momo.com Inc. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2019 and 2018 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the combined financial statements of momo.com Inc. as of and for the year ended December 31, 2019, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No. 10 "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, momo.com Inc. and subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

momo.com Inc.

By

C.F. LIN
Chairman

February 12, 2020

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
momo.com Inc.

Opinion

We have audited the accompanying consolidated financial statements of momo.com Inc. and its subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China (ROC).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's consolidated financial statements for the year ended December 31, 2019 are stated as follows:

Risk of Revenue Recognition

The Group's primary source of revenue is generated from virtual channels, including TV shopping channels, E-commerce portals and catalogues. Due to the nature of the Group's core sales, the Group offers a wide range of products and services to different customers; the trading quantity is rather high while each transaction is individually low in value and is highly automated through the website and related system. As a result of the Group's business model being highly relying on IT infrastructure and the fact that the Group process, store and transmit large amounts of data through digital and web-based environment, the risk derived from revenue recognition depends on whether the sales amount can be transferred in the IT system appropriately thus ensuring correct timing of revenue recognition.

By conducting compliance tests, we obtained and understanding of the revenue recognition process and of the design and execution for relevant controls. The major audit procedures as follows:

1. Verify the details of invoices in the system to check if the sales amount of each invoice is consistent with its shipping notice and sales order.

2. Confirm the completeness and consistency of transmission through IT system by testing the information transferred from front-end system to general ledger system, and further perform tests on whether the Daily Sales Report in the system is consistent with journal entries of revenue each day.

Other Matter

We have also audited the parent company only financial statements of momo.com Inc. as of and for the years ended December 31, 2019 and 2018 on which we have issued an unmodified report.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the FSC of the ROC, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the ROC, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Li-Wen Kuo and Pei-De Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 12, 2020

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 ROC and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the ROC.

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

momo.com Inc. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019		2018	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 30)	$ 3,811,842	26	$ 2,924,449	24
Financial assets at fair value through profit or loss - current (Notes 7 and 30)	-	-	81,474	1
Financial assets at fair value through other comprehensive income - current (Note 8)	7,407	-	10,125	-
Accounts receivable, net (Note 9)	95,151	1	53,867	-
Accounts receivable from related parties (Note 30)	35,774	-	10,699	-
Other receivables, net (Note 9)	730,520	5	903,461	8
Other receivables from related parties (Note 30)	133,685	1	165,408	1
Inventories (Note 10)	2,405,934	16	1,627,218	13
Prepayments	62,483	1	161,642	1
Other financial assets - current (Notes 11, 30 and 31)	123,880	1	110,816	1
Other current assets	16,030	-	14,323	-
Rights to recover products - current (Note 23)	124,694	1	104,767	1
Total current assets	7,547,400	52	6,168,249	50
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Note 8)	49,584	-	42,580	-
Investments accounted for using equity method (Notes 5 and 13)	1,083,973	7	1,272,124	11
Property, plant and equipment (Notes 14 and 30)	4,364,869	30	4,477,398	37
Right-of-use assets (Notes 15 and 30)	1,088,091	7	-	-
Goodwill (Note 16)	13,332	-	26,664	-
Other intangible assets	112,775	1	101,733	1
Deferred tax assets (Note 25)	27,368	-	46,574	-
Prepayments for equipment (Note 32)	62,814	1	-	-
Refundable deposits (Note 30)	93,001	1	72,652	1
Other financial assets - non-current (Notes 11, 30 and 31)	155,962	1	18,578	-
Total non-current assets	7,051,769	48	6,058,303	50
TOTAL	$ 14,599,169	100	$ 12,226,552	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current	$ 42,662	-	$ 114,417	1
Notes and accounts payable (Note 17)	5,053,906	35	4,474,923	37
Accounts payable to related parties (Note 30)	280,392	2	94,603	1
Other payables (Note 18)	702,163	5	478,025	4
Other payables to related parties (Note 30)	27,140	-	56,161	-
Current tax liabilities	204,192	2	4,915	-
Lease liabilities - current (Notes 15, 27 and 30)	347,189	2	-	-
Refundable liabilities - current (Note 23)	143,562	1	123,675	1
Other current liabilities (Note 19)	571,040	4	426,275	4
Total current liabilities	7,372,246	51	5,772,994	48
NON-CURRENT LIABILITIES				
Provisions - non-current	18,013	-	13,773	-
Deferred tax liabilities (Note 25)	4,756	-	5,649	-
Lease liabilities - non-current (Notes 15, 27 and 30)	749,172	5	-	-
Net defined benefit liabilities (Note 20)	1,207	-	2,473	-
Guarantee deposits (Note 21)	277,542	2	259,559	2
Total non-current liabilities	1,050,690	7	281,454	2
Total liabilities	8,422,936	58	6,054,448	50
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 22)				
Common stock	1,400,585	9	1,400,585	11
Capital surplus	2,647,360	18	2,976,991	24
Retained earnings				
Legal reserve	803,491	6	706,713	6
Special reserve	167,894	1	266,327	2
Unappropriated earnings	1,309,339	9	967,781	8
Total retained earnings	2,280,724	16	1,940,821	16
Other equity	(172,693)	(1)	(167,894)	(1)
Total equity attributable to owners of the Parent	6,155,976	42	6,150,503	50
NON-CONTROLLING INTERESTS (Note 22)	20,257	-	21,601	-
Total equity	6,176,233	42	6,172,104	50
TOTAL	$ 14,599,169	100	$ 12,226,552	100

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

momo.com Inc. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 30)	$ 51,830,417	100	$ 42,017,012	100
OPERATING COSTS (Notes 10, 20, 24 and 30)	46,745,781	90	37,756,772	90
GROSS PROFIT FROM OPERATIONS	5,084,636	10	4,260,240	10
OPERATING EXPENSES (Notes 9, 20, 24 and 30)				
Marketing expenses	1,732,222	4	1,381,006	3
Administrative expenses	1,721,204	3	1,467,031	4
Expected credit loss	4,868	-	4,501	-
Total operating expenses	3,458,294	7	2,852,538	7
NET OTHER INCOME AND EXPENSES	29,287	-	14,716	-
OPERATING INCOME	1,655,629	3	1,422,418	3
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 24)	41,329	-	36,574	-
Other gains and losses, net (Notes 24 and 30)	(16,649)	-	(27,088)	-
Finance costs (Notes 24 and 30)	(8,529)	-	(2,745)	-
Share of profit of associates accounted for using equity method (Notes 5 and 13)	49,080	-	50,453	-
Total non-operating income and expenses	65,231	-	57,194	-
PROFIT BEFORE INCOME TAX	1,720,860	3	1,479,612	3
INCOME TAX EXPENSE (Note 25)	328,159	-	34,937	-
PROFIT	1,392,701	3	1,444,675	3
OTHER COMPREHENSIVE LOSS (Notes 13, 20, 22 and 25)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(110)	-	(238)	-
Unrealized gain (loss) on financial assets at fair value through other comprehensive income - equity instruments	4,286	-	(29,384)	-

(Continued)

momo.com Inc. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019 Amount	2019 %	2018 Amount	2018 %
Share of remeasurement of defined benefit plans of associates accounted for using equity method	$ (21)	-	$ (583)	-
Share of unrealized gain (loss) on financial assets at fair value through other comprehensive income - equity instruments of associates accounted for using equity method	8,702	-	(6,634)	-
Income tax related to items that will not be reclassified subsequently to profit or loss	22	-	300	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation	(21,932)	-	(12,676)	-
Share of other comprehensive income (loss) of associates accounted for using equity method	3,793	-	(684)	-
Other comprehensive loss, net of tax	(5,260)	-	(49,899)	-
COMPREHENSIVE INCOME	$ 1,387,441	3	$ 1,394,776	3
PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Parent	$ 1,393,781	3	$ 1,449,640	3
Non-controlling interests	(1,080)	-	(4,965)	-
	$ 1,392,701	3	$ 1,444,675	3
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Parent	$ 1,388,873	3	$ 1,399,538	3
Non-controlling interests	(1,432)	-	(4,762)	-
	$ 1,387,441	3	$ 1,394,776	3
EARNINGS PER SHARE (Note 26)				
Basic	$ 9.95		$ 10.35	
Diluted	$ 9.95		$ 10.35	

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

momo.com Inc. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Parent											
			Retained Earnings			Other Equity						
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2018	$ 1,420,585	$ 3,057,738	$ 579,727	$ 212,342	$ 1,269,857	$ (48,923)	$ -	$ (217,404)	$ (397,175)	$ 5,876,747	$ (9,234)	$ 5,867,513
Effect of retrospective application and retrospective restatement	-	-	-	-	(148,014)	-	(69,390)	217,404	-	-	-	-
BALANCE AT JANUARY 1, 2018 AS RESTATED	1,420,585	3,057,738	579,727	212,342	1,121,843	(48,923)	(69,390)	-	(397,175)	5,876,747	(9,234)	5,867,513
Distribution of 2017 earnings												
Legal reserve	-	-	126,986	-	(126,986)	-	-	-	-	-	-	-
Special reserve	-	-	-	53,985	(53,985)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,088,885)	-	-	-	-	(1,088,885)	-	(1,088,885)
Changes in equity of associates accounted for using equity method	-	13,292	-	-	4,380	-	-	-	-	17,672	-	17,672
Issue of cash dividends from capital surplus	-	(31,583)	-	-	-	-	-	-	-	(31,583)	-	(31,583)
Profit (loss) for the year ended December 31, 2018	-	-	-	-	1,449,640	-	-	-	-	1,449,640	(4,965)	1,444,675
Other comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	(521)	(13,563)	(36,018)	-	-	(50,102)	203	(49,899)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	1,449,119	(13,563)	(36,018)	-	-	1,399,538	(4,762)	1,394,776
Retirement of treasury stock	(20,000)	(39,470)	-	-	(337,705)	-	-	-	397,175	-	-	-
Changes in ownership interests in subsidiaries	-	(22,986)	-	-	-	-	-	-	-	(22,986)	25,302	2,316
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	10,295	10,295
BALANCE AT DECEMBER 31, 2018	1,400,585	2,976,991	706,713	266,327	967,781	(62,486)	(105,408)	-	-	6,150,503	21,601	6,172,104
Effect of retrospective application and retrospective restatement	-	-	-	-	29,438	-	-	-	-	29,438	88	29,526
BALANCE AT JANUARY 1, 2019 AS RESTATED	1,400,585	2,976,991	706,713	266,327	997,219	(62,486)	(105,408)	-	-	6,179,941	21,689	6,201,630
Distribution of 2018 earnings												
Legal reserve	-	-	96,778	-	(96,778)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(969,429)	-	-	-	-	(969,429)	-	(969,429)
Reversal of special reserve	-	-	-	(98,433)	98,433	-	-	-	-	-	-	-
Changes in equity of associates accounted for using equity method	-	(38,533)	-	-	(113,778)	-	-	-	-	(152,311)	-	(152,311)
Issue of cash dividends from capital surplus	-	(291,098)	-	-	-	-	-	-	-	(291,098)	-	(291,098)
Profit (loss) for the year ended December 31, 2019	-	-	-	-	1,393,781	-	-	-	-	1,393,781	(1,080)	1,392,701
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	(109)	(17,787)	12,988	-	-	(4,908)	(352)	(5,260)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	1,393,672	(17,787)	12,988	-	-	1,388,873	(1,432)	1,387,441
BALANCE AT DECEMBER 31, 2019	$ 1,400,585	$ 2,647,360	$ 803,491	$ 167,894	$ 1,309,339	$ (80,273)	$ (92,420)	$ -	$ -	$ 6,155,976	$ 20,257	$ 6,176,233

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

momo.com Inc. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 1,720,860	$ 1,479,612
Adjustments:		
Depreciation expenses	614,485	267,168
Amortization expenses	58,505	53,414
Expected credit losses	4,868	4,501
(Gain) loss on financial assets at fair value through profit or loss, net	(3,390)	28,067
Finance costs	8,529	2,745
Interest income	(27,009)	(29,114)
Share of profit of associates accounted for using equity method	(49,080)	(50,453)
Loss on disposal of property, plant and equipment	7	-
Impairment loss on non-financial assets	13,332	-
Loss on foreign currency exchange, net	1,871	864
Others	2,448	(589)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	84,864	736,265
Accounts receivable	(42,387)	(30,361)
Accounts receivable from related parties	(25,075)	(4,970)
Other receivables	169,161	(203,130)
Other receivables from related parties	31,731	36,586
Inventories	(778,716)	(589,103)
Prepayments	98,355	(126,764)
Other current assets	(1,670)	4,614
Rights to recover products	(19,927)	(8,990)
Contract liabilities	34,434	64,442
Notes and accounts payable	578,983	813,150
Accounts payable to related parties	185,789	88,087
Other payables	221,486	(157,933)
Other payables to related parties	2,888	(86,343)
Refund liabilities	19,887	6,121
Other current liabilities	38,576	(18,195)
Net defined benefit liabilities	(1,376)	(1,372)
Cash generated from operations	2,942,429	2,278,319
Interest received	45	640
Income tax paid	(106,088)	(193,331)
Net cash generated from operating activities	2,836,386	2,085,628
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using equity method	-	(20,771)
Net cash flow from acquisition of subsidiaries	-	(2,925)
Repayment of capital reduction from associates	-	31,090
Acquisition of property, plant and equipment	(196,852)	(679,989)
Proceeds from disposal of property, plant and equipment	6	-
Increase in refundable deposits	(24,395)	(17,373)

(Continued)

momo.com Inc. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
Decrease in refundable deposits	$ 1,607	$ 2,496
Acquisition of intangible assets	(64,628)	(57,760)
Increase in other financial assets	(189,745)	(74,034)
Decrease in other financial assets	37,107	30,579
Increase in prepayments for equipment	(62,814)	-
Interest received	26,297	28,022
Dividends received	74,850	76,783
Net cash used in investing activities	(398,567)	(683,882)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	-	(70,528)
Repayments of long-term loans	-	(2,042)
Proceeds from guarantee deposits received	53,087	49,942
Refund of guarantee deposits received	(35,104)	(34,401)
Repayment of the principal portion of lease liabilities	(298,505)	-
Cash dividends	(1,260,527)	(1,120,468)
Interest paid	(8,215)	(2,875)
Changes in non-controlling interests	-	2,316
Net cash used in financing activities	(1,549,264)	(1,178,056)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(1,162)	(311)
NET INCREASE IN CASH AND CASH EQUIVALENTS	887,393	223,379
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,924,449	2,701,070
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 3,811,842	$ 2,924,449

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

1. ORGANIZATION AND OPERATIONS

momo.com Inc. ("momo" or the "Company"), a ROC corporation was incorporated on September 27, 2004. The Company's shares were listed on the ROC Over-the-Counter Securities Exchange on February 27, 2014. On December 19, 2014, the Company's shares were shifted to be listed on the Taiwan Stock Exchange. The Company is mainly engaged in software design, TV and radio production, radio and TV program distribution, radio and TV advertising, issuing of magazine, and retailing.

The consolidated financial statements by the Company as of and for the year ended December 31, 2019, comprise the Company and its subsidiaries (collectively, the "Group").

The consolidated financial statements are presented in the Company's functional currency, New Taiwan dollars (NTD).

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's Board of Directors on February 12, 2020.

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

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies:

   - IFRS 16 "Leases"

     IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessee and lessor. It supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", and a number of related interpretations. Refer to Note 4 for information relating to the relevant accounting policies.

     Definition of a lease

     The Group reassesses whether a contract is, or contains, a lease in accordance with the definition of a lease under IFRS 16. Contracts that are reassessed as containing leases are accounted for in accordance with the transitional provisions under IFRS 16.

The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value asset and short-term leases are recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group presents the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion and the interest portion of lease liabilities are classified within financing activities. Prior to the application of IFRS 16, payments under operating lease contracts were recognized as expenses on a straight-line basis. The difference between the actual payments and the expenses, as adjusted for lease incentives, was recognized as accrued or prepaid expenses. Cash flows for operating leases were classified within operating activities on the consolidated statements of cash flows.

The Group elects to apply IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized in retained earnings on January 1, 2019. Comparative information is not restated.

Lease liabilities were recognized on January 1, 2019 for leases previously classified as operating leases under IAS 17. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019. Right-of-use assets are measured at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments. The Group applies IAS 36 to all right-of-use assets.

The Group also applies the practical expedients: The Group applies a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognized on January 1, 2019 is 0.89%. The difference between the lease liabilities recognized and operating lease commitments disclosed under IAS 17 on December 31, 2018 is explained as follows:

The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018	$ 789,024
Less: Recognition exemption for short-term leases	(31,043)
Undiscounted amounts on January 1, 2019	$ 757,981
Discounted amounts using the incremental borrowing rate on January 1, 2019	$ 744,684
Less: Others	(1,113)
Lease liabilities recognized on January 1, 2019	$ 743,571

The Group as lessor

The Group does not make any adjustments for leases in which it is a lessor, and it accounts for those leases with the application of IFRS 16 starting from January 1, 2019.

The impact on assets, liabilities and equity as of January 1, 2019 from the initial application of IFRS 16 is set out as follows:

	As Originally Stated on January 1, 2019	Adjustments Arising from Initial Application	Restated on January 1, 2019
Prepayments	$ 161,642	$ (804)	$ 160,838
Right-of-use assets	-	746,549	746,549
Deferred tax assets	46,574	(7,286)	39,288
Refundable deposits	72,652	(1,795)	70,857
Total effect on assets	12,226,552	736,664	12,963,216
Other payables	478,025	(4,524)	473,501
Other payables to related parties	56,161	(31,909)	24,252
Lease liabilities - current	-	220,150	220,150
Lease liabilities - non-current	-	523,421	523,421
Total effect on liabilities	6,054,448	707,138	6,761,586
Unappropriated earnings	967,781	29,438	997,219
Non-controlling interests	21,601	88	21,689
Total effect on equity	6,172,104	29,526	6,201,630

b. The IFRSs endorsed by the FSC for application starting from 2020

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 3 “Definition of a Business”	January 1, 2020 (Note 1)
Amendments to IFRS 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform”	January 1, 2020 (Note 2)
Amendments to IAS 1 and IAS 8 “Definition of Material”	January 1, 2020 (Note 3)

Note 1: The Group shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 2: The Group shall apply these amendments retrospectively for annual reporting periods beginning on or after January 1, 2020.

Note 3: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

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

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

New IFRSs	Effective Date Announced by IASB (Note)
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, 2021
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2022

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for the financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Basis of consolidation

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

Income and expenses of subsidiaries acquired of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition.

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

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

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 12, Table 5 and Table 6 for detailed information of subsidiaries (including percentages of ownership and main business).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. Other types of non-controlling interests are measured at fair value.

f. Foreign currencies

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

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

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

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

For the purposes of presenting consolidated financial statements, the functional currencies of the Company and its foreign operations (including subsidiaries and associates in other countries that use currencies which are different from the currency of the Company) are translated into the presentation currency - NTD, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

g. Inventories

Inventories are measured at the lower of cost or net realizable value. Inventories are assessed item by item, except those with similar characteristics which are assessed collectively. Net realizable value is the estimated selling price in the ordinary course of business less the estimated selling expenses. The weighted-average method is used in the calculation of cost.

h. Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

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

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

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

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

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

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

i. Property, plant and equipment

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

Properties, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

j. Goodwill

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

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

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period.

If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

k. Intangible assets

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

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

l. Impairment of tangible and intangible assets other than goodwill

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

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

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

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

m. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, and any remeasurement gains or losses on such financial assets are recognized in gains or losses. Fair value is determined in the manner described in Note 29.

ii. Financial assets at amortized cost

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

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

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

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

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

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, is recognized in profit or loss.

n. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

The restoration cost for lease improvements that were originally acquired or used by the Group for a period of time and had obligations for dismantling, relocating, and restoring to the previous state should be recognized as an addition to the assets and accrued as a potential liability accordingly.

o. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from sale of goods

The Group's primary source of revenue is generated from virtual channels, including TV shopping channels, E-commerce portals and catalogues. Sales of goods are recognized as revenue after the goods are shipped, and the transaction price received is recognized as a contract liability before the goods are delivered to the customer.

Under customer loyalty program, the Group offers mo coins or advance receipts from prepaid bonus for customers to deduct the price when they are redeemed. Transaction price is allocated on a stand-alone selling price basis to mo coins and advance receipts from prepaid bonus. mo coins and advance receipts from prepaid bonus will be recognized as revenue when they are redeemed or expired.

2) Revenue from rendering of services

The Group's revenues from rendering of services are advertising revenues and service revenues. Service revenues are that the Group procures the goods on behalf of customers as an agent. The Group recognizes service revenue in the net amount of consideration received or receivable when goods are transferred and the Group has no further obligation to customers. Advertising revenues are recognized as revenue during the contract period.

p. Leases

<u>2019</u>

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

The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

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

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

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

2018

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

The Group as lessee

Operating lease payments are recognized as expense on a straight-line basis over the lease term.

q. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), are recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities represent the actual deficit in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

r. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations 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 estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Critical Accounting Judgements

a. Significant influence over associates

Note 13 describes that several companies are associates of the Group although the Group only owns less than 20% of the voting power in each of these companies. The Group has significant influence over these companies by virtue of the right to appoint the directors to the Board of Directors of these companies.

b. Lease terms - 2019

In determining a lease term, the Group considers all facts and circumstances that create an economic incentive to exercise or not to exercise an option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. Main factors considered include contractual terms and conditions for the optional periods, significant leasehold improvements undertaken over the contract term, the importance of the underlying asset to the lessee's operations, etc. The lease term is reassessed if a significant change in circumstances that are within control of the Group occur.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2019	2018
Cash on hand and revolving funds	$ 16	$ 17
Cash in banks	1,736,426	1,585,159
Time deposits	2,075,400	1,339,273
	$ 3,811,842	$ 2,924,449
The market rate intervals of time deposits	0.1%-1.25%	0.1%-2.7%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2019	2018
Current		
Domestic beneficiary certificates	$ -	$ 81,474

As of December 31, 2018, the financial assets were not pledged.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity Instrument Investments

	December 31	
	2019	2018
Current		
Foreign unlisted stock	$ 7,407	$ 10,125
Non-current		
Domestic unlisted stock	$ 49,584	$ 42,580

These investments in equity instruments are not held for trading. Instead, they 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.

As of December 31, 2019 and 2018, the financial assets were not pledged.

9. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31	
	2019	2018
Accounts receivable		
Measured at amortized cost		
Accounts receivable	$ 97,765	$ 55,729
Less: Allowance for impairment loss	(2,614)	(1,862)
Accounts receivable, net	$ 95,151	$ 53,867
Other receivables		
Measured at amortized cost		
Other receivables	$ 739,682	$ 910,630
Less: Allowance for impairment loss	(9,162)	(7,169)
Other receivables, net	$ 730,520	$ 903,461

Accounts receivable and other receivables mainly include amounts that customers has paid through banks and logistics companies but not yet received.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable and other receivables are estimated by reference to the past default experience and collecting experience of each debtor as well as an increase in the number of delayed payments in the portfolio past the average credit period. Furthermore, the Group considers both its own trading records and observable changes in national or local economic conditions that correlate with defaults on receivables as factors affecting the expected credit losses. The Group estimates expected credit loss rate, based on different loss patterns for different customer segments, by past due status and actual situation.

The following table details the loss allowance of accounts receivable and other receivables.

December 31, 2019

	Not Past Due	1 to 120 Days	121 to 365 Days	Over 365 Days	Total
Gross carrying amount	$ 782,497	$ 36,299	$ 11,149	$ 7,502	$ 837,447
Loss allowance (Lifetime ECLs)	(197)	(115)	(3,967)	(7,497)	(11,776)
Amortized cost	$ 782,300	$ 36,184	$ 7,182	$ 5	$ 825,671

December 31, 2018

	Not Past Due	1 to 120 Days	121 to 365 Days	Over 365 Days	Total
Gross carrying amount	$ 931,202	$ 21,668	$ 7,825	$ 5,664	$ 966,359
Loss allowance (Lifetime ECLs)	(13)	(963)	(2,391)	(5,664)	(9,031)
Amortized cost	$ 931,189	$ 20,705	$ 5,434	$ -	$ 957,328

The expected credit loss rate of each period above, excluding abnormal transactions which have been recognized 100% credit loss, is lower than 10% when the aging of the receivables not past due or within 120 days and is between 35%-100% when the aging period past due over 121 days.

The movements of the loss allowance of accounts receivable and other receivables were as follows:

	For the Year Ended December 31	
	2019	2018
Beginning balance	$ 9,031	$ 4,774
Add: Provision	4,868	4,501
Less: Write-off	(2,123)	(244)
Ending balance	$ 11,776	$ 9,031

10. INVENTORIES

	December 31	
	2019	2018
Merchandise	$ 2,405,934	$ 1,627,218

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2019 and 2018 were $43,506,854 thousand and $34,804,100 thousand, which included inventory write-downs of $30,822 thousand and $8,703 thousand, respectively.

11. OTHER FINANCIAL ASSETS

	December 31	
	2019	2018
Current		
Pledged time deposits and restricted deposits	$ 69,380	$ 68,128
Time deposits with original maturities of more than 3 months	54,500	42,688
	$ 123,880	$ 110,816
Non-current		
Pledged time deposits and restricted deposits	$ 155,962	$ 18,578

a. The ranges of interest rates for time deposits with original maturities of more than 3 months were 0.17%-2.15% and 0.17%-1.75% per annum as of December 31, 2019 and 2018, respectively.

b. The Group estimates the expected credit risks of the above financial assets are not significant, and all the credit risks did not increase after initial recognition.

c. Refer to Note 31 for information relating to other financial assets pledged as security.

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Subsidiary	Nature of Activities	Percentage of Ownership December 31 2019	Percentage of Ownership December 31 2018
momo	Fu Sheng Travel Service Co., Ltd. (FST)	Travel agent	100.000	100.000
momo	Fuli Life Insurance Agent Co., Ltd. (FLI)	Life insurance agent	100.000	100.000
momo	Fuli Property Insurance Agent Co., Ltd. (FPI)	Property insurance agent	100.000	100.000
momo	Bebe Poshe International Co., Ltd. (Bebe Poshe)	Wholesale of cosmetics	85.000	85.000
momo	Asian Crown International Co., Ltd. (Asian Crown (BVI))	Investment	81.990	81.990
Asian Crown (BVI)	Fortune Kingdom Corporation (Fortune Kingdom)	Investment	100.000	100.000
Fortune Kingdom	Hong Kong Fubon Multimedia Technology Co., Ltd. (HK Fubon Multimedia)	Investment	100.000	100.000
HK Fubon Multimedia	Fubon Gehua (Beijing) Enterprise Ltd. (FGE)	Wholesaling	93.548	93.548
momo	Honest Development Co, Ltd. (Honest Development)	Investment	100.000	100.000
Honest Development	Hong Kong Yue Numerous Investment Co., Ltd. (HK Yue Numerous)	Investment	100.000	100.000
HK Yue Numerous	Haobo Information Consulting (Shenzhen) Co., Ltd. (Haobo)	Investment	100.000	100.000

b. Subsidiaries excluded from the consolidated financial statements: None.

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

The Group's associates that are accounted for using equity method were as follows:

Investee Company	December 31 2019 Amount	2019 % of Ownership	December 31 2018 Amount	2018 % of Ownership
Global Home Shopping Co., Ltd. (GHS)	$ 560,029	20.00	$ 766,529	20.00
Taiwan Pelican Express Co., Ltd. (TPE)	404,413	17.70	385,706	17.70
TVD Shopping Co., Ltd. (TVD Shopping)	119,531	35.00	119,889	35.00
	$ 1,083,973		$ 1,272,124	

Refer to Table 5 "Information on Investees" and Table 6 "Information on Investments in Mainland China" for the nature of activities, principal places of business and countries of incorporation of the associates.

a. GHS

In June 2015, momo's subsidiary acquired 20% equity interests of GHS.

Due to non-participation in GHS's capital increase in October 2015, momo subsidiary's shareholding in GHS decreased to 18%, while in January 2016, the Group acquired 2% equity interests of GHS and consequently the shareholding in GHS increased to 20% again.

b. TPE

In August 2012, the Company acquired 20% of TPE.

As of December 2013, the Company held 17.70% of TPE due to not subscribing for new shares issued by TPE and selling part of its shares when TPE went public. momo still has significant influence on TPE due to having two seats in TPE's Board of Directors.

c. TVD Shopping

To engage in Thailand E-commerce market, the Group acquired 35% of TVD Shopping, which was incorporated by momo and TV Direct Public Company Limited, with the total amount of investment of THB120,750 thousand.

d. Aggregate information of associates

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

	For the Year Ended December 31	
	2019	2018
The Group's share of:		
Profit	$ 49,080	$ 50,453
Other comprehensive income (loss)	12,474	(7,901)
Total comprehensive income for the year	$ 61,554	$ 42,552

e. Fair values (Level 1) of investments in associates with available published price quotations are summarized as follows:

	December 31	
Name of Associate	2019	2018
TPE	$ 516,081	$ 369,112

All the associates are accounted for using the equity method.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery	Office Equipment	Lease Improvement	Other Equipment	Property in Construction	Total
Cost								
Balance, January 1, 2018	$ 1,717,927	$ 1,676,457	$ 1,451,517	$ 48,339	$ 246,296	$ 12,587	$ 185,541	$ 5,338,664
Additions	-	13,479	103,125	29,114	16,222	2,518	45,575	210,033
Disposals	-	-	(132,934)	(461)	-	(142)	-	(133,537)
Reclassification	-	78,212	35,726	24,626	-	46,971	(216,077)	(30,542)
Effect of exchange rate changes	-	-	(1,702)	(44)	(58)	(7)	-	(1,811)
Balance, December 31, 2018	$ 1,717,927	$ 1,768,148	$ 1,455,732	$ 101,574	$ 262,460	$ 61,927	$ 15,039	$ 5,382,807
Accumulated depreciation and impairment								
Balance, January 1, 2018	$ -	$ 6,219	$ 636,067	$ 25,802	$ 101,098	$ 4,152	$ -	$ 773,338
Depreciation	-	79,593	130,750	20,056	30,718	6,051	-	267,168
Disposals	-	-	(132,934)	(461)	-	(142)	-	(133,537)
Effect of exchange rate changes	-	-	(1,482)	(42)	(29)	(7)	-	(1,560)
Balance, December 31, 2018	$ -	$ 85,812	$ 632,401	$ 45,355	$ 131,787	$ 10,054	$ -	$ 905,409
Carrying amounts, December 31, 2018	$ 1,717,927	$ 1,682,336	$ 823,331	$ 56,219	$ 130,673	$ 51,873	$ 15,039	$ 4,477,398

(Continued)

	Land	Buildings	Machinery	Office Equipment	Lease Improvement	Other Equipment	Property in Construction	Total
Cost								
Balance, January 1, 2019	$ 1,717,927	$ 1,768,148	$ 1,455,732	$ 101,574	$ 262,460	$ 61,927	$ 15,039	$ 5,382,807
Additions	-	1,116	114,825	18,224	22,005	17,610	20,467	194,247
Disposals	-	-	(71)	(572)	-	-	-	(643)
Reclassification	-	-	6,871	-	-	-	(13,896)	(7,025)
Effect of exchange rate changes	-	-	(2,926)	(77)	(100)	(10)	-	(3,113)
Balance, December 31, 2019	$ 1,717,927	$ 1,769,264	$ 1,574,431	$ 119,149	$ 284,365	$ 79,527	$ 21,610	$ 5,566,273
Accumulated depreciation and impairment								
Balance, January 1, 2019	$ -	$ 85,812	$ 632,401	$ 45,355	$ 131,787	$ 10,054	$ -	$ 905,409
Depreciation	-	81,086	149,325	24,514	36,955	7,588	-	299,468
Disposals	-	-	(68)	(562)	-	-	-	(630)
Effect of exchange rate changes	-	-	(2,688)	(73)	(72)	(10)	-	(2,843)
Balance, December 31, 2019	$ -	$ 166,898	$ 778,970	$ 69,234	$ 168,670	$ 17,632	$ -	$ 1,201,404
Carrying amounts, December 31, 2019	$ 1,717,927	$ 1,602,366	$ 795,461	$ 49,915	$ 115,695	$ 61,895	$ 21,610	$ 4,364,869

(Concluded)

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

Buildings	5-50 years
Machinery	1-12 years
Office equipment	3-10 years
Lease improvement	1-10 years
Other equipment	3-15 years

As of December 31, 2019 and 2018, the property, plant and equipment were not pledged as collateral.

15. LEASE ARRANGEMENTS

a. Right-of-use assets - 2019

	December 31, 2019
Carrying amounts	
Buildings	$ 1,081,176
Office equipment	4,485
Transportation equipment	2,430
	$ 1,088,091

	For the Year Ended December 31, 2019
Additions to right-of-use assets	$ 656,800
Depreciation charge for right-of-use assets	
Buildings	$ 312,199
Office equipment	2,122
Transportation equipment	696
	$ 315,017

b. Lease liabilities - 2019

	December 31, 2019
Carrying amounts	
Current	$ 347,189
Non-current	$ 749,172

Range of discount rate for lease liabilities was 0.78%-5.44%.

c. Material lease-in activities and terms

The Group leases buildings for the use of offices and warehouses with lease terms of 1.5 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.

d. Other lease information

2019

	For the Year Ended December 31, 2019
Expenses relating to short-term leases	$ 52,570
Expenses relating to low-value asset leases	$ 1,325
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 82,560
Total cash outflow for leases	$ (443,175)

The Group leases certain buildings which qualify as short-term leases and certain office equipment which qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

The amount of lease commitments for short-term leases for which the recognition exemption is applied (including lease commitments for short-term leases with lease terms commencing after the balance sheet dates) was $19,411 thousand as of December 31, 2019.

2018

The future minimum lease payments of non-cancellable operating lease commitments were as follows:

	December 31, 2018
Not later than 1 year	$ 258,068
Later than 1 year and not later than 5 years	530,956
	$ 789,024

16. GOODWILL

	For the Year Ended December 31	
	2019	2018
Cost		
Balance at January 1	$ 26,664	$ -
Additional amounts recognized from business combinations that occurred during the year	-	26,664
Balance at December 31	$ 26,664	$ 26,664
Accumulated impairment losses		
Balance at January 1	$ -	$ -
Impairment losses recognized	13,332	-
Balance at December 31	$ 13,332	$ -
Carrying amounts at December 31	$ 13,332	$ 26,664

The Group acquired the shares of Bebe Poshe in September 2018 and resulting in the goodwill of $26,664 thousand relating to expected benefit from the cosmetic sales growth of E-commerce. Due to the actual sales growth after the business combination did not perform as expected. The recoverable amount of Bebe Poshe, based on the estimated cash flows for the next 5 years, and the discount rate was 8.92%. Base on assessment, the Group recognized impairment loss of $13,332 thousand for the year ended December 31, 2019, which was in other gains and losses.

17. NOTES AND ACCOUNTS PAYABLE

	December 31	
	2019	2018
Notes payable	$ -	$ 1,889
Accounts payable		
Suppliers	$ 5,053,906	$ 4,473,034

18. OTHER PAYABLES

	December 31	
	2019	2018
Payable for salaries and bonus	$ 345,645	$ 268,548
Payable for business tax	78,914	54,122
Payable for pension	21,682	18,812
Payable for equipment and construction	6,888	11,681
Others	249,034	124,862
	$ 702,163	$ 478,025

19. OTHER CURRENT LIABILITIES

	December 31	
	2019	2018
Collection about travelling merchandise	$ 219,744	$ 207,288
Other financial liabilities	140,005	-
Others	211,291	218,987
	$ 571,040	$ 426,275

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Group was incorporated in Taiwan, ROC which adopted a pension plan under the Labor Pension Act (the "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, and the Group's subsidiaries in other countries are members of state-managed retirement benefit plans operated by local governments. 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.

Accordingly, the Group recognized expenses of $81,941 thousand and $77,090 thousand for the years ended December 31, 2019 and 2018, respectively.

b. Defined benefit plans

The defined benefit plan adopted by momo in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. momo contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2019	2018
Present value of defined benefit obligation	$ 13,181	$ 12,610
Fair value of plan assets	(11,974)	(10,137)
Net defined benefit liabilities	$ 1,207	$ 2,473

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2018	$ 12,003	$ (8,396)	$ 3,607
Net interest expense (income)	195	(148)	47
Recognized in profit or loss	195	(148)	47
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(174)	(174)
Actuarial loss - changes in financial assumptions	560	-	560
Actuarial gain - experience adjustments	(148)	-	(148)
Recognized in other comprehensive income	412	(174)	238
Contributions from the employer	-	(1,419)	(1,419)
Balance at December 31, 2018	12,610	(10,137)	2,473
Net interest expense (income)	173	(149)	24
Recognized in profit or loss	173	(149)	24
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(288)	(288)
Actuarial loss - changes in demographic assumptions	4	-	4
Actuarial loss - changes in financial assumptions	830	-	830
Actuarial gain - experience adjustments	(436)	-	(436)
Recognized in other comprehensive income	398	(288)	110
Contributions from the employer	-	(1,400)	(1,400)
Balance at December 31, 2019	$ 13,181	$ (11,974)	$ 1,207

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2019	2018
Discount rate(s)	1%	1.375%
Expected rate(s) of salary increase	2.5%	2.5%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2019	2018
Discount rate(s)		
0.25% increase	$ (560)	$ (560)
0.25% decrease	$ 589	$ 590
Expected rate(s) of salary increase		
0.25% increase	$ 573	$ 576
0.25% decrease	$ (548)	$ (550)

The sensitivity analysis previously presented may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation is calculated using the projected unit credit method at the end of the reporting period, which is the same method applied to the calculation of defined benefit liabilities recognized in the consolidated balance sheets.

	December 31	
	2019	2018
Expected contributions to the plans for the next year	$ 1,385	$ 1,404
Average duration of the defined benefit obligation	17.4 years	18.3 years

21. GUARANTEE DEPOSITS

	December 31	
	2019	2018
Vendors	$ 275,408	$ 259,525
Others	2,134	34
	$ 277,542	$ 259,559

22. EQUITY

a. Capital stock

As of December 31, 2019 and 2018, momo had authorized 150,000 thousand common shares, with 140,059 thousand shares issued and outstanding at par value $10 per share.

b. Capital surplus

	December 31	
	2019	2018
Additional paid-in capital	$ 2,472,964	$ 2,764,062
From share of changes in equities of subsidiaries	125,291	125,291
Expired employee share options	170	170
From share of changes in equities of associates	48,935	87,468
	$ 2,647,360	$ 2,976,991

Under the ROC Company Act, the capital surplus generated from the excess of the issuance price over the par value of capital stock 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 stock dividends up to a certain percentage of momo's paid-in capital. Expired employee share options, from share of changes in equities of subsidiaries and from share of changes in equities of associates may be used to offset a deficit.

c. Retained earnings and dividends policy

momo's Articles of Incorporation provide that, in the event that momo, according to the financial report, earns profits in a fiscal year, such profits shall first be applied to pay the applicable taxes, recover losses, set aside legal reserve pursuant to laws and regulations until the accumulated legal reserves equal momo's paid-in capital, and set aside or reverse a special reserve in accordance with the law or to satisfy the business needs of momo. The remaining balance and any unappropriation earnings of the previous fiscal years shall be distributed to the shareholders with more than 10% as dividends in accordance with resolutions of the shareholders' meetings. For information about the accrual basis of the employees' compensation and remuneration of directors and the actual appropriations, please refer to employee benefits expense in Note 24(d).

Based on the consideration of the needs of the Company's operations and to maximize shareholders' interest, the Board of Directors proposed, for approval in the shareholder's meeting, to distribute dividends per residual dividend policy. The Board makes the decision based on the Company's future capital budget-planning and funding needs for the following fiscal year, in addition to factors such as the Company's profitability, financial structure and diluted earnings per share.

Dividends shall be paid in stocks, cash or both; the payment of cash shall be at least over 10% of total amount, if dividends distribution includes cash and stocks.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals momo's paid-in capital. The legal reserve may be used to offset deficits. If momo has no deficit and the legal reserve has exceeded 25% of momo's paid-in capital, the excess may be transferred to capital or distributed in cash.

momo distributes and reverses a special reserve in accordance with Decree No. 1010012865, Decree No. 1010047490, and "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" issued by the FSC. Distributions can be made out of any subsequent reversal of the debit to other equity items.

The appropriations of earnings for 2018 and 2017 were approved in the shareholders' meetings on May 16, 2019 and May 17, 2018, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2018	2017
Legal reserve	$ 96,778	$ 126,986
Special reserve	$ (98,433)	$ 53,985
Cash dividends	$ 969,429	$ 1,088,885
Cash dividends per share (NT$)	$ 6.9216	$ 7.7745

The Company's shareholders resolved to issue cash dividends from capital surplus of $291,098 thousand and $31,583 thousand on May 16, 2019 and May 17, 2018, respectively.

d. Other equity

1) Exchange differences on translation

	For the Year Ended December 31	
	2019	2018
Beginning balance	$ (62,486)	$ (48,923)
Recognized for the year		
Exchange differences arising on translation	(21,580)	(12,879)
Share from associates accounted for using equity method	3,793	(684)
Other comprehensive loss recognized for the year	(17,787)	(13,563)
Ending balance	$ (80,273)	$ (62,486)

2) Unrealized gain (loss) on financial assets at fair value through other comprehensive income

	For the Year Ended December 31	
	2019	2018
Beginning balance	$ (105,408)	$ (69,390)
Recognized for the year		
Unrealized gain (loss) - equity instruments	4,286	(29,384)
Share from associates accounted for using equity method	8,702	(6,634)
Other comprehensive income (loss) recognized for the year	12,988	(36,018)
Ending balance	$ (92,420)	$ (105,408)

e. Non-controlling interests

	For the Year Ended December 31	
	2019	2018
Beginning balance	$ 21,601	$ (9,234)
Adjustment on initial application of IFRS 16	88	-
Beginning balance as restated	21,689	(9,234)
Share in loss for the year	(1,080)	(4,965)
Other comprehensive income (loss) during the year		
Exchange differences arising on translation	(352)	203
Acquisition of non-controlling interests in subsidiaries	-	10,295
Changes in ownership interests in subsidiaries	-	22,986
Others	-	2,316
Ending balance	$ 20,257	$ 21,601

f. Treasury shares

Shares Transferred to Employees	Total (In Thousands of Shares) For the Year Ended December 31, 2018
Number of shares on January 1	2,000
Changes during the year	(2,000)
Number of shares on December 31	-

On October 29, 2018, momo's Board of Directors approved to retire 2,000 thousand shares of treasury stock and the record date of capital deduction was on December 15, 2018. The related registration procedures had been completed.

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

23. REVENUE

	For the Year Ended December 31	
	2019	2018
Sales revenue	$ 51,147,670	$ 41,428,804
Other operating revenues	682,747	588,208
	$ 51,830,417	$ 42,017,012

Please refer to Note 4(o) and Note 36 for the details of revenue.

Contract Information

The Group's customary business practice allows customers to return the goods within 10 days for a full refund. The rate of return is estimated on a portfolio level using the expected value method, taking into account the Group's accumulated historical experience. The refund liability and the related right to recover products from customers are recorded accordingly.

Revenue recognized in the current year that was included in the contract liability balance at beginning of the year is as follows:

	For the Year Ended December 31	
	2019	2018
Revenue from sale of goods	$ 84,361	$ 25,756
Others	7,792	8,862
	$ 92,153	$ 34,618

24. PROFIT BEFORE INCOME TAX

a. Other income

	For the Year Ended December 31	
	2019	2018
Interest income	$ 27,009	$ 29,114
Others	14,320	7,460
	$ 41,329	$ 36,574

b. Other gains and losses

	For the Year Ended December 31	
	2019	2018
Gain (loss) on financial assets		
Financial assets mandatorily classified as at fair value through profit or loss	$ 3,390	$ (28,067)
Loss on disposal of property, plant and equipment	(7)	-
Net foreign exchange gains (losses)	(5,887)	979
Impairment loss on goodwill	(13,332)	-
Others	(813)	-
	$ (16,649)	$ (27,088)

c. Finance costs

	For the Year Ended December 31	
	2019	2018
Interest on lease liabilities	$ 8,512	$ -
Interest on bank loans	-	2,745
Others	17	-
	$ 8,529	$ 2,745

d. Employee benefits expense, depreciation and amortization

Nature \ Function	For the Year Ended December 31, 2019			For the Year Ended December 31, 2018		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salary	$ 667,993	$ 998,499	$1,666,492	$ 550,066	$ 880,037	$1,430,103
Insurance expense	69,437	97,100	166,537	55,665	86,057	141,722
Post-employment benefits	33,453	48,512	81,965	27,688	49,449	77,137
Other employee benefits	43,146	60,798	103,944	34,398	55,197	89,595
Depreciation	468,592	145,893	614,485	225,728	41,440	267,168
Amortization	9,490	49,015	58,505	8,165	45,249	53,414

According to momo's Articles, if the Company earns profits in a fiscal year, such profits shall be appropriated as follows:

1) A maximum of 0.3% as director remuneration.

2) 0.1% to 1% as employee remuneration.

Before allocating the profits for above shall first offset its losses in previous years.

Employees' compensation may be distributed to, including but not limited to, employees of parents or subsidiaries of the Company meeting certain specific requirements set by the Board of Directors or its authorized persons.

The Company's estimated employees' compensation and remuneration to directors were made by applying the rates to the aforementioned regulation. The employees' compensation and the remuneration of directors for the years ended December 31, 2019 and 2018, which were approved by the Board of Directors on February 12, 2020 and January 29, 2019, respectively, were as follows:

	For the Year Ended December 31	
	2019	2018
	Cash	Cash
Employees' compensation	$ 1,632	$ 1,480
Remuneration of directors	$ 1,632	$ 1,480

If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate.

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2018 and 2017.

Information on the employees' compensation and remuneration of directors resolved by momo's Board of Directors in 2019 and 2018 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

25. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Year Ended December 31	
	2019	2018
Current tax		
In respect of the current year	$ 317,128	$ 134,962
Adjustments for prior year	(18)	(73,716)
	317,110	61,246
Deferred tax		
In respect of the current year	11,049	(24,036)
Adjustments to deferred tax attributable to changes in tax rates	-	(2,273)
	11,049	(26,309)
Income tax expense recognized in profit or loss	$ 328,159	$ 34,937

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2019	2018
Profit before tax	$ 1,720,860	$ 1,479,612
Income tax expense calculated at the statutory rate (20%)	$ 344,172	$ 295,922
Share of loss of domestic investment accounted for using the equity method	(4,172)	(1,047)
Nondeductible expenses in determining taxable income	5,965	11,615
Temporary differences	7,048	(108,009)
Deferred tax	11,049	(24,036)
Adjustments for prior years' tax	(18)	(73,716)
Unrecognized loss carryforwards/deductible temporary differences	1,300	4,569
Investment tax credit	(40,709)	(67,341)
Withholding tax of foreign dividend income	3,211	-
Adjustments to deferred tax attributable to changes in tax rates	-	(2,273)
Effect of different tax rate of group entities operating in other jurisdictions	313	(747)
Income tax expense recognized in profit or loss	$ 328,159	$ 34,937

For the year ended December 31, 2018, the tax benefit from adjustment for prior years' tax recognized in the current period resulted from the approval for investment tax credit of the acquisition of equipment in May 2018, which deducted of $74,741 thousand tax payable from 2017 income tax return.

The Income Tax Act in the ROC was amended in 2018, and the corporate income tax rate was adjusted from 17% to 20%. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings was reduced from 10% to 5%. The applicable tax rate used by subsidiaries in China is 25%. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2019	2018
Deferred tax		
Remeasurement of defined benefit plans	$ 22	$ 47
Change in tax rate - remeasurement of defined benefit plans	-	253
Income tax recognized in other comprehensive income	$ 22	$ 300

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2019

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Effect of IFRS 16 Application	Closing Balance
Temporary differences					
Defined benefit obligation	$ 495	$ (276)	$ 22	$ -	$ 241
Allowance for inventory valuation loss	7,220	3,440	-	-	10,660
Investment tax credit	18,558	(18,558)	-	-	-
Others	20,301	3,452	-	(7,286)	16,467
	$ 46,574	$ (11,942)	$ 22	$ (7,286)	$ 27,368

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Unrealized gain on fair value through other comprehensive income financial assets	$ 3,774	$ -	$ -	$ 3,774
Others	1,875	(893)	-	982
	$ 5,649	$ (893)	$ -	$ 4,756

For the year ended December 31, 2018

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Defined benefit obligation	$ 613	$ (418)	$ 300	$ 495
Allowance for inventory valuation loss	5,491	1,729	-	7,220
Investment tax credit	-	18,558	-	18,558
Others	13,188	7,113	-	20,301
	$ 19,292	$ 26,982	$ 300	$ 46,574

Deferred Tax Liabilities	Opening Balance	Classification	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences					
Unrealized gain on available-for-sale financial assets	$ 3,208	$ (3,208)	$ -	$ -	$ -
Unrealized gain on fair value through other comprehensive income financial assets	-	3,208	566	-	3,774
Others	1,768	-	107	-	1,875
	$ 4,976	$ -	$ 673	$ -	$ 5,649

d. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31 2019	December 31 2018
Loss carryforwards	$ 297,720	$ 505,256

The Group did not recognize the deferred tax assets because estimated income would be not enough to use the tax in the future.

As of December 31, 2019, the Group had not recognized the prior years' loss carryforwards as deferred tax assets. The expiry years are as follows:

Remaining Creditable Amount	Expiry Year
$ 297,720	2020 to 2029

e. Income tax assessments

The Group's income tax returns which have been assessed by the tax authorities were as follows:

Company	Year
momo	2017
FST	2018
FLI	2017
FPI	2017
Bebe Poshe	2018

26. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2019	2018
Basic earnings per share	$ 9.95	$ 10.35
Diluted earnings per share	$ 9.95	$ 10.35

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2019	2018
Earnings used in the computation of basic and diluted earnings per share	$ 1,393,781	$ 1,449,640

Weighted Average Number of Ordinary Stocks Outstanding (In Thousand Shares)

	For the Year Ended December 31	
	2019	2018
Weighted average number of ordinary stocks used in the computation of basic earnings per share	140,059	140,059
Effect of potentially dilutive ordinary stocks:		
Employees' compensation	6	8
Weighted average number of ordinary stocks used in the computation of diluted earnings per share	140,065	140,067

Since the Group offered to settle compensation of employees in cash or shares, the Group assumed the entire amount of the compensation will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. CASH FLOW INFORMATION

Changes in liabilities arising from financing activities:

For the year ended December 31, 2019

	Opening Balance	Cash Flows	Non-cash Changes New Leases	Non-cash Changes Others	Closing Balance
Lease liabilities	$ 743,571	$ (306,720)	$ 651,381	$ 8,129	$1,096,361

28. CAPITAL MANAGEMENT

The Group maintains and manages its capital to optimize the balance of liabilities and equity in order to maximize shareholders' return. By periodically reviewing and measuring relative cost, risk, and rate of return to ensure profit and to maintain adequate financial ratios, the Group may adopt various financing approaches to balance its capital structure in order to meet the demands for capital expenditures, working capital, settlements of liabilities, and dividend payments in normal course of business for the future.

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Management of the Group believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values or their fair values cannot be reliably measured.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
Unlisted stock - foreign investments	$ -	$ 7,407	$ -	$ 7,407
Unlisted stock - domestic investments	-	-	49,584	49,584
	$ -	$ 7,407	$ 49,584	$ 56,991

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 81,474	$ -	$ -	$ 81,474
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
Unlisted stock - foreign investments	$ -	$ 10,125	$ -	$ 10,125
Unlisted stock - domestic investments	-	-	42,580	42,580
	$ -	$ 10,125	$ 42,580	$ 52,705

There were no transfers between Levels 1 and 2 in the current and prior year.

2) Valuation techniques and assumptions used in fair value determination

a) The fair value of financial instruments traded in active markets is based on quoted market prices (including beneficiary certificates that went public).

b) Valuation techniques and inputs applied for Level 2 fair value measurement: The Group uses market comparison approach to evaluate fair values on observable prices of the similar financial instruments and evaluate market liquidity at the end of the year.

c) Valuation techniques and inputs applied for Level 3 fair value measurement: The Group uses price-book ratio approach, comparing the net value per share with other public companies among the similar industries or evaluating stock price based on average price-book ratio of other competitors, to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.

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

Financial assets at fair value through other comprehensive income - equity instruments:

	For the Year Ended December 31	
	2019	2018
Beginning balance	$ 42,580	$ 53,820
Recognized in other comprehensive income (included unrealized gain (loss) on financial assets at fair value through other comprehensive income)	7,004	(11,240)
Ending balance	$ 49,584	$ 42,580

c. Categories of financial instruments

	December 31	
	2019	2018
Financial assets		
Financial assets at fair value through profit or loss		
Mandatorily at fair value through profit or loss	$ -	$ 81,474
Financial assets at fair value through other comprehensive income		
Investments in equity instruments	56,991	52,705
Financial assets at amortized cost (Note 1)	5,179,815	4,259,930
	$ 5,236,806	$ 4,394,109
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	$ 6,481,148	$ 5,363,271

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, accounts receivable, other receivables, other financial assets and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise notes and accounts payable, other payables, other financial liabilities and guarantee deposits.

d. Financial risk management objectives and policies

1) The Group is exposed to the following risks due to usage of financial instruments:

a) Credit risk
b) Liquidity risk
c) Market risk

This note presents information concerning the Group's risk exposure and the Group's targets, policies and procedures to measure and manage the risks.

2) Risk management framework

a) Decision-making mechanism:

The highest decision-making authority is the Board of Directors. The Board of Directors assesses material risks in accordance with operation strategy while monitoring the overall risks and their strategy execution steadily. In addition, the Operations and Management Committee conducts periodic reviews of each business group's operating target and performance to meet the Group's guidance and budget.

b) Risk management policies:

i. Promote a risk-management-based business model.

ii. Establish a risk management mechanism that can effectively recognize, evaluate, supervise and control risk.

iii. Create a company-wide risk management structure that can limit risk to an acceptable level.

iv. Introduce best risk management practices and continue to seek improvements.

c) Monitoring mechanism:

The Internal Audit Office regularly monitors and assesses the potential risks that the Group may face and use this information as a reference for drafting its annual audit plan. The Internal Audit Office should report any discrepancy to the concerned unit chief and ensure that remediation efforts are completed.

3) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty of a financial instrument fails to meet its contractual obligations, which arises principally from the Group's receivables from customers and financial instruments. The Group deals with customers with good reputation and monitors customers' credit risk and credit ratings continuously. The Group transacts with a large number of unrelated customers and, thus, credit risk is not highly concentrated. The Group's maximum exposure to credit risk of all kinds of financial instruments is equal to the carrying amount.

4) Liquidity risk

Liquidity risk is the risk that the Group fails to meet the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to manage liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable loss or damage to the Group's reputation.

The Group manages and maintains sufficient capital to ensure the requirements of paying estimated operating expenditures, including financial obligations on each contract. The Group also monitors its bank credit facilities to ensure that the provisions of loan contracts are all complied with properly. As of December 31, 2019 and 2018, the Group had unused bank facilities of $648,002 thousand and $751,158 thousand, respectively.

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 table includes both interest and principal cash flows.

December 31, 2019

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Lease liabilities	$ 30,463	$ 61,295	$ 265,336	$ 756,765	$ -

The Group's working capital is sufficient to meet the cash flow demand; therefore, liquidity risk is not considered to be significant.

5) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable range and to optimize the return.

The Group engages in financial instrument transactions without involving any significant risk such as exchange rate risk, interest rate risk, and market price risk; therefore, the Group's market risk is insignificant.

a) Exchange rate risk

Most of the operating revenues and expenses are measured in the Group's functional currency. Overall, exchange rate risk is not significant.

For the Group's financial assets and liabilities exposed to significant exchange rate risk (including those eliminated on consolidation), please refer to Note 34.

Sensitivity analysis

The Group was mainly exposed to the USD, GBP and RMB.

The Group's exchange rate risk comes mainly from conversion gains and losses of accounts denominated in foreign currencies such as cash and cash equivalents, accounts receivable, other financial assets, accounts payable and other payables, etc. If the NTD, when compared with the relevant foreign currencies, had appreciated or depreciated by 5% on the reporting date, profit would have increased (decreased) as follows:

	For the Year Ended December 31	
	2019	**2018**
Appreciated 5%	$ (4,621)	$ (3,467)
Depreciated 5%	$ 4,621	$ 3,467

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group carried deposits, other financial assets and lease liabilities at both fixed and floating interest rates.

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

	December 31	
	2019	**2018**
Fair value interest rate risk		
Financial assets	$ 2,331,864	$ 1,445,288
Financial liabilities	1,096,361	-
Cash flow interest rate risk		
Financial assets	1,759,265	1,605,450

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the year. For floating rate assets and liabilities, the analysis was prepared assuming the amount of the assets and liabilities outstanding at the end of the year were outstanding for the whole period. A 50 basis point increase or decrease was 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 50 basis points higher or lower and all other variables were held constant, the Group's profit for the years ended December 31, 2019 and 2018 would increase or decrease by $8,796 thousand and $8,027 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity instruments and beneficiary certificates. The Group supervises the equity price risk actively and manages the risk based on fair value.

Sensitivity analysis

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

If equity prices had been 5% higher or lower, the profit for the year ended December 31, 2018 would have increased or decreased by $4,074 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the post-tax other comprehensive income for the years ended December 31, 2019 and 2018 would have increased or decreased by $2,850 thousand and $2,635 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

30. TRANSACTIONS WITH RELATED PARTIES

momo's parent is Wealth Media Technology Co., Ltd. (WMT), which held 45.01% of common stocks of momo as of December 31, 2019 and 2018, respectively. momo's ultimate parent and ultimate controlling party is Taiwan Mobile Co., Ltd. (TWM).

Balances and transactions between momo and its subsidiaries, which are related parties of momo, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related party name and categories

Related Party Name	Related Party Categories
Taiwan Mobile Co., Ltd. (TWM)	Ultimate parent entity
Wealth Media Technology Co., Ltd. (WMT)	Parent entity
Taiwan Pelican Express Co., Ltd. (TPE)	Associates
Global Home Shopping Co., Ltd. (GHS)	Associates
Beijing Global Zhiqun Trading Co., Ltd. (GHS-ZQ)	Associates
Beijing Global Jiusha Media Technology Co., Ltd. (JS)	Associates
Beijing YueShih JiuSha Media Technology Co., Ltd. (YSJS)	Associates
GHS Trading Ltd. (GTL)	Associates

(Continued)

Related Party Name	Related Party Categories
TVD Shopping Co., Ltd. (TVD Shopping)	Associates
Taipei Fubon Commercial Bank Co., Ltd. (TFCB)	Related party in substance
Fubon Life Insurance Co., Ltd. (Fubon Life)	Related party in substance
Fubon Asset Management Co., Ltd. (FAM)	Related party in substance
Fubon Bank (China) Co., Ltd. (FB China)	Related party in substance
Fubon Insurance Co., Ltd. (Fubon Ins.)	Related party in substance
Fubon Sports & Entertainment Co., Ltd. (FSE)	Related party in substance
Fubon Securities Co., Ltd. (Fubon Securities)	Related party in substance
Fubon Property Management Co., Ltd. (FPM)	Related party in substance
Fubon Gymnasium Co., Ltd. (Fubon Gymnasium)	Related party in substance
Fubon Financial Holding Co., Ltd. (FFH)	Related party in substance
Fubon Cultural & Educational Foundation (FCEF)	Related party in substance
Fubon Hospitality Management Co., Ltd. (FHM)	Related party in substance
Taiwan Fixed Network Co., Ltd. (TFN)	Same ultimate parent entity
TFN Media Co., Ltd. (TFNM)	Same ultimate parent entity
Mangrove Cable TV Co., Ltd. (MCTV)	Same ultimate parent entity
Union Cable TV Co., Ltd. (UCTV)	Same ultimate parent entity
Yeong Jia Leh Cable TV Co., Ltd. (YJCTV)	Same ultimate parent entity
Taipei New Horizon Co., Ltd. (TNH)	Same ultimate parent entity
Globalview Cable TV Co., Ltd. (GCTV)	Same ultimate parent entity
Phoenix Cable TV Co., Ltd. (PCTV)	Same ultimate parent entity
Win TV Broadcasting Co., Ltd. (WTVB)	Same ultimate parent entity
Taiwan Kuro Times Co., Ltd. (TKT)	Same ultimate parent entity

(Concluded)

b. Operating revenues

Line Items	Related Party Categories	For the Year Ended December 31 2019	2018
Sales	Parent entity	$ 158,773	$ 749
	Associates	55,078	56,182
		$ 213,851	$ 56,931

The Group renders sales service to other related parties.

The transaction terms with related parties were not significantly different from those with third parties.

c. Purchases

Related Party Categories	For the Year Ended December 31 2019	2018
Parent entity	$ 1,101,542	$ 89,051
Associates	597,651	406,755
Other related parties	126,942	119,154
	$ 1,826,135	$ 614,960

The entities mentioned above provide sales, logistics, play video program and other services.

The transaction terms with related parties were not significantly different from those with third parties.

d. Receivables from related parties

Line Items	Related Party Categories/Name	December 31 2019	December 31 2018
Accounts receivable	Parent entity		
	TWM	$ 31,807	$ 346
	Associates	3,246	9,088
	Other related parties	721	1,265
		$ 35,774	$ 10,699
Other receivables	Parent entity	$ 20,793	$ 12,978
	Associates		
	TPE	63,931	112,956
	Others	62	-
		63,993	112,956
	Other related parties	48,899	39,474
		$ 133,685	$ 165,408

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2019 and 2018, no impairment losses were recognized for trade receivables from related parties.

e. Payables to related parties

Line Items	Related Party Categories	December 31 2019	December 31 2018
Accounts payable	Parent entity	$ 178,275	$ 3,009
	Associates	101,077	91,167
	Other related parties	1,040	427
		$ 280,392	$ 94,603
Other payables	Parent entity	$ 9,262	$ 9,097
	Associates	311	5
	Other related parties	17,567	47,059
		$ 27,140	$ 56,161

The outstanding trade payables to related parties are unsecured.

f. Bank deposits

Line Items	Related Party Categories/Name	December 31 2019	December 31 2018
Cash and cash equivalents	Other related parties		
	TFCB	$ 1,069,960	$ 294,567
	Others	18,736	23,001
		$ 1,088,696	$ 317,568
Other financial assets	Other related parties	$ 8,330	$ 11,438

g. Acquisition of property, plant and equipment

Related Party Categories	Purchase Price For the Year Ended December 31 2019	2018
Other related parties	$ 3,794	$ 23,403

h. Lease arrangements

Acquisition of right-of-use assets

Related Party Categories	For the Year Ended December 31, 2019
Other related parties	$ 46,453

Line Items	Related Party Categories/Name	December 31, 2019
Lease liabilities	Parent entity	$ 6,389
	Other related parties	
	Fubon Life	459,225
		$ 465,614

Related Party Categories/Name	For the Year Ended December 31, 2019
Interest expense	
Parent entity	$ 74
Associates	61
Other related parties	
Fubon Life	4,428
	$ 4,563

i. Disposal of financial assets

For the year ended December 31, 2019

Line Items	Related Party Categories/Name	Number of Units (In Thousand)	Underlying Assets	Purchase Price	Proceeds
Financial assets at fair value through profit or loss	Other related parties FAM	9,151	Fubon Strategic High Income Fund B	$ 100,000	$ 84,864

The Group recognized gain on financial assets at fair value through profit or loss of $3,390 thousand for the year ended December 31, 2019, and the accumulated loss was $15,136 thousand.

For the year ended December 31, 2018

Line Items	Related Party Categories/Name	Number of Units (In Thousand)	Underlying Assets	Purchase Price	Proceeds
Financial assets at fair value through profit or loss	Other related parties FAM	9,151	Fubon Strategic High Income Fund B	$ 100,000	$ 88,184

The Group recognized loss on financial assets at fair value through profit or loss of $2,249 thousand for the year ended December 31, 2018, and the accumulated loss was $11,816 thousand.

j. Others

1) Refundable deposits

Related Party Categories/Name	December 31 2019	2018
Parent entity	$ 739	$ 750
Associates	5,678	5,714
Other related parties		
Fubon Life	33,102	30,072
Others	541	542
	33,643	30,614
	$ 40,060	$ 37,078

2) Operating expenses

Related Party Categories/Name	For the Year Ended December 31 2019	2018
Parent entity		
TWM	$ 34,238	$ 20,363
Associates	7,237	6,536
Other related parties		
Fubon Life	8,354	76,687
TFCB	100,584	88,988
TFN	5,139	6,616
Fubon Ins.	5,880	20,032
FPM	13,840	13,357
Others	24,895	26,884
	158,692	232,564
	$ 200,167	$ 259,463

The operating expense included lease expense. Leases were conducted at general market prices, and the rental was paid monthly.

k. Compensation of key management personnel

	For the Year Ended December 31	
	2019	2018
Short-term employee benefits	$ 52,973	$ 48,572
Post-employment benefits	1,867	7,663
	$ 54,840	$ 56,235

The compensation of directors and key executives were determined by the remuneration committee in accordance with individual performance and market trends.

31. ASSETS PLEDGED

The assets pledged as collateral for performance guarantee, lawsuit and purchases were as follows:

	December 31	
	2019	2018
Other financial assets - current	$ 69,380	$ 68,128
Other financial assets - non-current	155,962	18,578
	$ 225,342	$ 86,706

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group at December 31, 2019 was as follows:

a. In accordance with the Ministry of Economic Affairs' policy, momo entered into a contract with First Commercial Bank Co., Ltd., which provided performance guarantee for advance receipts from prepaid bonus of $113,250 thousand as of December 31, 2019, and electronic tickets of $61,401 thousand as of December 31, 2019.

b. As of December 31, 2019, the Group's lease commitments, as a lessee, amounted to $331,170 thousand after the balance sheet date.

c. Due to the business development needs, in July 2019, momo's Board of Directors resolved the land procurement for the logistics warehouse. The total amount of contract was $628,143 thousand. As of December 31, 2019, contract amounts not yet paid for the land was $565,329 thousand.

33. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In January 2020, momo's Board of Directors resolved to establish a wholly-owned subsidiary, which is mainly engaged in transportation, and the investment amount is capped at $250,000 thousand.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currency of the Group. The exchange rates disclosed were used to translate the foreign currencies into the functional currency. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2019

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
RMB	$ 18,362	4.299 (RMB:NTD)	$ 78,936
USD	551	30.02 (USD:NTD)	16,554
			$ 95,490
Non-monetary items			
Financial assets at fair value through other comprehensive income			
HKD	1,921	3.855 (HKD:NTD)	$ 7,407
Investments accounted for using the equity method			
RMB	130,270	4.299 (RMB:NTD)	560,029
THB	118,371	1.01 (THB:NTD)	119,531
			$ 686,967
Financial liabilities			
Monetary items			
USD	102	30.02 (USD:NTD)	$ 3,066

December 31, 2018

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
RMB	$ 6,923	4.464 (RMB:NTD)	$ 30,903
USD	1,848	30.79 (USD:NTD)	56,915
			$ 87,818

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
Non-monetary items			
Financial assets at fair value through other comprehensive income			
HKD	$ 2,576	3.93 (HKD:NTD)	$ 10,125
Investments accounted for using equity method			
RMB	171,713	4.464 (RMB:NTD)	766,529
THB	125,776	0.953 (THB:NTD)	119,889
			$ 896,543
Financial liabilities			
Monetary items			
USD	561	30.79 (USD:NTD)	$ 17,284
GBP	31	38.98 (GBP:NTD)	1,189
			$ 18,473

(Concluded)

For the years ended December 31, 2019 and 2018, realized and unrealized net foreign exchange gains (losses) were $(5,887) thousand and $979 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the functional currencies of the Group's foreign entities.

35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others. (None)

2) Endorsements/guarantees provided. (None)

3) Marketable securities held (excluding investments in subsidiaries and associates). (Table 1)

4) Marketable securities acquired and disposed at costs or prices at least NT$300 million or 20% of the paid-in capital. (None)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (Table 2)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 3)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)

9) Trading in derivative instruments. (None)

10) Intercompany relationships and significant intercompany transactions. (Table 4)

11) Information on investees. (Table 5)

b. Information on investments in mainland China:

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)

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, unrealized gains or losses, and other related information which is helpful to understand the impact of investment in mainland China on financial reports. (None)

36. SEGMENT INFORMATION

The Group has two reporting segments: Television and magazine department and internet department.

Other segments include FST - travel agent, FLI - life insurance agent, FPI - property insurance agent, Bebe Poshe - wholesale of cosmetics, Asian Crown (BVI) - investment, and Honest Development - investment; for the years ended December 31, 2019 and 2018, the above segments did not exceed the quantitative threshold for separate reporting.

The Group's reporting segments provide different goods and services and require different techniques and strategies; thus, they were reported separately.

The Group has not apportioned income tax expense (benefit) on non-regular gains and losses to reporting segments. The reported amounts are the same with those used in making operating decision.

The segments' assets and liabilities are not provided to key management as reference in making decision; thus, the segments' assets and liabilities were not disclosed in the consolidated financial statements.

The Group's reporting segments information and adjustments are as follows:

	TV and Magazine	Internet	Others	Adjustments and Eliminations	Total
For the year ended December 31, 2019					
Revenues					
Non-inter-company revenues	$ 6,199,928	$ 45,477,058	$ 211,861	$ (58,430)	$ 51,830,417
Segment profits	$ 635,115	$ 1,058,042	$ 28,192	$ (489)	$ 1,720,860
For the year ended December 31, 2018					
Revenues					
Non-inter-company revenues	$ 6,528,702	$ 35,388,799	$ 125,081	$ (25,570)	$ 42,017,012
Segment profits	$ 609,168	$ 838,952	$ 31,478	$ 14	$ 1,479,612

momo.com Inc. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Company	Financial Statement Account	December 31, 2019				Note
				Units/Shares (Thousands)	Carrying Value	Percentage of Ownership	Fair Value	
momo	Stock							
	Media Asia Group Holdings Limited	-	Financial assets at fair value through other comprehensive income - current	43,668	$ 7,407	2.04	$ 7,407	
	We Can Medicines Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	2,400	49,584	7.73	49,584	

momo.com Inc. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
momo	Land	2019.07.31	$ 628,143	$62,814 has been paid, the remaining payment is paid according to the contract	YiJinn Industrial Co., Ltd	-	-	-	-	$ -	According to the professional appraisal report and market condition	Increase the logistics warehouse in response to the operational needs	-

momo.com Inc. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
momo	TPE	Equity-method investee	Purchase	$ 597,651	1	Based on contract terms	-	-	$ (101,077)	(2)	
	TWM	Ultimate parent entity	Sale	158,773	-	Based on contract terms	-	-	31,807	25	
			Purchase	1,135,778	Note 1	Based on contract terms	-	-	(186,683)	Note 2	

Note 1: Including operating costs and operating expenses.

Note 2: Including accounts payable and other payables.

momo.com Inc. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
0	momo	FST	1	Other receivables	$ 12,057	The terms of transaction are determined in accordance with mutual agreements or general business practices	0.08
		FGE	1	Sales revenue	37,351	The terms of transaction are determined in accordance with mutual agreements or general business practices	0.07
1	Bebe Poshe	momo	2	Sales revenue	19,735	The terms of transaction are determined in accordance with mutual agreements or general business practices	0.04

Note: No. 1 represents the transactions from parent company to subsidiary.

No. 2 represents the transactions from subsidiary to parent company.

momo.com Inc. AND SUBSIDIARIES

INFORMATION ON INVESTEES
(EXCLUDING INFORMATION ON INVESTMENTS IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2019	December 31, 2018	Shares (Thousands)	% of Ownership	Carrying Value			
momo	FST	Taiwan	Travel agent	$ 6,000	$ 6,000	3,000	100.00	$ 47,826	$ 8,509	$ 8,509	
	FLI	Taiwan	Life insurance agent	3,000	3,000	500	100.00	8,791	(304)	(304)	
	FPI	Taiwan	Property insurance agent	3,000	3,000	500	100.00	10,403	1,275	1,275	
	Asian Crown (BVI)	British Virgin Islands	Investment	885,285	885,285	9,735	81.99	40,741	142	116	
	TPE	Taiwan	Logistics industry	337,860	337,860	16,893	17.70	404,413	158,565	20,858	
	TVD Shopping	Thailand	Wholesale and retail sales	121,933 (THB 120,750)	121,933 (THB 120,750)	24,150	35.00	119,531	36,316	12,522	Note 3
	Honest Development	Samoa	Investment	670,448	670,448	21,778	100.00	630,252	9,592	9,592	
	Bebe Poshe	Taiwan	Wholesale of cosmetics	85,000	85,000	8,500	85.00	62,992	(7,532)	(6,402)	
Asian Crown (BVI)	Fortune Kingdom	Samoa	Investment	1,132,789	1,132,789	11,594	100.00	45,274	229	Note 2	
Fortune Kingdom	HK Fubon Multimedia	Hong Kong	Investment	1,132,789	1,132,789	11,594	100.00	45,274	229	Note 2	
Honest Development	HK Yue Numerous	Hong Kong	Investment	670,448	670,448	16,600	100.00	630,252	9,592	Note 2	

Note 1: Except for TPE and TVD Shopping, the investment income (loss) was eliminated in consolidation.

Note 2: The income/loss of the investee was already included in the income/loss of the investor, and is not presented in this table.

Note 3: The exchange rate on December 31, 2019 is THB1=NT$1.01.

Note 4: Please refer to Table 6 for information on investments in mainland China.

momo.com Inc. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2019	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2019	Net Income (Loss) of Investee	% Ownership through Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2019	Accumulated Inward Remittance of Earnings as of December 31, 2019	Note
					Outflow	Inflow							
FGE	Wholesaling	$ 333,173 (RMB 77,500)	b.	$ 804,040 (USD 14,000) (RMB 89,267)	$ -	$ -	$ 804,040 (USD 14,000) (RMB 89,267)	$ 376	76.70	$ 289	$ 30,240	$ -	
Haobo	Investment	47,289 (RMB 11,000)	b.	-	-	-	-	14,261	100.00	14,261	603,097	-	
GHS	Wholesaling	214,951 (RMB 50,000)	b.	-	-	-	-	166,832	20.00	15,700	560,029	-	

Accumulated Investments in Mainland China as of December 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
$1,453,758 (USD14,000, RMB89,267 and HKD168,539)	$1,453,758 (USD14,000, RMB89,267 and HKD168,539)	$3,705,740

Note 1: The investment types are as follows:

a. Direct investment in mainland China.

b. Indirect investment in mainland China through a subsidiary in a third place.

1) FGE is HK Fubon Multimedia's subsidiary.
2) Haobo is HK Yue Numerous's subsidiary.
3) GHS is Haobo's associate.

c. Others.

Note 2: The exchange rates on December 31, 2019 are USD1=NT$30.02, RMB1=NT$4.299, and HKD1=NT$3.855.