,123	-
	Walmart Inc.	-	Non-current financial assets at fair value through other comprehensive income	-	<u>25,434</u>	-	<u>25,434</u>	-
					<u>146,671</u> \$ 170,671		<u>146,671</u> \$ 170,671	

Note 1: The term “securities” in this table refers to shares, 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 SIX MONTHS ENDED JUNE 30, 2023
 (In Thousands of New Taiwan Dollars, Dollars and Shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 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	\$ 1,372,284	\$ 173,407	\$ 173,407	Subsidiary
	Omni-channel Retail System Corporation	Taiwan	Internet related business	6,400	6,400	2,550	100.00	2,863	3	3	Subsidiary
	91APP HK Limited	Hong Kong	Internet related business	13,512	13,512	1,400	70.00	18,892	1,251	876	Subsidiary
				(HK\$ 3,400)	(HK\$ 3,400)			(US\$ 607)	(US\$ 41)	(US\$ 29)	
	EasyStore Commerce Sdn. Bhd.	Malaysia	Internet related business	105,974	105,974	568	35.98	108,441	(1,696)	(610)	Associate
			(MYR 16,600)	(MYR 16,600)			(US\$ 3,482)	(US\$ -56)	(US\$ -20)		
	Omnichat Limited	Hong Kong	Internet related business	56,236	56,236	10,305	35.80	33,596	(44,969)	(16,295)	Associate
				(HK\$ 14,151)	(HK\$ 14,151)			(US\$ 1,079)	(US\$ -1,472)	(US\$ -533)	
91APP (Taiwan), Inc.	Jinghong, Inc.	Taiwan	Internet related business	34,350	34,350	700	35.00	33,762	5,258	1,532	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 31.14; for HKD is 3.974; for MYR is 6.384 and the average exchange rate for USD is 30.55).

91APP, INC. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 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	\$ 5,790	Note 5	-
1	91APP (Taiwan) Inc.	91APP HK Limited	c	Receivable to related parties	440	Note 5	-
		91APP HK Limited	c	Contract liabilities	311	Note 5	-
		91APP HK Limited	c	Revenue	2,889	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
JUNE 30, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
NineYi Capital Inc.	28,779,999	23.86
N-Team, Inc.	18,005,000	14.93

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.