

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

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2023 and 2022 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
91APP, Inc.

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of 91APP, Inc. and its subsidiaries (collectively, the "Group") as of September 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2023 and 2022, and the related notes to the consolidated financial statements, including a summary of material accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

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

### **Basis for Qualified Conclusion**

As disclosed in Note 10 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements as of September 30, 2023 and 2022 referred to in the first paragraph were not reviewed. As of September 30, 2023 and 2022, combined total assets of these non-significant subsidiaries were NT\$61,619 thousand and NT\$69,874 thousand, representing 1.53% and 1.94%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$35,498 thousand and NT\$45,609 thousand, representing 2.87% and 3.9%, respectively, of the consolidated total liabilities; for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the amounts of combined comprehensive income of these subsidiaries were NT\$1,429 thousand, NT\$1,767 thousand, NT\$5,570 thousand and NT\$4,276 thousand, representing 0.97%, 1.06%, 1.67% and 1.02%, 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\$191,387 thousand and NT\$193,749 thousand as of September 30, 2023 and 2022, respectively, and the share of profits (losses) of associates and joint ventures accounted for using the equity method for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022 was NT\$(8,974) thousand, NT\$(1,790) thousand, NT\$(24,347) thousand and NT\$(11,213) thousand, respectively.

### **Qualified Conclusion**

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of September 30, 2023 and 2022, its consolidated financial performance for the three months ended September 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

November 14, 2023

### Notice to Readers

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

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

# 91APP, Inc. AND SUBSIDIARIES

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

ASSETS	September 30, 2023		December 31, 2022		September 30, 2022	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Notes 6 and 27)	\$ 2,156,232	54	\$ 2,466,950	63	\$ 2,313,889	64
Financial assets at amortized cost - current (Notes 8 and 27)	380,406	9	10,400	-	17,900	1
Notes receivable (Notes 9 and 27)	1,026	-	133	-	50	-
Trade receivables (Notes 9, 20 and 27)	51,382	1	73,989	2	52,253	1
Trade receivables from related parties (Notes 9, 20, 27 and 28)	4,584	-	2,495	-	2,135	-
Other receivables (Notes 9, 16 and 27)	319,861	8	276,769	7	200,708	6
Other receivables from related parties (Notes 9, 27 and 28)	83	-	-	-	123	-
Other financial assets (Notes 16 and 27)	574,235	14	764,054	19	668,495	19
Other current assets (Note 16)	18,484	1	17,325	1	17,246	-
Total current assets	<u>3,506,293</u>	<u>87</u>	<u>3,612,115</u>	<u>92</u>	<u>3,272,799</u>	<u>91</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income - non-current (Notes 7 and 27)	258,328	6	57,235	1	63,500	2
Investments accounted for using the equity method (Note 11)	191,387	5	186,129	5	193,749	5
Property, plant and equipment (Note 12)	23,459	1	31,566	1	27,399	1
Right-of-use assets (Note 13)	27,201	1	37,533	1	39,341	1
Goodwill (Note 14)	3,461	-	3,294	-	3,405	-
Other intangible assets, net (Note 15)	2,917	-	3,000	-	-	-
Deferred tax assets	3,992	-	5,319	-	1	-
Other non-current assets (Notes 16 and 27)	6,686	-	7,281	-	8,457	-
Total non-current assets	<u>517,431</u>	<u>13</u>	<u>331,357</u>	<u>8</u>	<u>335,852</u>	<u>9</u>
<b>TOTAL</b>	<u>\$ 4,023,724</u>	<u>100</u>	<u>\$ 3,943,472</u>	<u>100</u>	<u>\$ 3,608,651</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Contract liabilities - current (Note 20)	\$ 110,280	3	\$ 90,767	2	\$ 91,207	2
Notes payable (Note 27)	22	-	128	-	10	-
Other payables (Notes 17 and 27)	843,153	21	1,014,367	26	831,135	23
Other payables to related parties (Notes 17, 27 and 28)	464	-	60	-	284	-
Current tax liabilities	39,796	1	63,530	2	28,507	1
Lease liabilities - current (Notes 13 and 27)	20,793	-	20,989	-	20,612	1
Other current liabilities (Notes 17 and 27)	198,712	5	216,425	5	164,303	4
Total current liabilities	<u>1,213,220</u>	<u>30</u>	<u>1,406,266</u>	<u>35</u>	<u>1,136,058</u>	<u>31</u>
<b>NON-CURRENT LIABILITIES</b>						
Contract liabilities - non-current (Note 20)	10,391	1	9,240	-	10,338	-
Deferred tax liabilities	4,017	-	-	-	2,613	-
Lease liabilities - non-current (Notes 13 and 27)	8,322	-	18,419	1	20,907	1
Deposits received (Note 27)	825	-	-	-	-	-
Total non-current liabilities	<u>23,555</u>	<u>1</u>	<u>27,659</u>	<u>1</u>	<u>33,858</u>	<u>1</u>
Total liabilities	<u>1,236,775</u>	<u>31</u>	<u>1,433,925</u>	<u>36</u>	<u>1,169,916</u>	<u>32</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)</b>						
Ordinary shares	602,890	15	602,890	15	602,890	17
Capital surplus	1,248,958	31	1,223,378	31	1,223,004	34
Retained earnings						
Legal reserve	63,629	1	29,841	1	29,841	1
Unappropriated earnings	1,030,395	26	857,741	22	738,630	20
Other equity	169,433	4	124,948	3	173,445	5
Treasury shares	(335,477)	(8)	(335,477)	(8)	(335,477)	(9)
Total equity attributable to owners of the Company	<u>2,779,828</u>	<u>69</u>	<u>2,503,321</u>	<u>64</u>	<u>2,432,333</u>	<u>68</u>
<b>NON-CONTROLLING INTERESTS</b>	<u>7,121</u>	<u>-</u>	<u>6,226</u>	<u>-</u>	<u>6,402</u>	<u>-</u>
Total equity	<u>2,786,949</u>	<u>69</u>	<u>2,509,547</u>	<u>64</u>	<u>2,438,735</u>	<u>68</u>
<b>TOTAL</b>	<u>\$ 4,023,724</u>	<u>100</u>	<u>\$ 3,943,472</u>	<u>100</u>	<u>\$ 3,608,651</u>	<u>100</u>

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

(With Deloitte & Touche auditors' review report dated November 14, 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 September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 20 and 28)	\$ 323,573	100	\$ 296,847	100	\$ 972,098	100	\$ 874,960	100
OPERATING COSTS (Notes 21 and 28)	<u>86,671</u>	<u>27</u>	<u>77,188</u>	<u>26</u>	<u>257,036</u>	<u>26</u>	<u>232,422</u>	<u>27</u>
GROSS PROFIT	<u>236,902</u>	<u>73</u>	<u>219,659</u>	<u>74</u>	<u>715,062</u>	<u>74</u>	<u>642,538</u>	<u>73</u>
OPERATING EXPENSES (Notes 21 and 28)								
Selling and marketing expenses	55,042	17	54,869	18	165,965	17	152,810	17
General and administrative expenses	56,751	17	52,445	18	167,990	17	148,706	17
Research and development expenses	35,349	11	32,628	11	102,269	11	93,301	11
Expected credit loss	<u>23</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>74</u>	<u>-</u>	<u>26</u>	<u>-</u>
Total operating expenses	<u>147,165</u>	<u>45</u>	<u>139,954</u>	<u>47</u>	<u>436,298</u>	<u>45</u>	<u>394,843</u>	<u>45</u>
PROFIT FROM OPERATIONS	<u>89,737</u>	<u>28</u>	<u>79,705</u>	<u>27</u>	<u>278,764</u>	<u>29</u>	<u>247,695</u>	<u>28</u>
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 28)								
Interest income	24,270	8	1,883	1	75,826	8	7,691	1
Other income	2,272	-	7,556	2	3,990	-	12,147	1
Other gains and losses	30,149	9	12,111	4	41,699	4	23,145	3
Finance costs	(106)	-	(112)	-	(344)	-	(329)	-
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method	<u>(8,974)</u>	<u>(3)</u>	<u>(1,790)</u>	<u>(1)</u>	<u>(24,347)</u>	<u>(2)</u>	<u>(11,213)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>47,611</u>	<u>14</u>	<u>19,648</u>	<u>6</u>	<u>96,824</u>	<u>10</u>	<u>31,441</u>	<u>4</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	137,348	42	99,353	33	375,588	39	279,136	32
INCOME TAX EXPENSE (Notes 4 and 22)	<u>(23,023)</u>	<u>(7)</u>	<u>(19,332)</u>	<u>(6)</u>	<u>(85,914)</u>	<u>(9)</u>	<u>(59,558)</u>	<u>(7)</u>
NET PROFIT FOR THE PERIOD	<u>114,325</u>	<u>35</u>	<u>80,021</u>	<u>27</u>	<u>289,674</u>	<u>30</u>	<u>219,578</u>	<u>25</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss								
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(5,702)	(2)	-	-	(2,397)	-	-	-
Exchange differences on translation to the presentation currency	<u>98,852</u>	<u>31</u>	<u>163,599</u>	<u>55</u>	<u>135,636</u>	<u>14</u>	<u>343,210</u>	<u>39</u>
	<u>93,150</u>	<u>29</u>	<u>163,599</u>	<u>55</u>	<u>133,239</u>	<u>14</u>	<u>343,210</u>	<u>39</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 September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of the financial statements of foreign operations	\$ (52,832)	(16)	\$ (76,572)	(26)	\$ (72,739)	(7)	\$ (144,489)	(16)
Unrealized loss on investments in debt instruments at fair value through other comprehensive income	(11,343)	(4)	-	-	(19,621)	(2)	-	-
Income tax related to items that may be reclassified subsequently to profit or loss (Note 22)	<u>3,924</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>3,924</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(60,251)</u>	<u>(19)</u>	<u>(76,572)</u>	<u>(26)</u>	<u>(88,436)</u>	<u>(9)</u>	<u>(144,489)</u>	<u>(16)</u>
Other comprehensive income (loss) for the period, net of income tax	<u>32,899</u>	<u>10</u>	<u>87,027</u>	<u>29</u>	<u>44,803</u>	<u>5</u>	<u>198,721</u>	<u>23</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>\$ 147,224</u>	<u>45</u>	<u>\$ 167,048</u>	<u>56</u>	<u>\$ 334,477</u>	<u>34</u>	<u>\$ 418,299</u>	<u>48</u>
<b>NET PROFIT</b>								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 114,123	35	\$ 79,662	27	\$ 289,097	30	\$ 218,772	25
Non-controlling interests	<u>202</u>	<u>-</u>	<u>359</u>	<u>-</u>	<u>577</u>	<u>-</u>	<u>806</u>	<u>-</u>
	<u>\$ 114,325</u>	<u>35</u>	<u>\$ 80,021</u>	<u>27</u>	<u>\$ 289,674</u>	<u>30</u>	<u>\$ 219,578</u>	<u>25</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:</b>								
Owners of the Company	\$ 146,768	45	\$ 166,287	56	\$ 333,582	34	\$ 416,750	48
Non-controlling interests	<u>456</u>	<u>-</u>	<u>761</u>	<u>-</u>	<u>895</u>	<u>-</u>	<u>1,549</u>	<u>-</u>
	<u>\$ 147,224</u>	<u>45</u>	<u>\$ 167,048</u>	<u>56</u>	<u>\$ 334,477</u>	<u>34</u>	<u>\$ 418,299</u>	<u>48</u>
<b>EARNINGS PER SHARE</b> (Note 23)								
Basic	<u>\$ 0.97</u>		<u>\$ 0.67</u>		<u>\$ 2.45</u>		<u>\$ 1.83</u>	
Diluted	<u>\$ 0.97</u>		<u>\$ 0.67</u>		<u>\$ 2.45</u>		<u>\$ 1.83</u>	

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

(With Deloitte & Touche auditors' review report dated November 14, 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 the Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Loss on Financial Assets at Fair Value				
BALANCE AT JANUARY 1, 2022	120,578	\$ 602,890	\$ 1,221,152	\$ -	\$ 607,576	\$ (24,533)	\$ -	\$ -	\$ 2,407,085	\$ 4,853	\$ 2,411,938
Appropriation of 2021 earnings											
Legal reserve	-	-	-	29,841	(29,841)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(57,877)	-	-	-	(57,877)	-	(57,877)
Net income for the nine months ended September 30, 2022	-	-	-	-	218,772	-	-	-	218,772	806	219,578
Other comprehensive income for the nine months ended September 30, 2022, net of income tax	-	-	-	-	-	197,978	-	-	197,978	743	198,721
Total comprehensive income for the nine months ended September 30, 2022	-	-	-	-	218,772	197,978	-	-	416,750	1,549	418,299
Buy-back of ordinary shares	-	-	-	-	-	-	-	(335,477)	(335,477)	-	(335,477)
Share-based payments	-	-	1,852	-	-	-	-	-	1,852	-	1,852
BALANCE AT SEPTEMBER 30, 2022	<u>120,578</u>	<u>\$ 602,890</u>	<u>\$ 1,223,004</u>	<u>\$ 29,841</u>	<u>\$ 738,630</u>	<u>\$ 173,445</u>	<u>\$ -</u>	<u>\$ (335,477)</u>	<u>\$ 2,432,333</u>	<u>\$ 6,402</u>	<u>\$ 2,438,735</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	-	-	24,612	-	-	-	-	-	24,612	-	24,612
Net income for the nine months ended September 30, 2023	-	-	-	-	289,097	-	-	-	289,097	577	289,674
Other comprehensive income (loss) for the nine months ended September 30, 2023, net of income tax	-	-	-	-	-	62,579	(18,094)	-	44,485	318	44,803
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	289,097	62,579	(18,094)	-	333,582	895	334,477
Share-based payments	-	-	968	-	-	-	-	-	968	-	968
BALANCE AT SEPTEMBER 30, 2023	<u>120,578</u>	<u>\$ 602,890</u>	<u>\$ 1,248,958</u>	<u>\$ 63,629</u>	<u>\$ 1,030,395</u>	<u>\$ 191,713</u>	<u>\$ (22,280)</u>	<u>\$ (335,477)</u>	<u>\$ 2,779,828</u>	<u>\$ 7,121</u>	<u>\$ 2,786,949</u>

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

(With Deloitte & Touche auditors' review report dated November 14, 2023)

## 91APP, Inc. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax from continuing operations	\$ 375,588	\$ 279,136
Adjustments for:		
Depreciation expense	28,506	27,385
Amortization expense	883	-
Expected credit loss	74	26
Finance costs	344	329
Interest income	(75,826)	(7,691)
Dividend income	(658)	-
Gain on lease modification	(11)	-
Share-based payments	968	1,852
Share of profit of associates accounted for using equity method	24,347	11,213
Loss on disposal of property, plant and equipment	205	190
Changes in operating assets and liabilities		
Notes receivable	(893)	100
Trade receivables	20,510	(28)
Other receivables	(41,754)	75,039
Other current assets	(1,159)	(6,410)
Other financial assets	189,819	678,385
Contract liabilities	20,664	25,638
Notes payable	(106)	(76)
Other payables	(170,810)	(624,919)
Other current liabilities	(17,713)	412
Cash generated from operations	352,978	460,581
Interest received	75,664	9,147
Interest paid	(344)	(329)
Income tax paid	(100,380)	(86,462)
Net cash generated from operating activities	<u>327,918</u>	<u>382,937</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(211,986)	-
Purchase of financial assets at amortized cost	(370,006)	(1,426,988)
Proceeds from sale of financial assets at amortized cost	-	2,966,596
Payments for property, plant and equipment	(3,403)	(11,601)
Proceeds from disposal of property, plant and equipment	29	20
Increase in refundable deposits	-	(3,405)
Decrease in refundable deposits	595	-
Payments for intangible assets	(800)	-
Increase in prepayments for equipment	-	(1,100)
Dividends received	<u>3,952</u>	<u>3,779</u>
Net cash (used in) generated from investing activities	<u>(581,619)</u>	<u>1,527,301</u>

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## 91APP, Inc. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

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	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from guarantee deposits received	\$ 825	\$ -
Refund of guarantee deposits received	-	(100)
Repayment of the principal portion of lease liabilities	(17,219)	(15,227)
Cash dividends	(82,655)	(57,877)
Payments for buy-back of ordinary shares	<u>-</u>	<u>(335,477)</u>
Net cash used in financing activities	<u>(99,049)</u>	<u>(408,681)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>42,032</u>	<u>168,341</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(310,718)	1,669,898
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>\$ 2,156,232</u>	<u>\$ 2,313,889</u>

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

(With Deloitte & Touche auditors' review report dated November 14, 2023)

(Concluded)

# 91APP, Inc. AND SUBSIDIARIES

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

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### 1. GENERAL INFORMATION

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

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

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 14, 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 endorsed by the FSC for application starting from 2024

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
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 (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 amendments provide some transition relief regarding disclosure requirements.

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.

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

<u>New, Amended and Revised Standards 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
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 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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 IFRSs disclosure information required in a complete set of annual consolidated financial statements.

- b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

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

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

c. Basis of consolidation

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

d. Other material accounting policies

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

Income tax expense

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

## **5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

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

## 6. CASH AND CASH EQUIVALENTS

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand	\$ 64	\$ 40	\$ 41
Checking accounts and demand deposits	464,589	313,379	425,963
Cash equivalents (investments with original maturities within 3 months)			
Time deposits	<u>1,691,579</u>	<u>2,153,531</u>	<u>1,887,885</u>
	<u>\$ 2,156,232</u>	<u>\$ 2,466,950</u>	<u>\$ 2,313,889</u>

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

	September 30, 2023	December 31, 2022	September 30, 2022
Bank deposits	0.51%-1.35%	0.385%-1.05%	0.26%-0.70%
Time deposits	1.16%-5.71%	4.38%-4.92%	2.88%-4.05%

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

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Non-current</u>			
Investments in debt instruments at FVTOCI			
Corporate bonds (a)	\$ 140,940	\$ -	\$ -
Investments in equity instruments at FVTOCI			
Emerging market shares	33,245	-	-
Domestic unlisted shares	24,000	-	-
Foreign unlisted shares	<u>60,143</u>	<u>57,235</u>	<u>63,500</u>
	<u>117,388</u>	<u>57,235</u>	<u>63,500</u>
	<u>\$ 258,328</u>	<u>\$ 57,235</u>	<u>\$ 63,500</u>

- a. In May 2023, the Group bought 10- to 30-year corporate bonds with coupon rate range of 3.40%-4.80%, effective interest rate range 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

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 371,006	\$ 1,000	\$ 8,500
Pledged time deposits (b)	<u>9,400</u>	<u>9,400</u>	<u>9,400</u>
	<u>\$ 380,406</u>	<u>\$ 10,400</u>	<u>\$ 17,900</u>

- a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 1.21%-1.58%, 1.2% and 1.2%-1.31% per annum as of September 30, 2023, December 31, 2022 and September 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

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 1,026	\$ 133	\$ 50
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,026</u>	<u>\$ 133</u>	<u>\$ 50</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 51,399	\$ 73,998	\$ 52,262
Less: Allowance for impairment loss	<u>(17)</u>	<u>(9)</u>	<u>(9)</u>
	<u>\$ 51,382</u>	<u>\$ 73,989</u>	<u>\$ 52,253</u>
<u>Trade receivables from related parties</u>			
At amortized cost			
Gross carrying amount	\$ 4,584	\$ 2,495	\$ 2,135
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,584</u>	<u>\$ 2,495</u>	<u>\$ 2,135</u>

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	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
<u>Other receivables</u>			
At amortized cost			
Gross carrying amount	\$ 320,219	\$ 277,061	\$ 200,988
Less: Allowance for impairment loss	<u>(358)</u>	<u>(292)</u>	<u>(280)</u>
	<u>\$ 319,861</u>	<u>\$ 276,769</u>	<u>\$ 200,708</u>

Other receivables from related parties

At amortized cost			
Gross carrying amount	\$ 83	\$ -	\$ 123
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 83</u>	<u>\$ -</u>	<u>\$ 123</u> (Concluded)

a. Notes receivable

September 30, 2023

	<b>1 to 30 Days</b>	<b>31 to 90 Days</b>	<b>Total</b>
Expected credit loss rate	0%	0%	-
Gross carrying amount	\$ 1,026	\$ -	\$ 1,026
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 1,026</u>	<u>\$ -</u>	<u>\$ 1,026</u>

December 31, 2022

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

September 30, 2022

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

The movements of the loss allowance of notes receivable for the nine months ended September 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

September 30, 2023

	<b>1 to 30 Days</b>	<b>31 to 90 Days</b>	<b>91 to 180 Days</b>	<b>Over 181 Days</b>	<b>Total</b>
Expected credit loss rate	0%	0%	0%	100%	-
Gross carrying amount	\$ 36,231	\$ 18,278	\$ 1,457	\$ 17	\$ 55,983
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17)</u>	<u>(17)</u>
Amortized cost	<u>\$ 36,231</u>	<u>\$ 18,278</u>	<u>\$ 1,457</u>	<u>\$ -</u>	<u>\$ 55,966</u>



December 31, 2022

	<b>1 to 30 Days</b>	<b>31 to 90 Days</b>	<b>91 to 180 Days</b>	<b>Over 181 Days</b>	<b>Total</b>
Expected credit loss rate	0%	0%	0%	100%	-
Gross carrying amount	\$ 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>

September 30, 2022

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

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

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 292	\$ 255
Add: Net remeasurement of loss allowance	<u>66</u>	<u>25</u>
Balance at September 30	<u>\$ 358</u>	<u>\$ 280</u>

## 10. SUBSIDIARIES

### Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	<b>Proportion of Ownership</b>			Remark
			September 30, 2023	December 31, 2022	September 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 third quarter of 2023 and 2022 of the unimportant subsidiaries have not been reviewed.

## 11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates	September 30, 2023	December 31, 2022	September 30, 2022
Material associates			
EasyStore Commerce SDN. BHD.	\$ 109,378	\$ 101,585	\$ 105,615
Omnichat Limited	47,529	49,350	53,532
Associates that are not individually material	<u>34,480</u>	<u>35,194</u>	<u>34,602</u>
	<u>\$ 191,387</u>	<u>\$ 186,129</u>	<u>\$ 193,749</u>

a. Material associates

Name of Associate	<b>Proportion of Ownership and Voting Rights</b>		
	September 30, 2023	December 31, 2022	September 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 partners for acquiring new customers in Malaysia and Hong Kong by entering into the market.

The summarized financial information below represents amounts shown in the associate's financial statements prepared in accordance with the IFRSs adjusted by the Group for equity accounting purposes.

EasyStore Commerce SDN. BHD.

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Current assets	\$ 70,090	\$ 81,527	\$ 69,174
Non-current assets	23,927	19,070	15,563
Current liabilities	<u>(119,995)</u>	<u>(131,957)</u>	<u>(118,748)</u>
Equity	<u>\$ (25,978)</u>	<u>\$ (31,360)</u>	<u>\$ (34,011)</u>
Proportion of the Group's ownership	35.98%	36.35%	36.35%
Equity attributable to the Group	\$ (9,347)	\$ (11,399)	\$ (12,363)
Goodwill	118,725	113,017	117,978
Effects of foreign currency exchange differences	<u>-</u>	<u>(33)</u>	<u>-</u>
Carrying amount	<u>\$ 109,378</u>	<u>\$ 101,585</u>	<u>\$ 105,615</u>

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Operating revenue	<u>\$ 25,071</u>	<u>\$ 17,143</u>	<u>\$ 70,450</u>	<u>\$ 58,922</u>
Net loss for the period	\$ (8,425)	\$ (8,042)	\$ (10,121)	\$ (27,081)
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive loss for the period	<u>\$ (8,425)</u>	<u>\$ (8,042)</u>	<u>\$ (10,121)</u>	<u>\$ (27,081)</u>

Omnichat Limited

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Current assets	\$ 145,088	\$ 58,821	\$ 59,038
Non-current assets	11,544	32,263	31,626
Current liabilities	(76,710)	(42,081)	(33,270)
Non-current liabilities	<u>(39,652)</u>	<u>-</u>	<u>-</u>
Equity	<u>\$ 40,270</u>	<u>\$ 49,003</u>	<u>\$ 57,394</u>
Proportion of the Group's ownership	35.80%	35.80%	35.80%
Equity attributable to the Group	\$ 14,417	\$ 17,543	\$ 20,547
Goodwill	30,517	29,042	30,025
Customer relationships	<u>2,595</u>	<u>2,765</u>	<u>2,960</u>
Carrying amount	<u>\$ 47,529</u>	<u>\$ 49,350</u>	<u>\$ 53,532</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Operating revenue	<u>\$ 33,983</u>	<u>\$ 11,275</u>	<u>\$ 78,198</u>	<u>\$ 19,985</u>
Net (loss) income for the period	\$ (18,322)	\$ 1,331	\$ (63,291)	\$ (8,856)
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive (loss) income for the period	<u>\$ (18,322)</u>	<u>\$ 1,331</u>	<u>\$ (63,291)</u>	<u>\$ (8,856)</u>

b. Aggregate information of associates that are not individually material

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
The Group's share of: Profit from continuing operations	<u>\$ 718</u>	<u>\$ 755</u>	<u>\$ 2,250</u>	<u>\$ 2,084</u>

Investments accounted for using the equity method and the Group's share of profit or loss and other comprehensive income of these investments were based on the associates' financial statements which have not been reviewed for the same periods.

## 12. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2023	December 31, 2022	September 30, 2022
Assets used by the Group	<u>\$ 23,459</u>	<u>\$ 31,566</u>	<u>\$ 27,399</u>
<u>Assets used by the Group</u>			
	<b>Office Equipment</b>	<b>Leasehold Improvements</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2023	\$ 46,676	\$ 38,750	\$ 85,426
Additions	3,072	331	3,403
Disposals	(4,600)	-	(4,600)
Reclassification	-	-	-
Effects of foreign currency exchange differences	<u>41</u>	<u>29</u>	<u>70</u>
Balance at September 30, 2023	<u>\$ 45,189</u>	<u>\$ 39,110</u>	<u>\$ 84,299</u>

(Continued)

	<b>Office Equipment</b>	<b>Leasehold Improvements</b>	<b>Total</b>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2023	\$ 31,616	\$ 22,244	\$ 53,860
Disposals	(4,366)	-	(4,366)
Depreciation expenses	5,846	5,461	11,307
Effects of foreign currency exchange differences	<u>23</u>	<u>16</u>	<u>39</u>
Balance at September 30, 2023	<u>\$ 33,119</u>	<u>\$ 27,721</u>	<u>\$ 60,840</u>
Carrying amount at September 30, 2023	<u>\$ 12,070</u>	<u>\$ 11,389</u>	<u>\$ 23,459</u>
Carrying amount at December 31, 2022 and January 1, 2023	<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	6,663	4,938	11,601
Disposals	(4,167)	(4,267)	(8,434)
Reclassification	-	1,453	1,453
Effects of foreign currency exchange differences	<u>85</u>	<u>-</u>	<u>85</u>
Balance at September 30, 2022	<u>\$ 43,454</u>	<u>\$ 34,119</u>	<u>\$ 77,573</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2022	\$ 28,308	\$ 19,731	\$ 48,039
Disposals	(3,957)	(4,267)	(8,224)
Depreciation expenses	5,304	5,012	10,316
Effects of foreign currency exchange differences	<u>31</u>	<u>12</u>	<u>43</u>
Balance at September 30, 2022	<u>\$ 29,686</u>	<u>\$ 20,488</u>	<u>\$ 50,174</u>
Carrying amount at September 30, 2022	<u>\$ 13,768</u>	<u>\$ 13,631</u>	<u>\$ 27,399</u> (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 nine months ended September 30, 2023 and 2022.

### 13. LEASE ARRANGEMENTS

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

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>	
<u>Carrying amount</u>				
Buildings	\$ 27,136	\$ 35,967	\$ 37,546	
Transportation equipment	<u>65</u>	<u>1,566</u>	<u>1,795</u>	
	<u>\$ 27,201</u>	<u>\$ 37,533</u>	<u>\$ 39,341</u>	
	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Additions to right-of-use assets		<u>\$ 6,975</u>	<u>\$ 7,523</u>	<u>\$ 31,413</u>
Depreciation charge for right-of-use assets				
Buildings	\$ 5,668	\$ 5,541	\$ 16,841	\$ 16,384
Transportation equipment	<u>65</u>	<u>228</u>	<u>358</u>	<u>685</u>
	<u>\$ 5,733</u>	<u>\$ 5,769</u>	<u>\$ 17,199</u>	<u>\$ 17,069</u>

Except for the addition and recognition of depreciation expenses listed above, there was no major sublease or impairment of the right-of-use assets of the Group for the nine months ended September 30, 2023 and 2022.

#### b. Lease liabilities

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
<u>Carrying amount</u>			
Current	<u>\$ 20,793</u>	<u>\$ 20,989</u>	<u>\$ 20,612</u>
Non-current	<u>\$ 8,322</u>	<u>\$ 18,419</u>	<u>\$ 20,907</u>

Range of discount rate for lease liabilities was as follows:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
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

	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
<u>Cost</u>		
Balance at January 1	\$ 6,817	\$ 6,144
Effects of foreign currency exchange differences	<u>319</u>	<u>903</u>
Balance at September 30	<u>\$ 7,136</u>	<u>\$ 7,047</u>
<u>Accumulated impairment losses</u>		
Balance at January 1	\$ (3,523)	\$ (3,175)
Effects of foreign currency exchange differences	<u>(152)</u>	<u>(467)</u>
Balance at September 30	<u>\$ (3,675)</u>	<u>\$ (3,642)</u>
Carrying amount at September 30	<u>\$ 3,461</u>	<u>\$ 3,405</u>

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

## 15. OTHER INTANGIBLE ASSETS

	<b>Computer Software</b>
<u>Cost</u>	
Balance at January 1, 2023	\$ 3,579
Additions	<u>800</u>
Balance at September 30, 2023	<u>\$ 4,379</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2023	\$ 579
Amortization expense	<u>883</u>
Balance at September 30, 2023	<u>\$ 1,462</u>
Carrying amount at September 30, 2023	<u>\$ 2,917</u>

(Continued)

	<b>Computer Software</b>
<u>Cost</u>	
Balance at January 1, 2022	\$ <u>579</u>
Balance at September 30, 2022	\$ <u>579</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2022	\$ <u>579</u>
Balance at September 30, 2022	\$ <u>579</u>
Carrying amount at September 30, 2022	\$ <u>-</u> (Concluded)

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

Aggregate amortization expense by function:

	<b>For the Three Months Ended September 30</b>	<b>For the Nine Months Ended September 30</b>
Administrative expenses	\$ <u>316</u>	\$ <u>883</u>

## 16. OTHER ASSETS

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
<u>Current</u>			
Other receivables			
Interest receivables	\$ 6,152	\$ 4,665	\$ 1,133
Receivables from receipts under custody (a)	302,028	262,597	190,735
Others	<u>11,681</u>	<u>9,507</u>	<u>8,840</u>
	<u>\$ 319,861</u>	<u>\$ 276,769</u>	<u>\$ 200,708</u>
Other financial assets			
Restricted trust deposits (b)	<u>\$ 574,235</u>	<u>\$ 764,054</u>	<u>\$ 668,495</u>
Other assets			
Prepayments	\$ 17,815	\$ 15,269	\$ 16,134
Others	<u>669</u>	<u>2,056</u>	<u>1,112</u>
	<u>\$ 18,484</u>	<u>\$ 17,325</u>	<u>\$ 17,246</u> (Continued)



	September 30, 2023	December 31, 2022	September 30, 2022
<u>Non-current</u>			
Prepayments for equipment	\$ -	\$ -	\$ 1,100
Refundable deposits	<u>6,686</u>	<u>7,281</u>	<u>7,357</u>
	<u>\$ 6,686</u>	<u>\$ 7,281</u>	<u>\$ 8,457</u> (Concluded)

- 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

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Other payables			
Payables for receipts under custody*	\$ 690,065	\$ 831,208	\$ 693,595
Payables for salaries or bonuses	66,477	78,349	72,104
Payables for annual leave	320	320	320
Payables for employees’ compensation	12,743	14,788	9,784
Payables for insurance premiums	8,018	7,578	7,508
Payables for pension	7,178	6,998	7,041
Payables for VAT	6,506	24,109	61
Others	<u>51,846</u>	<u>51,017</u>	<u>40,722</u>
	<u>\$ 843,153</u>	<u>\$1,014,367</u>	<u>\$ 831,135</u>
Payables to related parties	<u>\$ 464</u>	<u>\$ 60</u>	<u>\$ 284</u>
Other liabilities			
Receipts under custody*	\$ 198,009	\$ 213,893	\$ 162,415
Temporary receipts	<u>703</u>	<u>2,532</u>	<u>1,888</u>
	<u>\$ 198,712</u>	<u>\$ 216,425</u>	<u>\$ 164,303</u>

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

## 18. RETIREMENT BENEFIT PLANS

### Defined Contribution Plans

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

The Group recognized pension costs of \$7,601 thousand, \$7,180 thousand, \$22,402 thousand and \$20,968 thousand for the three months ended September 30, 2023 and 2022, and for the nine months ended September 30, 2023 and 2022, respectively.

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

## 19. EQUITY

### a. Share capital - ordinary shares

	September 30, 2023	December 31, 2022	September 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

	September 30, 2023	December 31, 2022	September 30, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Additional paid-in capital	\$ 1,219,040	\$ 1,219,040	\$ 1,219,040
Changes in percentage of ownership interests in associates (2)	24,612	-	-
<u>May not be used for any purpose</u>			
Employee share options	<u>5,306</u>	<u>4,338</u>	<u>3,964</u>
	<u>\$ 1,248,958</u>	<u>\$ 1,223,378</u>	<u>\$ 1,223,004</u>

- 1) 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).

- 2) Such capital surplus arose from the effect of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions, or changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends 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 dividends shall not be less than 5% of the total dividends.
- 3) Under the dividends policy as set forth in the Articles of the Company, the shareholders of the Company held their regular meeting and, in that meeting, resolved the amendments to the Company's Articles of Incorporation. The amendments explicitly stipulate that the proposal for profit distribution or offsetting of losses should be made at the end of the year, the board of directors is authorized to adopt a resolution to distribute dividends and bonuses in cash, and a report of such distribution should be submitted in the shareholders' meeting.

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

The appropriations of earnings for 2022 and 2021 were as follows:

	<b><u>For the Year Ended December 31</u></b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
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

The above appropriations for cash dividends had been resolved by the Company's board of directors on March 9, 2023 and March 10, 2022, respectively; the rest appropriations of earnings for 2022 and 2021 had been resolved by the shareholders in their meeting on June 9, 2023 and 2022, respectively.

d. Other equity items

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 129,134	\$ (24,533)
Exchange differences on the translation of the financial statements of foreign operations	(72,739)	(144,489)
Exchange differences on translation to the presentation currency	<u>135,318</u>	<u>342,467</u>
Balance at September 30	<u>\$ 191,713</u>	<u>\$ 173,445</u>

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	<b>For the Nine Months Ended September 30, 2023</b>
Balance at January 1	\$ (4,186)
Recognized for the period	
Unrealized gain or loss	
Debt instruments	(15,697)
Equity instruments	<u>(2,397)</u>
Other comprehensive loss for the period	<u>(18,094)</u>
Balance at September 30	<u>\$ (22,280)</u>

e. Treasury shares

<b>Purpose of Buy-back</b>	<b>Shares Transferred to Employees (In Thousands of Shares)</b>
Number of shares at January 1, 2023	<u>2,500</u>
Number of shares at September 30, 2023	<u>2,500</u>
Number of shares at January 1, 2022	-
Increase during the period	<u>2,500</u>
Number of shares at September 30, 2022	<u>2,500</u>

In order to motivate employees and enhance the cohesiveness, the board of directors resolved to buy back 2,500 thousand shares for transferring shares to employees on May 3, 2022. The buyback price range is from \$91.5 to \$229.5. When the share price is lower than the limit of the buyback price range, the Company can still buy back the shares. As of September 30, 2022, the Company has bought back 2,500 thousand shares at a total amount \$335,477 thousand.

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

## 20. REVENUE

### a. Revenue from contracts with customers

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Operating revenue	<u>\$ 323,573</u>	<u>\$ 296,847</u>	<u>\$ 972,098</u>	<u>\$ 874,960</u>

### b. Contract balances

	September 30, 2023	December 31, 2022	September 30, 2022	January 1, 2022
Trade receivables (Note 9)	<u>\$ 51,382</u>	<u>\$ 73,989</u>	<u>\$ 52,253</u>	<u>\$ 53,547</u>
Trade receivables from related parties (Note 9)	<u>\$ 4,584</u>	<u>\$ 2,495</u>	<u>\$ 2,135</u>	<u>\$ 814</u>
Contract liabilities - current				
System services	\$ 110,280	\$ 90,767	\$ 91,207	\$ 68,252
Contract liabilities - non-current				
System services	<u>10,391</u>	<u>9,240</u>	<u>10,338</u>	<u>7,655</u>
	<u>\$ 120,671</u>	<u>\$ 100,007</u>	<u>\$ 101,545</u>	<u>\$ 75,907</u>

### c. Disaggregation of revenue

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Taiwan	\$ 305,198	\$ 280,485	\$ 917,858	\$ 828,855
Others	<u>18,375</u>	<u>16,362</u>	<u>54,240</u>	<u>46,105</u>
	<u>\$ 323,573</u>	<u>\$ 296,847</u>	<u>\$ 972,098</u>	<u>\$ 874,960</u>
Recurring revenue	\$ 293,491	\$ 267,040	\$ 891,425	\$ 795,142
Non-recurring revenue	<u>30,082</u>	<u>29,807</u>	<u>80,673</u>	<u>79,818</u>
	<u>\$ 323,573</u>	<u>\$ 296,847</u>	<u>\$ 972,098</u>	<u>\$ 874,960</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 September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Bank deposits	\$ 22,656	\$ 1,883	\$ 73,688	\$ 7,691
Investments in debt instruments at FVTOCI	<u>1,614</u>	<u>-</u>	<u>2,138</u>	<u>-</u>
	<u>\$ 24,270</u>	<u>\$ 1,883</u>	<u>\$ 75,826</u>	<u>\$ 7,691</u>

### b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Service revenue (Note 28)	\$ -	\$ 312	\$ -	\$ 2,188
Government grants	-	1,328	-	1,974
Rental income (Note 28)	608	649	1,777	1,832
Dividend income	658	-	658	-
Others	<u>1,006</u>	<u>5,267</u>	<u>1,555</u>	<u>6,153</u>
	<u>\$ 2,272</u>	<u>\$ 7,556</u>	<u>\$ 3,990</u>	<u>\$ 12,147</u>

The Group's subsidiaries in Hong Kong received a government grant of \$1,974 thousand for the nine months ended September 30, 2022.

### c. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Net foreign exchange gains	\$ 30,149	\$ 12,112	\$ 41,893	\$ 23,335
Loss on disposal of property, plant and equipment	-	(1)	(205)	(190)
Gain on lease modification	<u>-</u>	<u>-</u>	<u>11</u>	<u>-</u>
	<u>\$ 30,149</u>	<u>\$ 12,111</u>	<u>\$ 41,699</u>	<u>\$ 23,145</u>

### d. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Interest on lease liabilities	<u>\$ 106</u>	<u>\$ 112</u>	<u>\$ 344</u>	<u>\$ 329</u>

e. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Property, plant and equipment	\$ 3,765	\$ 3,570	\$ 11,307	\$ 10,316
Right-of-use assets	5,733	5,769	17,199	17,069
Other intangible assets	<u>316</u>	<u>-</u>	<u>883</u>	<u>-</u>
	<u>\$ 9,814</u>	<u>\$ 9,339</u>	<u>\$ 29,389</u>	<u>\$ 27,385</u>
An analysis of depreciation by function				
Operating costs	\$ 2,966	\$ 2,637	\$ 9,258	\$ 8,495
Operating expenses	<u>6,532</u>	<u>6,702</u>	<u>19,248</u>	<u>18,890</u>
	<u>\$ 9,498</u>	<u>\$ 9,339</u>	<u>\$ 28,506</u>	<u>\$ 27,385</u>
An analysis of amortization by function				
Operating expenses	<u>\$ 316</u>	<u>\$ -</u>	<u>\$ 883</u>	<u>\$ -</u>

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term benefits	\$ 169,058	\$ 156,308	\$ 502,724	\$ 468,271
Post-employment benefits				
Defined contribution plans (Note 18)	<u>7,601</u>	<u>7,180</u>	<u>22,402</u>	<u>20,968</u>
	176,659	163,488	525,126	489,239
Share-based payments				
Equity-settled (Note 24)	<u>231</u>	<u>483</u>	<u>968</u>	<u>1,852</u>
Total employee benefits expense	<u>\$ 176,890</u>	<u>\$ 163,971</u>	<u>\$ 526,094</u>	<u>\$ 491,091</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 59,868	\$ 55,583	\$ 183,233	\$ 170,705
Operating expenses	<u>117,022</u>	<u>108,388</u>	<u>342,861</u>	<u>320,386</u>
	<u>\$ 176,890</u>	<u>\$ 163,971</u>	<u>\$ 526,094</u>	<u>\$ 491,091</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 nine months ended September 30, 2023 and 2022, the employees' compensation and the remuneration of directors were as follows:

Accrual rate

	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
Employees' compensation	3%	3%
Remuneration of directors	-	-

Amount

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Employees' compensation	<u>\$ 3,520</u>	<u>\$ 2,640</u>	<u>\$ 9,010</u>	<u>\$ 6,890</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 of directors for the years ended December 31, 2022 and 2021 which have been approved by the Company's board of directors on March 9, 2023 and March 10, 2022, respectively, are as follows:

Amount

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
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 September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Current tax				
In respect of the current period	\$ 17,892	\$ 17,149	\$ 56,418	\$ 52,688
Income tax on unappropriated earnings	-	-	23,100	14,065
Adjustments for prior periods	-	-	(2,872)	(11,465)
Deferred tax				
In respect of the current period	<u>5,131</u>	<u>2,183</u>	<u>9,268</u>	<u>4,270</u>
Income tax expense recognized in profit or loss	<u>\$ 23,023</u>	<u>\$ 19,332</u>	<u>\$ 85,914</u>	<u>\$ 59,558</u>

### b. Income tax recognized in other comprehensive income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
<u>Deferred tax</u>				
In respect of the current period				
Fair value changes of financial assets at FVTOCI	\$ (3,924)	\$ -	\$ (3,924)	\$ -
Total income tax recognized in other comprehensive income	<u>\$ (3,924)</u>	<u>\$ -</u>	<u>\$ (3,924)</u>	<u>\$ -</u>

### c. 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 September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Basic earnings per share from continuing operations	<u>\$ 0.97</u>	<u>\$ 0.67</u>	<u>\$ 2.45</u>	<u>\$ 1.83</u>
Diluted earnings per share from continuing operations	<u>\$ 0.97</u>	<u>\$ 0.67</u>	<u>\$ 2.45</u>	<u>\$ 1.83</u>
<u>Net profit for the period</u>				
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Earnings used in the computation of basic earnings per share	<u>\$ 114,123</u>	<u>\$ 79,662</u>	<u>\$ 289,097</u>	<u>\$ 218,772</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 114,123</u>	<u>\$ 79,662</u>	<u>\$ 289,097</u>	<u>\$ 218,772</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	118,078	118,078	118,078	119,592
Effect of potentially dilutive ordinary shares				
Employees' compensation	<u>95</u>	<u>95</u>	<u>116</u>	<u>109</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>118,173</u>	<u>118,173</u>	<u>118,194</u>	<u>119,701</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 Group agreed in January 2020 that specific employees of subsidiaries are entitled to receive 1,088 thousand shares of the Group'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 \$231 thousand, \$483 thousand, \$968 thousand and \$1,852 thousand for the three months ended September 30, 2023 and 2022, and for the nine months ended September 30, 2023 and 2022, respectively.

## 25. CASH FLOW INFORMATION

### Changes in Liabilities Arising from Financing Activities

For the nine months ended September 30, 2023

							<b>For the Nine Months Ended September 30, 2023</b>
Total cash outflow from leases							<u>\$ (17,563)</u>

	January 1, 2023	Cash Flows	New Leases	Interest Expense	Non-cash Changes Effects of Foreign Currency Exchange Differences	Included in Operating Activities Interest Paid	September 30, 2023
Lease liabilities	<u>\$ 39,408</u>	<u>\$ (17,219)</u>	<u>\$ 7,523</u>	<u>\$ 344</u>	<u>\$ (597)</u>	<u>\$ (344)</u>	<u>\$ 29,115</u>

For the nine months ended September 30, 2022

							<b>For the Nine Months Ended September 30, 2022</b>
Total cash outflow from leases							<u>\$ (15,556)</u>

	January 1, 2022	Cash Flows	New Leases	Interest Expense	Non-cash Changes Effects of Foreign Currency Exchange Differences	Included in Operating Activities Interest Paid	September 30, 2022
Lease liabilities	<u>\$ 23,907</u>	<u>\$ (15,227)</u>	<u>\$ 31,413</u>	<u>\$ 329</u>	<u>\$ 1,426</u>	<u>\$ (329)</u>	<u>\$ 41,519</u>

## 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

September 30, 2023

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTOCI				
Investments in equity instruments				
Emerging market shares	\$ 33,245	\$ -	\$ -	\$ 33,245
Domestic unlisted shares	-	-	24,000	24,000
Foreign unlisted shares	-	-	60,143	60,143
Investments in debt instruments				
Foreign corporate bonds	-	140,940	-	140,940
	<u>\$ 33,245</u>	<u>\$ 140,940</u>	<u>\$ 84,143</u>	<u>\$ 258,328</u>

December 31, 2022

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTOCI				
Foreign unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,235</u>	<u>\$ 57,235</u>

September 30, 2022

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTOCI				
Foreign unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,500</u>	<u>\$ 63,500</u>

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

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

For the nine months ended September 30, 2023

<b>Financial Assets</b>	<b>Financial Assets at FVTOCI Equity Instruments</b>
Balance at January 1, 2023	\$ 57,235
Purchases	24,000
Foreign currency exchange differences	<u>2,908</u>
Balance at September 30, 2023	<u>\$ 84,143</u>

For the nine months ended September 30, 2022

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

3) Valuation techniques and inputs applied for 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 assess a reasonable fair value by allocating the equity value of preference share.

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

c. Categories of financial instruments

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 3,494,495	\$ 3,602,071	\$ 3,262,910
Financial assets at FVTOCI			
Equity instruments	117,388	57,235	63,500
Debt instruments	140,940	-	-

Financial liabilities

Financial liabilities at amortized cost (2)	941,934	1,098,838	898,914
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- 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), other current liabilities and deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, financial assets at amortized cost - current, financial assets at fair value through other comprehensive income, notes receivable, trade and other receivables, other receivables, other financial assets - current, refundable deposits, notes 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.

	<b>U.S. Dollar Impact</b>			
	<b>For the Three Months Ended</b>		<b>For the Nine Months Ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Profit or loss	<u>\$ (1,557)</u>	<u>\$ 6,498</u>	<u>\$ 7,045</u>	<u>\$ 8,028</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:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Fair value interest rate risk			
Financial assets	<u>\$ 2,212,925</u>	<u>\$ 2,163,931</u>	<u>\$ 1,905,785</u>
Financial liabilities	<u>\$ 29,115</u>	<u>\$ 39,408</u>	<u>\$ 41,519</u>
Cash flow interest rate risk			
Financial assets	<u>\$ 1,038,824</u>	<u>\$ 1,077,433</u>	<u>\$ 1,094,458</u>

Sensitivity analysis

The fixed-rate financial assets and financial liabilities held by the Company are not included in the analysis because they are measured at amortized cost. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. A 0.25% basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.25% basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2023 and 2022 would have increased/decreased by \$1,948 thousand and \$2,052 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in FVTOCI.

### Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the period.

If equity prices had been 10% higher/lower, other comprehensive income for the nine months ended September 30, 2023 and 2022 would have increased/decreased by \$11,739 thousand and \$6,350 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

#### 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

Since the Group's counterparties are all creditworthy financial institutions and entities, no significant credit risk is expected.

The Group transacts with a large number of unrelated customers and thus, credit risk is not highly concentrated.

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



September 30, 2023

	<b>Less than 1 Year</b>	<b>1-2 Years</b>	<b>2-5 Years</b>	<b>Total</b>
<u>Non-derivative financial liabilities</u>				
Notes payable	\$ 22	\$ -	\$ -	\$ 22
Other payables	843,153	-	-	843,153
Other payable to related parties	464	-	-	464
Lease liabilities	21,043	7,558	828	29,429
Other current liabilities	<u>198,712</u>	<u>-</u>	<u>-</u>	<u>198,712</u>
	<u>\$ 1,063,394</u>	<u>\$ 7,558</u>	<u>\$ 828</u>	<u>\$ 1,071,780</u>

December 31, 2022

	<b>Less than 1 Year</b>	<b>1-2 Years</b>	<b>2-5 Years</b>	<b>Total</b>
<u>Non-derivative financial liabilities</u>				
Notes payable	\$ 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>

September 30, 2022

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

b) Financing facilities

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Unsecured bank loan facilities which may be extended by mutual agreements			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>550,000</u>	<u>550,000</u>	<u>-</u>
	<u>\$ 550,000</u>	<u>\$ 550,000</u>	<u>\$ -</u>

## 28. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows:

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Omnichat Limited	Associate
Jinghong, Inc.	Associate
Omnichat Limited (TW)	Associate
EasyStore Commerce SDN. BHD.	Associate
91APP SDN. BHD.	Associate
MYDRESS HOLDINGS LIMITED	Related party in substance

b. Operating revenue

<u>Related Party Name</u>	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
91APP SDN. BHD.	\$ 152	\$ 151	\$ 486	\$ 494
Omnichat Limited (TW)	835	876	2,610	2,054
Omnichat Limited	116	-	116	37
MYDRESS HOLDINGS LIMITED	<u>1,020</u>	<u>4,178</u>	<u>3,370</u>	<u>4,178</u>
	<u>\$ 2,123</u>	<u>\$ 5,205</u>	<u>\$ 6,582</u>	<u>\$ 6,763</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

Related Party Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Jinghong, Inc.	\$ 258	\$ 210	\$ 882	\$ 576

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	September 30, 2023	December 31, 2022	September 30, 2022
Trade receivables from related parties	Jinghong, Inc.	\$ -	\$ -	\$ 2
	91APP SDN. BHD.	45	104	100
	Omnichat Limited (TW)	2,062	674	362
	Omnichat Limited MYDRESS HOLDINGS LIMITED	39	-	-
		<u>2,438</u>	<u>1,717</u>	<u>1,671</u>
		<u>\$ 4,584</u>	<u>\$ 2,495</u>	<u>\$ 2,135</u>
Other receivables from related parties	91APP SDN. BHD.	\$ -	\$ -	\$ 11
	EasyStore Commerce SDN. BHD.	-	-	112
	Omnichat Limited	<u>83</u>	<u>-</u>	<u>-</u>
		<u>\$ 83</u>	<u>\$ -</u>	<u>\$ 123</u>

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

e. Payables to related parties

Line Item	Related Party Name	September 30, 2023	December 31, 2022	September 30, 2022
Other payables to related parties	Jinghong, Inc.	\$ 270	\$ 21	\$ 284
	MYDRESS HOLDINGS LIMITED	<u>194</u>	<u>39</u>	<u>-</u>
		<u>\$ 464</u>	<u>\$ 60</u>	<u>\$ 284</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 September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
EasyStore Commerce SDN. BHD.	\$ -	\$ 70	\$ -	\$ 148
MYDRESS HOLDINGS LIMITED	<u>608</u>	<u>579</u>	<u>1,777</u>	<u>1,588</u>
	<u>\$ 608</u>	<u>\$ 649</u>	<u>\$ 1,777</u>	<u>\$ 1,736</u>

g. Others

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
Service expenses	Jinghong, Inc.	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 36</u>
Service revenue	EasyStore Commerce SDN. BHD.	<u>\$ -</u>	<u>\$ 312</u>	<u>\$ -</u>	<u>\$ 2,188</u>
Operating expenses	MYDRESS HOLDINGS LIMITED	<u>\$ -</u>	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 29</u>

h. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 13,368	\$ 10,699	\$ 38,561	\$ 33,484
Post-employment benefits	371	333	1,205	1,139
Share-based payments	<u>11</u>	<u>25</u>	<u>48</u>	<u>93</u>
	<u>\$ 13,750</u>	<u>\$ 11,057</u>	<u>\$ 39,814</u>	<u>\$ 34,716</u>

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

## 29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were pledged as collateral for commercial credit cards, and performance guarantees held by the Group:

	September 30, 2023	December 31, 2022	September 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:

### September 30, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items USD	\$ 21,831	32.27 (USD:NTD)	<u>\$ 704,476</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>

### September 30, 2022

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

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

Functional Currency	For the Nine Months Ended September 30			
	2023		2022	
	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	1 (NTD:NTD)	<u>\$ 2,320</u>	1 (NTD:NTD)	<u>\$ 2,194</u>

  

Functional Currency	For the Three Months Ended September 30			
	2023		2022	
	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	1 (NTD:NTD)	<u>\$ 1,894</u>	1 (NTD:NTD)	<u>\$ 1,463</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:

	<b>Taiwan</b>	<b>Others</b>	<b>Total</b>
For the nine months ended <u>September 30, 2023</u>			
Revenue from external customers	\$ 917,858	\$ 54,240	\$ 972,098
Inter-segment revenue	<u>4,320</u>	<u>677</u>	<u>4,997</u>
Segment revenue	922,178	54,917	977,095
Eliminations	<u>(4,320)</u>	<u>(677)</u>	<u>(4,997)</u>
Consolidated revenue	<u>\$ 917,858</u>	<u>\$ 54,240</u>	<u>\$ 972,098</u>
Segment income (excluding central administration costs)	\$ 285,126	\$ 5,343	\$ 290,469
Central administration costs			<u>(11,705)</u>
Segment income			278,764
Interest income			75,826
Other income			3,990
Other gains and losses			41,699
Finance costs			(344)
Share of profit or loss of associates and joint ventures accounted for using the equity method			<u>(24,347)</u>
Profit before tax (continuing operations)			<u>\$ 375,588</u>
For the nine months ended <u>September 30, 2022</u>			
Revenue from external customers	\$ 828,855	\$ 46,105	\$ 874,960
Inter-segment revenue	<u>1,591</u>	<u>-</u>	<u>1,591</u>
Segment revenue	830,446	46,105	876,551
Eliminations	<u>(1,591)</u>	<u>-</u>	<u>(1,591)</u>
Consolidated revenue	<u>\$ 828,855</u>	<u>\$ 46,105</u>	<u>\$ 874,960</u>
Segment income (excluding central administration costs)	\$ 257,509	\$ 938	\$ 258,447
Central administration costs			<u>(10,752)</u>
Segment income			247,695
Interest income			7,691
Other income			12,147
Other gains and losses			23,145
Finance costs			(329)
Share of profit or loss of associates accounted for using the equity method			<u>(11,213)</u>
Profit before tax (continuing operations)			<u>\$ 279,136</u>



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

b. Segment total assets and liabilities

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
<u>Segment assets</u>			
Taiwan	\$ 2,671,713	\$ 2,584,277	\$ 2,201,034
Others	58,719	62,059	66,978
Headquarters	<u>1,293,292</u>	<u>1,297,136</u>	<u>1,340,639</u>
Total consolidated assets	<u>\$ 4,023,724</u>	<u>\$ 3,943,472</u>	<u>\$ 3,608,651</u>
<u>Segment liabilities</u>			
Taiwan	\$ 1,198,294	\$ 1,390,737	\$ 1,122,507
Others	35,461	41,518	45,572
Headquarters	<u>3,020</u>	<u>1,670</u>	<u>1,837</u>
Total consolidated liabilities	<u>\$ 1,236,775</u>	<u>\$ 1,433,925</u>	<u>\$ 1,169,916</u>

91APP, Inc. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

SEPTEMBER 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	September 30, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
91APP, Inc.	<u>Unlisted shares</u> inline group Limited	-	Financial assets at FVTOCI - non-current	200,000	\$ 60,143	3.5	\$ 60,143	-
	<u>Emerging market shares</u> ELAND INFORMATION CO., LTD.	-	Financial assets at FVTOCI - non-current	564,508	<u>33,245</u> <u>\$ 93,388</u>	3.2	<u>33,245</u> <u>\$ 93,388</u>	-
91APP (Taiwan), Inc.	<u>Public shares</u> All Win Fintech Company Limited	-	Financial assets at FVTOCI - non-current	2,000,000	\$ 24,000	2.0	\$ 24,000	-
	<u>Bonds</u> Microsoft Corp.	-	Financial assets at FVTOCI - non-current	-	25,057	-	25,057	-
	The Procter & Gamble Co.	-	Financial assets at FVTOCI - non-current	-	21,878	-	21,878	-
	Amazon Com Inc.	-	Financial assets at FVTOCI - non-current	-	26,105	-	26,105	-
	Berkshire Hathaway Inc.	-	Financial assets at FVTOCI - non-current	-	23,858	-	23,858	-
	Johnson & Johnson	-	Financial assets at FVTOCI - non-current	-	19,222	-	19,222	-
	Walmart Inc.	-	Financial assets at FVTOCI - non-current	-	<u>24,820</u>	-	<u>24,820</u>	-
					<u>140,940</u> <u>\$ 164,940</u>		<u>140,940</u> <u>\$ 164,940</u>	

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 NINE MONTHS ENDED SEPTEMBER 30, 2023**  
(In Thousands of New Taiwan Dollars and Shares, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
91APP, Inc.	91APP (Taiwan), Inc.	Taiwan	Internet related business	\$ 200,000	\$ 200,000	20,000	100.00	\$ 1,479,027	\$ 283,819	\$ 283,819	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	14,018	14,018	1,400	70.00	20,077	1,924	1,347	Subsidiary
				(HK\$ 3,400)	(HK\$ 3,400)			(US\$ 622)	(US\$ 62)	(US\$ 44)	
	EasyStore Commerce SDN. BHD.	Malaysia	Internet related business	109,128	109,128	568	35.98	109,378	(10,121)	(3,642)	Associate
			(MYR 16,600)	(MYR 16,600)			(US\$ 3,389)	(US\$ -327)	(US\$ -118)		
	Omnichat Limited	Hong Kong	Internet related business	58,345	58,345	10,305	35.80	47,529	(63,291)	(22,955)	Associate
				(HK\$ 14,151)	(HK\$ 14,151)			(US\$ 1,473)	(US\$ -2,046)	(US\$ -742)	
91APP (Taiwan), Inc.	Jinghong, Inc.	Taiwan	Internet related business	34,350	34,350	700	35.00	34,480	7,749	2,250	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 32.27; for HKD is 4.123; for MYR is 6.574 and the average exchange rate for USD is 30.928).

**91APP, Inc. AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 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. 91APP HK Limited 91APP HK Limited	a	Other payables to related parties	\$ 9,010	Note 5	-
			a	Trade payables to related parties	707	Note 5	-
			a	Operating costs	677	Note 5	-
1	91APP (Taiwan) Inc.	91APP HK Limited 91APP HK Limited 91APP HK Limited 91APP HK Limited	c	Trade receivables from related parties	452	Note 5	-
			c	Contract liabilities	170	Note 5	-
			c	Operating revenue	4,320	Note 5	-
			c	Other payables to related parties	83	Note 5	-

Note 1: a. 0 represents the Company.  
b. Subsidiaries are numbered from 1.

Note 2: Relationships between the investee company and counterparty are classified into the following three categories (if it is the same transaction between the parent company and the subsidiary or between the subsidiaries, it is not necessary to disclose it repeatedly. For example, if the parent company's transaction with the subsidiary is disclosed, the subsidiary's part does not need to be repeatedly disclosed; for transactions between subsidiaries, if one of the subsidiaries has already been disclosed, the other subsidiary does not need to be repeatedly disclosed).

- a. Parent company to subsidiary.
- b. Subsidiary to parent company.
- c. Subsidiary to subsidiary.

Note 3: The calculation of the ratio of the transaction amount to the combined total revenue or total assets: If it is an asset and liability item, it is calculated as the ending balance divided by the combined total assets; if it is a profit or loss item, it is calculated as accumulated amount in the period divided by the combined total revenue.

Note 4: The listing of important transactions in this table can be determined by the Company according to the materiality principle.

Note 5: Since there is no related similar transaction to follow, the two parties negotiate and decode the transaction.

**TABLE 4****91APP, Inc.****INFORMATION OF MAJOR SHAREHOLDERS  
SEPTEMBER 30, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
NineYi Capital Inc.	28,271,999	23.44
N-Team, Inc.	17,800,000	14.76

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.