

momo.com Inc. and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2021 and 2020 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
momo.com Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of momo.com Inc. and its subsidiaries (the Group) as of March 31, 2021 and 2020, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2021 and 2020, and of its consolidated financial performance, and its consolidated cash flows for the three months ended March 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

April 28, 2021

Notice to Readers

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

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

momo.com Inc. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2021		December 31, 2020		March 31, 2020	
	(Reviewed)		(Audited)		(Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 26)	\$ 5,883,938	33	\$ 5,054,973	29	\$ 4,368,423	29
Financial assets at fair value through other comprehensive income - current (Note 7)	16,942	-	8,533	-	2,551	-
Accounts receivable, net (Note 8)	88,039	1	149,191	1	80,905	1
Notes and accounts receivable from related parties (Note 26)	47,845	-	31,547	-	32,141	-
Other receivables, net (Note 8)	951,601	5	673,771	4	682,538	5
Other receivables from related parties (Note 26)	134,259	1	199,619	1	141,758	1
Inventories (Note 9)	2,666,411	15	3,390,012	19	2,126,542	14
Prepayments (Note 26)	83,336	-	53,995	-	143,359	1
Other financial assets - current (Notes 10, 26 and 27)	214,638	1	214,999	1	223,401	1
Other current assets	22,051	-	20,703	-	10,129	-
Right to recover products - current (Note 20)	<u>123,589</u>	<u>1</u>	<u>135,337</u>	<u>1</u>	<u>116,185</u>	<u>1</u>
Total current assets	<u>10,232,649</u>	<u>57</u>	<u>9,932,680</u>	<u>56</u>	<u>7,927,932</u>	<u>53</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 7)	66,892	-	70,252	-	48,120	-
Investments accounted for using equity method (Note 12)	778,289	5	1,184,893	7	1,032,888	7
Property, plant and equipment (Note 13)	4,835,111	27	4,873,389	27	4,331,164	29
Right-of-use assets (Note 14)	1,410,965	8	1,282,411	7	1,054,044	7
Goodwill	-	-	-	-	13,332	-
Other intangible assets	95,520	1	94,071	1	102,762	1
Deferred tax assets	39,074	-	36,322	-	31,363	-
Prepayments for equipment	11,470	-	6,290	-	205,238	1
Refundable deposits (Note 26)	126,249	1	124,531	1	93,319	1
Net defined benefit assets - non-current (Note 18)	76	-	-	-	-	-
Other financial assets - non-current (Notes 10, 26 and 27)	<u>204,197</u>	<u>1</u>	<u>204,195</u>	<u>1</u>	<u>155,963</u>	<u>1</u>
Total non-current assets	<u>7,567,843</u>	<u>43</u>	<u>7,876,354</u>	<u>44</u>	<u>7,068,193</u>	<u>47</u>
TOTAL	<u>\$ 17,800,492</u>	<u>100</u>	<u>\$ 17,809,034</u>	<u>100</u>	<u>\$ 14,996,125</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities - current	\$ 37,282	-	\$ 35,452	-	\$ 52,259	-
Accounts payable (Note 15)	6,218,188	35	6,619,620	37	5,308,080	36
Accounts payable to related parties (Note 26)	176,738	1	437,630	3	225,515	2
Other payables (Note 16)	603,583	3	955,170	5	457,443	3
Other payables to related parties (Note 26)	42,837	-	30,341	-	43,257	-
Current tax liabilities	465,337	3	294,890	2	322,856	2
Lease liabilities - current (Notes 14, 24 and 26)	467,038	3	426,417	2	358,927	2
Current refund liabilities (Note 20)	141,796	1	152,601	1	135,390	1
Other current liabilities (Note 17)	<u>646,003</u>	<u>4</u>	<u>699,354</u>	<u>4</u>	<u>475,115</u>	<u>3</u>
Total current liabilities	<u>8,798,802</u>	<u>50</u>	<u>9,651,475</u>	<u>54</u>	<u>7,378,842</u>	<u>49</u>
NON-CURRENT LIABILITIES						
Provisions - non-current	21,980	-	20,914	-	18,359	-
Deferred tax liabilities	8,536	-	7,548	-	4,884	-
Lease liabilities - non-current (Notes 14, 24 and 26)	968,111	5	877,867	5	706,740	5
Net defined benefit liabilities - non-current (Note 18)	-	-	279	-	862	-
Guarantee deposits	<u>308,861</u>	<u>2</u>	<u>300,971</u>	<u>2</u>	<u>283,658</u>	<u>2</u>
Total non-current liabilities	<u>1,307,488</u>	<u>7</u>	<u>1,207,579</u>	<u>7</u>	<u>1,014,503</u>	<u>7</u>
Total liabilities	<u>10,106,290</u>	<u>57</u>	<u>10,859,054</u>	<u>61</u>	<u>8,393,345</u>	<u>56</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)						
Common stock	<u>1,400,585</u>	<u>8</u>	<u>1,400,585</u>	<u>8</u>	<u>1,400,585</u>	<u>9</u>
Capital surplus	<u>2,581,580</u>	<u>14</u>	<u>2,624,386</u>	<u>15</u>	<u>2,647,360</u>	<u>18</u>
Retained earnings						
Legal reserve	934,425	5	934,425	5	803,491	5
Special reserve	172,693	1	172,693	1	167,894	1
Unappropriated earnings	<u>2,775,752</u>	<u>16</u>	<u>1,944,434</u>	<u>11</u>	<u>1,748,058</u>	<u>12</u>
Total retained earnings	<u>3,882,870</u>	<u>22</u>	<u>3,051,552</u>	<u>17</u>	<u>2,719,443</u>	<u>18</u>
Other equity	<u>(185,569)</u>	<u>(1)</u>	<u>(142,530)</u>	<u>(1)</u>	<u>(184,152)</u>	<u>(1)</u>
Total equity attributable to owners of the Company	<u>7,679,466</u>	<u>43</u>	<u>6,933,993</u>	<u>39</u>	<u>6,583,236</u>	<u>44</u>
NON-CONTROLLING INTERESTS (Note 19)	<u>14,736</u>	<u>-</u>	<u>15,987</u>	<u>-</u>	<u>19,544</u>	<u>-</u>
Total equity	<u>7,694,202</u>	<u>43</u>	<u>6,949,980</u>	<u>39</u>	<u>6,602,780</u>	<u>44</u>
TOTAL	<u>\$ 17,800,492</u>	<u>100</u>	<u>\$ 17,809,034</u>	<u>100</u>	<u>\$ 14,996,125</u>	<u>100</u>

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

momo.com Inc. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 20 and 26)	\$ 18,361,218	100	\$ 15,105,707	100
OPERATING COSTS (Notes 9, 18, 21 and 26)	<u>16,464,024</u>	<u>90</u>	<u>13,626,786</u>	<u>90</u>
GROSS PROFIT FROM OPERATIONS	<u>1,897,194</u>	<u>10</u>	<u>1,478,921</u>	<u>10</u>
OPERATING EXPENSES (Notes 8, 18, 21 and 26)				
Marketing expenses	615,175	3	508,626	3
Administrative expenses	405,806	2	386,958	3
Research and development expenses	48,186	-	41,142	-
Expected credit loss	<u>1,188</u>	<u>-</u>	<u>3,375</u>	<u>-</u>
Total operating expenses	<u>1,070,355</u>	<u>5</u>	<u>940,101</u>	<u>6</u>
NET OTHER INCOME AND EXPENSES (Note 26)	<u>19,015</u>	<u>-</u>	<u>23,113</u>	<u>-</u>
OPERATING INCOME	<u>845,854</u>	<u>5</u>	<u>561,933</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	5,117	-	7,406	-
Other income	839	-	963	-
Other gains and losses, net (Notes 12 and 21)	98,416	-	(847)	-
Finance costs (Notes 21 and 26)	(2,861)	-	(2,427)	-
Share of profit or loss of associates accounted for using equity method (Note 12)	<u>785</u>	<u>-</u>	<u>(9,748)</u>	<u>-</u>
Total non-operating income and expenses	<u>102,296</u>	<u>-</u>	<u>(4,653)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	948,150	5	557,280	4
INCOME TAX EXPENSE (Note 22)	<u>168,872</u>	<u>1</u>	<u>115,949</u>	<u>1</u>
NET PROFIT	<u>779,278</u>	<u>4</u>	<u>441,331</u>	<u>3</u>

(Continued)

momo.com Inc. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
(Note 19)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 5,049	-	\$ (6,320)	-
Share of remeasurement of defined benefit plans of associates accounted for using equity method	-	-	(522)	-
Share of unrealized gain on investments in equity instruments at fair value through other comprehensive income of associates accounted for using equity method	\$ 17,700	-	\$ 6,821	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation	(13,646)	-	(12,114)	-
Share of other comprehensive income (loss) of associates accounted for using equity method	(1,353)	-	62	-
Other comprehensive income (loss), net of tax	7,750	-	(12,073)	-
TOTAL COMPREHENSIVE INCOME	\$ 787,028	4	\$ 429,258	3
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 780,480	4	\$ 441,952	3
Non-controlling interests	(1,202)	-	(621)	-
	\$ 779,278	4	\$ 441,331	3
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 788,279	4	\$ 429,971	3
Non-controlling interests	(1,251)	-	(713)	-
	\$ 787,028	4	\$ 429,258	3
EARNINGS PER SHARE (Note 23)				
Basic	\$ 5.57		\$ 3.16	
Diluted	\$ 5.57		\$ 3.16	

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

(Concluded)

momo.com Inc. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company						Other Equity	Total	Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings			Exchange Differences on Translation	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
			Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2020	\$ 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
Changes in equity of associates accounted for using equity method	-	-	-	-	(2,711)	-	-	(2,711)	-	(2,711)
Net profit (loss) for the three months ended March 31, 2020	-	-	-	-	441,952	-	-	441,952	(621)	441,331
Other comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	(522)	(11,960)	501	(11,981)	(92)	(12,073)
Total comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	441,430	(11,960)	501	429,971	(713)	429,258
BALANCE AT MARCH 31, 2020	<u>\$ 1,400,585</u>	<u>\$ 2,647,360</u>	<u>\$ 803,491</u>	<u>\$ 167,894</u>	<u>\$ 1,748,058</u>	<u>\$ (92,233)</u>	<u>\$ (91,919)</u>	<u>\$ 6,583,236</u>	<u>\$ 19,544</u>	<u>\$ 6,602,780</u>
BALANCE AT JANUARY 1, 2021	\$ 1,400,585	\$ 2,624,386	\$ 934,425	\$ 172,693	\$ 1,944,434	\$ (79,312)	\$ (63,218)	\$ 6,933,993	\$ 15,987	\$ 6,949,980
Changes in equity of associates accounted for using equity method	-	46	-	-	-	-	-	46	-	46
Net profit (loss) for the three months ended March 31, 2021	-	-	-	-	780,480	-	-	780,480	(1,202)	779,278
Other comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	-	(14,950)	22,749	7,799	(49)	7,750
Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	780,480	(14,950)	22,749	788,279	(1,251)	787,028
Disposal of investments accounted for using equity method	-	(42,852)	-	-	50,838	-	(50,838)	(42,852)	-	(42,852)
BALANCE AT MARCH 31, 2021	<u>\$ 1,400,585</u>	<u>\$ 2,581,580</u>	<u>\$ 934,425</u>	<u>\$ 172,693</u>	<u>\$ 2,775,752</u>	<u>\$ (94,262)</u>	<u>\$ (91,307)</u>	<u>\$ 7,679,466</u>	<u>\$ 14,736</u>	<u>\$ 7,694,202</u>

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

momo.com Inc. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 948,150	\$ 557,280
Adjustments for:		
Depreciation expenses	213,537	177,674
Amortization expenses	14,391	13,533
Expected credit loss	1,188	3,375
Finance costs	2,861	2,427
Interest income	(5,117)	(7,406)
Share of (profit) loss of associates accounted for using equity method	(785)	9,748
Loss on disposal of property, plant and equipment	11	-
Gain on disposal of investments accounted for using equity method	(99,052)	-
Others	523	406
Changes in operating assets and liabilities		
Accounts receivable	61,091	14,176
Notes and accounts receivable from related parties	4,296	3,633
Other receivables	(278,580)	45,236
Other receivables from related parties	36,694	(8,073)
Inventories	723,601	279,392
Prepayments	(29,341)	(80,876)
Other current assets	(1,378)	5,840
Right to recover products	11,748	8,509
Contract liabilities	1,830	9,597
Accounts payable	(401,432)	254,174
Accounts payable to related parties	(260,892)	(54,877)
Other payables	(341,185)	(246,080)
Other payables to related parties	12,496	16,117
Refund liabilities	(10,805)	(8,172)
Other current liabilities	(53,351)	(95,925)
Net defined benefit plans	(355)	(345)
Cash generated from operations	550,144	899,363
Interest received	13	11
Income tax paid	(159)	(1,091)
Net cash generated from operating activities	549,998	898,283
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of investments accounted for using equity method	466,547	-
Repayment of capital reduction from associates	-	33,298
Acquisition of property, plant and equipment	(70,839)	(46,311)
Increase in refundable deposits	(12,248)	(2,688)
Decrease in refundable deposits	10,313	2,460

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momo.com Inc. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CASH FLOWS****(In Thousands of New Taiwan Dollars)****(Reviewed, Not Audited)**

	For the Three Months Ended March 31	
	2021	2020
Acquisition of intangible assets	\$ (7,773)	\$ (3,948)
Increase in other financial assets	(39)	(100,036)
Decrease in other financial assets	24	75
Increase in prepayments for equipment	(5,180)	(142,424)
Interest received	4,490	6,637
Dividends received	<u>7,914</u>	<u>-</u>
Net cash generated from (used in) investing activities	<u>393,209</u>	<u>(252,937)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in guarantee deposits received	15,190	13,190
Decrease in guarantee deposits received	(7,300)	(7,074)
Repayment of the principal portion of lease liabilities	(119,140)	(92,214)
Interest paid	<u>(2,834)</u>	<u>(2,397)</u>
Net cash used in financing activities	<u>(114,084)</u>	<u>(88,495)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(158)</u>	<u>(270)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	828,965	556,581
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>5,054,973</u>	<u>3,811,842</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 5,883,938</u>	<u>\$ 4,368,423</u>

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

(Concluded)

momo.com Inc. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

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 three months ended March 31, 2021, 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 April 28, 2021.

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

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

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
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
Amendment to IFRS 16 “Covid-19-Related Rent Concessions beyond 30 June 2021”	April 1, 2021 (Note 8)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 6)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 7)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)
	(Concluded)

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

Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 8: A lessee should apply the amendment for annual reporting periods beginning on or after April 1, 2021, recognizing the cumulative effect of initial application at the beginning of the annual reporting period.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for the financial instruments which are measured at fair value and net defined benefit liabilities (assets) 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. Basis of consolidation

The basis for the consolidated financial statements applied in these consolidated financial statements is consistent with those applied in the consolidated financial statements for the year ended December 31, 2020.

See Note 11, Table 6 and Table 7 for detailed information of subsidiaries (including percentage of ownership and main business).

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2020.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Taxation

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, 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.

The same critical accounting judgments and key sources of estimation uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Company's consolidated financial statements for the year ended December 31, 2020.

6. CASH AND CASH EQUIVALENTS

	March 31, 2021	December 31, 2020	March 31, 2020
Cash on hand and revolving funds	\$ 16	\$ 16	\$ 16
Cash in banks	2,899,475	3,361,735	2,030,286
Time deposits	<u>2,984,447</u>	<u>1,693,222</u>	<u>2,338,121</u>
	<u>\$ 5,883,938</u>	<u>\$ 5,054,973</u>	<u>\$ 4,368,423</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity Instrument Investments

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Current</u>			
Foreign unlisted stock	<u>\$ 16,942</u>	<u>\$ 8,533</u>	<u>\$ 2,551</u>
<u>Non-current</u>			
Domestic unlisted stock	<u>\$ 66,892</u>	<u>\$ 70,252</u>	<u>\$ 48,120</u>

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 March 31, 2021, December 31, 2020 and March 31, 2020, the financial assets were not pledged.

8. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Accounts receivable</u>			
Measured at amortized cost			
Gross carrying amount	\$ 89,778	\$ 151,586	\$ 83,546
Less: Allowance for impairment loss	<u>(1,739)</u>	<u>(2,395)</u>	<u>(2,641)</u>
Accounts receivable, net	<u>\$ 88,039</u>	<u>\$ 149,191</u>	<u>\$ 80,905</u>
<u>Other receivables</u>			
Measured at amortized cost			
Gross carrying amount	\$ 962,115	\$ 683,830	\$ 694,975
Less: Allowance for impairment loss	<u>(10,514)</u>	<u>(10,059)</u>	<u>(12,437)</u>
Other receivables, net	<u>\$ 951,601</u>	<u>\$ 673,771</u>	<u>\$ 682,538</u>

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

The Group measures the loss allowance for accounts receivable and other 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 Group writes off a trade receivable when there are evidences indicating that the counterparty is in severe financial difficulty and the trade receivable is considered uncollectible. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

March 31, 2021

	Not Past Due	1 to 120 Days Past Due	121 to 365 Days Past Due	Over 365 Days Past Due	Total
Gross carrying amount	\$ 1,005,178	\$ 31,499	\$ 5,106	\$ 10,110	\$ 1,051,893
Loss allowance (Lifetime ECLs)	<u>(18)</u>	<u>(347)</u>	<u>(1,841)</u>	<u>(10,047)</u>	<u>(12,253)</u>
Amortized cost	<u>\$ 1,005,160</u>	<u>\$ 31,152</u>	<u>\$ 3,265</u>	<u>\$ 63</u>	<u>\$ 1,039,640</u>

December 31, 2020

	Not Past Due	1 to 120 Days Past Due	121 to 365 Days Past Due	Over 365 Days Past Due	Total
Gross carrying amount	\$ 751,907	\$ 67,977	\$ 5,749	\$ 9,783	\$ 835,416
Loss allowance (Lifetime ECLs)	<u>(258)</u>	<u>(293)</u>	<u>(2,208)</u>	<u>(9,695)</u>	<u>(12,454)</u>
Amortized cost	<u>\$ 751,649</u>	<u>\$ 67,684</u>	<u>\$ 3,541</u>	<u>\$ 88</u>	<u>\$ 822,962</u>

March 31, 2020

	Not Past Due	1 to 120 Days Past Due	121 to 365 Days Past Due	Over 365 Days Past Due	Total
Gross carrying amount	\$ 720,919	\$ 37,656	\$ 7,720	\$ 12,226	\$ 778,521
Loss allowance (Lifetime ECLs)	<u>(26)</u>	<u>(295)</u>	<u>(2,531)</u>	<u>(12,226)</u>	<u>(15,078)</u>
Amortized cost	<u>\$ 720,893</u>	<u>\$ 37,361</u>	<u>\$ 5,189</u>	<u>\$ -</u>	<u>\$ 763,443</u>

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 10%-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 Three Months Ended March 31	
	2021	2020
Beginning balance	\$ 12,454	\$ 11,776
Add: Provision	1,188	3,375
Less: Write-off	<u>(1,389)</u>	<u>(73)</u>
Ending balance	<u>\$ 12,253</u>	<u>\$ 15,078</u>

9. INVENTORIES

	March 31, 2021	December 31, 2020	March 31, 2020
Merchandise	<u>\$ 2,666,411</u>	<u>\$ 3,390,012</u>	<u>\$ 2,126,542</u>

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2021 and 2020 were \$15,553,927 thousand and \$12,776,616 thousand, respectively, which included inventory write-downs of \$6,158 thousand and \$13,156 thousand, respectively.

10. OTHER FINANCIAL ASSETS

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Current</u>			
Pledged time deposits and restricted deposits	\$ 64,200	\$ 64,187	\$ 69,341
Time deposits with original maturities of more than 3 months	<u>150,438</u>	<u>150,812</u>	<u>154,060</u>
	<u>\$ 214,638</u>	<u>\$ 214,999</u>	<u>\$ 223,401</u>

Non-current

Pledged time deposits and restricted deposits	<u>\$ 204,197</u>	<u>\$ 204,195</u>	<u>\$ 155,963</u>
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- 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.
- Refer to Note 27 for information relating to other financial assets pledged as security.

11. SUBSIDIARIES

- Subsidiaries included in the consolidated financial statements

Investor	Subsidiary	Nature of Activities	% of Ownership			Note
			March 31, 2021	December 31, 2020	March 31, 2020	
momo	Fu Sheng Travel Service Co., Ltd. (FST)	Travel agent	100.00	100.00	100.00	-
momo	Fuli Life Insurance Agent Co., Ltd. (FLI)	Life insurance agent	100.00	100.00	100.00	-
momo	Fuli Property Insurance Agent Co., Ltd. (FPI)	Property insurance agent	100.00	100.00	100.00	-
momo	Bebe Poshe International Co., Ltd. (Bebe Poshe)	Wholesale of cosmetics	85.00	85.00	85.00	-
momo	Fu Sheng Logistics Co., Ltd. (FSL)	Logistics industry	100.00	100.00	100.00	-
momo	MFS Co., Ltd. (MFS)	Wholesaling	100.00	100.00	-	Note
momo	Asian Crown International Co., Ltd. (Asian Crown (BVI))	Investment	81.99	81.99	81.99	-
Asian Crown (BVI)	Fortune Kingdom Corporation (Fortune Kingdom)	Investment	100.00	100.00	100.00	-
Fortune Kingdom	Hong Kong Fubon Multimedia Technology Co., Ltd. (HK Fubon Multimedia)	Investment	100.00	100.00	100.00	-
HK Fubon Multimedia	Fubon Gehua (Beijing) Enterprise Ltd. (FGE)	Wholesaling	93.548	93.548	93.548	-
momo	Honest Development Co. Ltd. (Honest Development)	Investment	100.00	100.00	100.00	-
Honest Development	Hong Kong Yue Numerous Investment Co., Ltd. (HK Yue Numerous)	Investment	100.00	100.00	100.00	-
HK Yue Numerous	Haobo Information Consulting (Shenzhen) Co., Ltd. (Haobo)	Investment	100.00	100.00	100.00	-

Note: In July 2020, momo established MFS with the investment amount of \$100,000 thousand.

- Subsidiaries excluded from the consolidated financial statements: None.

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Associates

Investee Company	March 31, 2021		December 31, 2020		March 31, 2020	
	Amount	% of Owner-ship	Amount	% of Owner-ship	Amount	% of Owner-ship
Global Home Shopping Co., Ltd. (GHS)	\$ 608,621	20.00	\$ 606,376	20.00	\$ 532,537	20.00
TV Direct Public Company Limited (TV Direct)	169,668	24.94	192,103	24.99	-	-
Taiwan Pelican Express Co., Ltd. (TPE)	-	-	386,414	15.50	419,831	17.70
TVD Shopping Co., Ltd. (TVD Shopping)	<u>-</u>	-	<u>-</u>	-	<u>80,520</u>	35.00
	<u>\$ 778,289</u>		<u>\$ 1,184,893</u>		<u>\$ 1,032,888</u>	

Refer to Table 6 and Table 7 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.

b. TPE

During the period from May to July 2020, momo's shareholding in TPE decreased from 17.70% to 15.50%, due to the selling of 2,100 thousand shares of TPE. In March 2021, momo sold all of its shares of TPE for \$466,547 thousand, and gain on the disposal of investment was \$99,052 thousand.

c. TV Direct

During the period from June to July 2020, momo acquired 20% equity interest of TV Direct. In November 2020, momo's shareholding in TV Direct increased to 24.99% due to the acquisition of additional 4.99% equity interest of TV Direct. In January 2021, TV Direct exercised its stock options, which decreased momo's shareholding in TV Direct from 24.99% to 24.94%.

d. TVD Shopping

In January 2020, TVD shopping held an interim shareholders meeting to resolve a capital reduction. In March 2020, momo has received the refund of the capital reduction of \$33,298 thousand (equal to THB35,000 thousand).

In June 2020, momo sold all of its shares in TVD Shopping to TV Direct.

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

Name of Associate	March 31, 2021	December 31, 2020	March 31, 2020
TPE	\$ -	\$ 503,702	\$ 447,665
TV Direct	\$ 250,165	\$ 197,341	\$ -

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery	Office Equipment	Lease Improvement	Other Equipment	Property in Construction	Total
Cost								
Balance at January 1, 2020	\$ 1,717,927	\$ 1,769,264	\$ 1,574,431	\$ 119,149	\$ 284,365	\$ 79,527	\$ 21,610	\$ 5,566,273
Additions	-	-	9,842	6,548	16,181	2,106	13,734	48,411
Disposals	-	-	-	(2)	-	-	-	(2)
Effects of foreign currency exchange differences	-	-	(834)	(21)	(29)	(3)	-	(887)
Balance at March 31, 2020	<u>\$ 1,717,927</u>	<u>\$ 1,769,264</u>	<u>\$ 1,583,439</u>	<u>\$ 125,674</u>	<u>\$ 300,517</u>	<u>\$ 81,630</u>	<u>\$ 35,344</u>	<u>\$ 5,613,795</u>
Accumulated depreciation and impairment								
Balance at January 1, 2020	\$ -	\$ 166,898	\$ 778,970	\$ 69,234	\$ 168,670	\$ 17,632	\$ -	\$ 1,201,404
Depreciation	-	20,278	42,462	7,051	9,756	2,502	-	82,049
Disposals	-	-	-	(2)	-	-	-	(2)
Effects of foreign currency exchange differences	-	-	(776)	(20)	(21)	(3)	-	(820)
Balance at March 31, 2020	<u>\$ -</u>	<u>\$ 187,176</u>	<u>\$ 820,656</u>	<u>\$ 76,263</u>	<u>\$ 178,405</u>	<u>\$ 20,131</u>	<u>\$ -</u>	<u>\$ 1,282,631</u>
Carrying amounts at January 1, 2020	<u>\$ 1,717,927</u>	<u>\$ 1,602,366</u>	<u>\$ 795,461</u>	<u>\$ 49,915</u>	<u>\$ 115,695</u>	<u>\$ 61,895</u>	<u>\$ 21,610</u>	<u>\$ 4,364,869</u>
Carrying amounts at March 31, 2020	<u>\$ 1,717,927</u>	<u>\$ 1,582,088</u>	<u>\$ 762,783</u>	<u>\$ 49,411</u>	<u>\$ 122,112</u>	<u>\$ 61,499</u>	<u>\$ 35,344</u>	<u>\$ 4,331,164</u>

(Continued)

	Land	Buildings	Machinery	Office Equipment	Lease Improvement	Other Equipment	Property in Construction	Total
<u>Cost</u>								
Balance at January 1, 2021	\$ 2,338,155	\$ 1,770,464	\$ 1,718,419	\$ 134,374	\$ 311,973	\$ 103,318	\$ 5,016	\$ 6,381,719
Additions	-	-	15,664	9,936	16,297	1,614	9,900	53,411
Disposals	-	-	-	(110)	-	-	-	(110)
Effects of foreign currency exchange differences	-	-	(674)	(18)	(23)	(3)	-	(718)
Balance at March 31, 2021	<u>\$ 2,338,155</u>	<u>\$ 1,770,464</u>	<u>\$ 1,733,409</u>	<u>\$ 144,182</u>	<u>\$ 328,247</u>	<u>\$ 104,929</u>	<u>\$ 14,916</u>	<u>\$ 6,434,302</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2021	\$ -	\$ 248,058	\$ 924,842	\$ 96,180	\$ 209,687	\$ 29,563	\$ -	\$ 1,508,330
Depreciation	-	20,331	51,147	5,674	11,248	3,257	-	91,657
Disposals	-	-	-	(99)	-	-	-	(99)
Effects of foreign currency exchange differences	-	-	(656)	(17)	(21)	(3)	-	(697)
Balance at March 31, 2021	<u>\$ -</u>	<u>\$ 268,389</u>	<u>\$ 975,333</u>	<u>\$ 101,738</u>	<u>\$ 220,914</u>	<u>\$ 32,817</u>	<u>\$ -</u>	<u>\$ 1,599,191</u>
Carrying amounts at January 1, 2021	<u>\$ 2,338,155</u>	<u>\$ 1,522,406</u>	<u>\$ 793,577</u>	<u>\$ 38,194</u>	<u>\$ 102,286</u>	<u>\$ 73,755</u>	<u>\$ 5,016</u>	<u>\$ 4,873,389</u>
Carrying amounts at March 31, 2021	<u>\$ 2,338,155</u>	<u>\$ 1,502,075</u>	<u>\$ 758,076</u>	<u>\$ 42,444</u>	<u>\$ 107,333</u>	<u>\$ 72,112</u>	<u>\$ 14,916</u>	<u>\$ 4,835,111</u>

(Concluded)

No impairment loss or reversal of impairment loss was recognized for the three months ended March 31, 2021 and 2020.

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	2-10 years
Lease improvement	1-10 years
Other equipment	2-15 years

As of March 31, 2021, December 31, 2020 and March 31, 2020, the property, plant and equipment were not pledged as collateral.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Carrying amounts</u>			
Land	\$ 2,426	\$ 2,772	\$ 3,812
Buildings	1,399,951	1,269,844	1,038,483
Office equipment	5,905	6,748	9,527
Transportation equipment	<u>2,683</u>	<u>3,047</u>	<u>2,222</u>
	<u>\$ 1,410,965</u>	<u>\$ 1,282,411</u>	<u>\$ 1,054,044</u>

	For the Three Months Ended March 31	
	2021	2020
Additions to right-of-use assets	<u>\$ 251,638</u>	<u>\$ 61,578</u>
Depreciation charge for right-of-use assets		
Land	\$ 347	\$ 347
Buildings	120,327	94,100
Office equipment	843	970
Transportation equipment	<u>363</u>	<u>208</u>
	<u>\$ 121,880</u>	<u>\$ 95,625</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2021 and 2020.

b. Lease liabilities

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Carrying amounts</u>			
Current	<u>\$ 467,038</u>	<u>\$ 426,417</u>	<u>\$ 358,927</u>
Non-current	<u>\$ 968,111</u>	<u>\$ 877,867</u>	<u>\$ 706,740</u>

The ranges of discount rate for lease liabilities were 0.61%-0.86%, 0.74%-0.86% and 0.78%-5.44% per annum, as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

c. Material lease-in activities and terms

The Group leases buildings for the use of offices and warehouses with lease terms of 1.8 to 6.1 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

	For the Three Months Ended March 31	
	2021	2020
Expenses relating to short-term leases	<u>\$ 8,587</u>	<u>\$ 7,758</u>
Expenses relating to low-value asset leases	<u>\$ 389</u>	<u>\$ 316</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 21,070</u>	<u>\$ 21,753</u>
Total cash outflow for leases	<u>\$ (152,020)</u>	<u>\$ (124,438)</u>

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 amounts 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) were \$12,435 thousand, \$20,098 thousand and \$12,105 thousand as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

15. ACCOUNTS PAYABLE

	March 31, 2021	December 31, 2020	March 31, 2020
Suppliers	<u>\$ 6,218,188</u>	<u>\$ 6,619,620</u>	<u>\$ 5,308,080</u>

16. OTHER PAYABLES

	March 31, 2021	December 31, 2020	March 31, 2020
Payables for salaries and bonus	\$ 170,441	\$ 441,611	\$ 141,568
Payables for business tax	28,104	122,287	40,923
Payables for pension	24,907	24,408	22,515
Payables for equipment and construction	14,858	25,780	8,316
Others	<u>365,273</u>	<u>341,084</u>	<u>244,121</u>
	<u>\$ 603,583</u>	<u>\$ 955,170</u>	<u>\$ 457,443</u>

17. OTHER CURRENT LIABILITIES

	March 31, 2021	December 31, 2020	March 31, 2020
Collection about travelling merchandise	\$ 121,065	\$ 117,436	\$ 98,780
Other financial liabilities	301,954	309,348	140,341
Others	<u>222,984</u>	<u>272,570</u>	<u>235,994</u>
	<u>\$ 646,003</u>	<u>\$ 699,354</u>	<u>\$ 475,115</u>

18. 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 \$25,489 thousand and \$22,838 thousand for the three months ended March 31, 2021 and 2020, respectively.

b. Defined benefit plans

Employee benefit expenses in respect of the Group's defined benefit retirement plans were \$(2) thousand and \$1 thousand for the three months ended March 31, 2021 and 2020, respectively. The employee benefit expenses were calculated using the actuarially determined pension cost discount rate as of December 31, 2020 and 2019.

19. EQUITY

a. Common stock

As of March 31, 2021, December 31, 2020 and March 31, 2020, momo had authorized 200,000 thousand, 200,000 thousand and 150,000 thousand common shares, respectively, with 140,059 thousand shares issued and outstanding at par value \$10 per share.

b. Capital surplus

	March 31, 2021	December 31, 2020	March 31, 2020
Issuance of ordinary shares	\$ 2,456,073	\$ 2,456,073	\$ 2,472,964
Changes in percentage of ownership interests in subsidiaries	125,291	125,291	125,291
Share of changes in capital surplus of associates	46	42,852	48,935
Expired employee share options	<u>170</u>	<u>170</u>	<u>170</u>
	<u>\$ 2,581,580</u>	<u>\$ 2,624,386</u>	<u>\$ 2,647,360</u>

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. Changes in percentage of ownership interests in subsidiaries, share of changes in capital surplus of associates and expired employee share options 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 compensation of employees and remuneration of directors and the actual appropriations, please refer to Note 21(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 are distributed in the form of stock dividends or cash dividends, of which, cash dividends shall amount to at least to 10%, in order to sustain company operations and growth while balancing the need for dividend distribution and shareholders rights.

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 a deficit. 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 and Decree No. 1090150022. Distributions can be made out of any subsequent reversal of the debit to other equity items.

The appropriations of earnings for 2020 that were proposed by the Board of Directors on March 31, 2021 and the appropriations of earnings for 2019 that had been resolved by the shareholders in their meeting on May 15, 2020, were as follows:

	For the Year Ended December 31	
	2020	2019
Legal reserve	\$ 194,443	\$ 130,934
Special reserve	\$ (30,163)	\$ 4,799
Cash dividends	\$ 1,400,585	\$ 1,173,606
Share dividends	\$ 280,117	\$ -
Cash dividends per share (NT\$)	\$ 10	\$ 8,3794
Share dividends per share (NT\$)	\$ 2	\$ -

The Company's Board of Directors proposed on March 31, 2021 and shareholders had resolved in the shareholders' meeting on May 15, 2020 to issue share dividends and cash dividends of 140,059 thousand and 16,891 thousand, respectively, from capital surplus.

The appropriations of earnings for 2020 and share dividends from capital surplus will be resolved by the shareholders in their meeting to be held on May 18, 2021.

d. Other equity items

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

	For the Three Months Ended March 31	
	2021	2020
Beginning balance	\$ (79,312)	\$ (80,273)
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	(13,597)	(12,022)
Share from associates accounted for using equity method	(1,353)	62
Other comprehensive loss recognized for the period	(14,950)	(11,960)
Ending balance	\$ (94,262)	\$ (92,233)

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

	For the Three Months Ended March 31	
	2021	2020
Beginning balance	<u>\$ (63,218)</u>	<u>\$ (92,420)</u>
Recognized for the period		
Unrealized gain (loss) - equity instruments	5,049	(6,320)
Share from associates accounted for using equity method	<u>17,700</u>	<u>6,821</u>
Other comprehensive income recognized for the period	<u>22,749</u>	<u>501</u>
Share from the disposal of associates accounted for using equity method	<u>(50,838)</u>	<u>-</u>
Ending balance	<u>\$ (91,307)</u>	<u>\$ (91,919)</u>

e. Non-controlling interests

	For the Three Months Ended March 31	
	2021	2020
Beginning balance	\$ 15,987	\$ 20,257
Share in loss for the period	(1,202)	(621)
Other comprehensive loss during the period		
Exchange differences on the translation of the financial statements of foreign entities	<u>(49)</u>	<u>(92)</u>
Ending balance	<u>\$ 14,736</u>	<u>\$ 19,544</u>

20. REVENUE

	For the Three Months Ended March 31	
	2021	2020
Sales revenue	\$ 18,257,096	\$ 15,033,281
Other operating revenues	<u>104,122</u>	<u>72,426</u>
	<u>\$ 18,361,218</u>	<u>\$ 15,105,707</u>

Please refer to Note 4(o) to the consolidated financial statements for the year ended December 31, 2020 and Note 32 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 liabilities and the related right to recover products from customers are recorded accordingly.

21. PROFIT BEFORE INCOME TAX

a. Other gains and losses

	For the Three Months Ended March 31	
	2021	2020
Gain on disposal of investments accounted for using equity method (Note 12)	\$ 99,052	\$ -
Net foreign exchange losses	(634)	(847)
Loss on disposal of property, plant and equipment, net	(11)	-
Others	<u>9</u>	<u>-</u>
	<u>\$ 98,416</u>	<u>\$ (847)</u>

b. Finance costs

	For the Three Months Ended March 31	
	2021	2020
Interest on lease liabilities	\$ 2,845	\$ 2,417
Others	<u>16</u>	<u>10</u>
	<u>\$ 2,861</u>	<u>\$ 2,427</u>

c. Employee benefits expense, depreciation and amortization

Function Nature	For the Three Months Ended March 31, 2021			For the Three Months Ended March 31, 2020		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salary	\$ 216,028	\$ 285,282	\$ 501,310	\$ 189,180	\$ 273,429	\$ 462,609
Insurance expense	23,085	32,985	56,070	19,932	27,078	47,010
Pension	10,468	15,019	25,487	9,609	13,230	22,839
Other employee benefits	13,543	17,887	31,430	12,606	16,232	28,838
Depreciation	165,380	48,157	213,537	136,437	41,237	177,674
Amortization	1,766	12,625	14,391	2,470	11,063	13,533

d. Compensation of employees and remuneration of directors

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 compensation.

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

Compensation of employees 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 compensation of employees and remuneration of directors were made by applying the rates to the aforementioned regulation. For the three months ended March 31, 2021 and 2020, the estimated compensation of employees and the remuneration of directors were as follows:

	For the Three Months Ended March 31	
	2021	2020
Compensation of employees	\$ <u>951</u>	\$ <u>557</u>
Remuneration of directors	\$ <u>951</u>	\$ <u>557</u>

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

The appropriations of compensation of employees and remuneration of directors for 2020 and 2019 that were resolved by the Board of Directors on February 18, 2021 and February 12, 2020, respectively, were as follows:

	For the Year Ended December 31	
	2020	2019
	Cash	Cash
Compensation of employees	\$ <u>2,420</u>	\$ <u>1,632</u>
Remuneration of directors	\$ <u>2,420</u>	\$ <u>1,632</u>

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.

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

22. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Three Months Ended March 31	
	2021	2020
Current tax		
In respect of the current period	\$ 170,636	\$ 119,816
Deferred tax		
In respect of the current period	<u>(1,764)</u>	<u>(3,867)</u>
Income tax expense recognized in profit or loss	<u>\$ 168,872</u>	<u>\$ 115,949</u>

b. Income tax assessments

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

<u>Company</u>	<u>Year</u>
momo	2018
FST	2019
FLI	2019
FPI	2019
Bebe Poshe	2019

23. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2021	2020
Basic earnings per share	<u>\$ 5.57</u>	<u>\$ 3.16</u>
Diluted earnings per share	<u>\$ 5.57</u>	<u>\$ 3.16</u>

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 Three Months Ended March 31	
	2021	2020
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 780,480</u>	<u>\$ 441,952</u>

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Three Months Ended March 31	
	2021	2020
Weighted average number of ordinary shares used in the computation of basic earnings per share	140,059	140,059
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>2</u>	<u>4</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>140,061</u>	<u>140,063</u>

If the Group may settle compensation of employees in cash or shares, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are 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.

24. CASH FLOW INFORMATION

Changes in liabilities arising from financing activities:

For the three months ended March 31, 2021

	Beginning Balance	Cash Flows	Non-cash Changes		Ending Balance
			New Leases	Others	
Lease liabilities	<u>\$ 1,304,284</u>	<u>\$ (121,974)</u>	<u>\$ 251,206</u>	<u>\$ 1,633</u>	<u>\$ 1,435,149</u>

For the three months ended March 31, 2020

	Beginning Balance	Cash Flows	Non-cash Changes		Ending Balance
			New Leases	Others	
Lease liabilities	<u>\$ 1,096,361</u>	<u>\$ (94,611)</u>	<u>\$ 62,079</u>	<u>\$ 1,838</u>	<u>\$ 1,065,667</u>

25. 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

March 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
Unlisted stock - foreign investments	\$ -	\$ 16,942	\$ -	\$ 16,942
Unlisted stock - domestic investments	<u>-</u>	<u>-</u>	<u>66,892</u>	<u>66,892</u>
	<u>\$ -</u>	<u>\$ 16,942</u>	<u>\$ 66,892</u>	<u>\$ 83,834</u>

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
Unlisted stock - foreign investments	\$ -	\$ 8,533	\$ -	\$ 8,533
Unlisted stock - domestic investments	<u>-</u>	<u>-</u>	<u>70,252</u>	<u>70,252</u>
	<u>\$ -</u>	<u>\$ 8,533</u>	<u>\$ 70,252</u>	<u>\$ 78,785</u>

March 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
Unlisted stock - foreign investments	\$ -	\$ 2,551	\$ -	\$ 2,551
Unlisted stock - domestic investments	<u>-</u>	<u>-</u>	<u>48,120</u>	<u>48,120</u>
	<u>\$ -</u>	<u>\$ 2,551</u>	<u>\$ 48,120</u>	<u>\$ 50,671</u>

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2021 and 2020.

2) Valuation techniques and assumptions used in fair value determination

- a) Valuation techniques and inputs applied for Level 2 fair value measurement: The Group uses market comparison approach to evaluate fair values on the observable closing price of the stocks, volatility, risk-free interest rate and liquidity risk at the end of the period.
- b) 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 Three Months Ended March 31	
	2021	2020
Beginning balance	\$ 70,252	\$ 49,584
Recognized in other comprehensive income (included in unrealized valuation loss on financial assets at fair value through other comprehensive income)	<u>(3,360)</u>	<u>(1,464)</u>
Ending balance	<u>\$ 66,892</u>	<u>\$ 48,120</u>

c. Categories of financial instruments

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Financial assets</u>			
Financial assets at fair value through other comprehensive income			
Investments in equity instruments	\$ 83,834	\$ 78,785	\$ 50,671
Financial assets at amortized cost (Note 1)	<u>7,650,766</u>	<u>6,652,826</u>	<u>5,778,448</u>
	<u>\$ 7,734,600</u>	<u>\$ 6,731,611</u>	<u>\$ 5,829,119</u>

Financial liabilities

Financial liabilities at amortized cost (Note 2)	<u>\$ 7,652,161</u>	<u>\$ 8,653,080</u>	<u>\$ 6,458,294</u>
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Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable, other receivables, other financial assets and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise 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 and cash equivalents 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 March 31, 2021, December 31, 2020 and March 31, 2020, the Group had unused bank facilities of \$600,000 thousand, \$600,000 thousand and \$648,021 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.

March 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Lease liabilities	\$ 40,469	\$ 80,939	\$ 355,493	\$ 912,217	\$ 65,137

December 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Lease liabilities	\$ 40,730	\$ 76,829	\$ 319,843	\$ 830,652	\$ 53,712

March 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Lease liabilities	\$ <u>31,040</u>	\$ <u>62,067</u>	\$ <u>274,541</u>	\$ <u>713,173</u>	\$ <u>-</u>

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 other 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 foreign-currency financial assets and liabilities exposed to significant exchange rate risk, please refer to Note 30.

Sensitivity analysis

The Group was mainly exposed to the USD 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 receivables, other financial assets and accounts payable, 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 Three Months Ended March 31	
	2021	2020
Appreciated 5%	\$ <u>(6,882)</u>	\$ <u>(6,161)</u>
Depreciated 5%	\$ <u>6,882</u>	\$ <u>6,161</u>

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group carried cash in banks, time deposits, interest receivable, other financial assets, refundable deposits 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 reporting period were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Fair value interest rate risk			
Financial assets	\$ 3,386,697	\$ 1,959,435	\$ 2,603,356
Financial liabilities	1,435,149	1,304,284	1,065,667
Cash flow interest rate risk			
Financial assets	3,018,058	3,514,335	2,144,048

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 reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of the assets and liabilities outstanding at the end of the reporting period 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 three months ended March 31, 2021 and 2020 would have increased or decreased by \$3,773 thousand and \$2,680 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity instruments. 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 reporting period.

If equity prices had been 5% higher or lower, the post-tax other comprehensive income for the three months ended March 31, 2021 and 2020 would have increased or decreased by \$4,192 thousand and \$2,534 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

26. 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 March 31, 2021, December 31, 2020 and March 31, 2020, respectively. momo's ultimate parent and ultimate controlling party is Taiwan Mobile Co., Ltd. (TWM).

Balances and transactions between momo and its subsidiaries 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 (Note 1)
Global Home Shopping Co., Ltd. (GHS)	Associates
Beijing Global JiuSha Media Technology Co., Ltd. (JS)	Associates
Beijing YueShih JiuSha Media Technology Co., Ltd. (YSJS)	Associates
GHS Trading Ltd. (GTL)	Associates
Citruss Saudi Trading Company LLC (Citruss Saudi Trading)	Associates
TV Direct Public Company Limited (TV Direct)	Associates
TVD Shopping Co., Ltd. (TVD Shopping)	Associates (Note 2)
Taipei Fubon Commercial Bank Co., Ltd. (TFCB)	Related party in substance
Fubon Life Insurance Co., Ltd. (Fubon Life)	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 Charity Foundation (FCF)	Related party in substance
kbro Co., Ltd. (kbro)	Related party in substance
Fubon Hospitality Management Co., Ltd. (FHM)	Related party in substance
Fu-Sheng General Insurance Agency Co., Ltd. (FSGI)	Related party in substance
Fubon Cultural & Educational Foundation (FCEF)	Related party in substance
Fubon Art Foundation (FAF)	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
Yeong Jia Leh Cable TV Co., Ltd. (YJCTV)	Same ultimate parent entity
Taipei New Horizon Co., Ltd. (TNH)	Same ultimate parent entity
Win TV Broadcasting Co., Ltd. (WTVB)	Same ultimate parent entity
Taiwan Kuro Times Co., Ltd. (TKT)	Same ultimate parent entity

Note 1: In March 2021, momo sold all of its shares in TPE.

Note 2: TVD Shopping had merged with TV Direct, which was its parent entity, during the third quarter of 2020. TV Direct was the surviving company.

b. Operating revenues

Line Items	Related Party Categories	For the Three Months Ended March 31	
		2021	2020
Sales	Ultimate parent entity	\$ 40,949	\$ 69,296
	Associates	<u>1,231</u>	<u>7,160</u>
		<u>\$ 42,180</u>	<u>\$ 76,456</u>

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 Three Months Ended March 31	
	2021	2020
Ultimate parent entity	\$ 572,894	\$ 388,160
Associates	127,694	194,682
Other related parties	<u>45,877</u>	<u>12,317</u>
	<u>\$ 746,465</u>	<u>\$ 595,159</u>

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	March 31, 2021	December 31, 2020	March 31, 2020
Accounts receivable	Ultimate parent entity	\$ 18,059	\$ 19,897	\$ 26,438
	Associates	<u>289</u>	<u>787</u>	<u>3,747</u>
	Other related parties			
	TFCB	26,263	682	81
	Others	<u>3,234</u>	<u>2,109</u>	<u>1,875</u>
		<u>29,497</u>	<u>2,791</u>	<u>1,956</u>
		<u>\$ 47,845</u>	<u>\$ 23,475</u>	<u>\$ 32,141</u>
Other receivables	Ultimate parent entity	\$ 30,256	\$ 27,060	\$ 20,994
	Associates	-	63,168	44,470
	Other related parties			
	TFCB	<u>104,003</u>	<u>109,391</u>	<u>76,294</u>
		<u>\$ 134,259</u>	<u>\$ 199,619</u>	<u>\$ 141,758</u>

The outstanding trade receivables from related parties are unsecured. For the three months ended March 31, 2021 and 2020, no impairment losses were recognized for trade receivables from related parties.

Receivables from related parties mentioned above do not include notes receivable-non-operating.

e. Payables to related parties

Line Items	Related Party Categories	March 31, 2021	December 31, 2020	March 31, 2020
Accounts payable	Ultimate parent entity	\$ 133,683	\$ 337,324	\$ 121,010
	Associates	-	99,280	89,098
	Other related parties	<u>43,055</u>	<u>1,026</u>	<u>15,407</u>
		<u>\$ 176,738</u>	<u>\$ 437,630</u>	<u>\$ 225,515</u>
Other payables	Ultimate parent entity	\$ 24,553	\$ 9,143	\$ 8,326
	Parent entity	1,376	1,376	854
	Associates	-	481	266
	Other related parties	<u>16,908</u>	<u>19,341</u>	<u>33,811</u>
		<u>\$ 42,837</u>	<u>\$ 30,341</u>	<u>\$ 43,257</u>

The outstanding trade payables to related parties are unsecured.

f. Bank deposits

Line Items	Related Party Categories/Name	March 31, 2021	December 31, 2020	March 31, 2020
Cash and cash equivalents	Other related parties			
	TFCB	\$ 476,887	\$ 608,772	\$ 832,595
	Others	<u>20,249</u>	<u>24,798</u>	<u>23,544</u>
		<u>\$ 497,136</u>	<u>\$ 633,570</u>	<u>\$ 856,139</u>

g. Prepayments

Related Party Categories/Name	March 31, 2021	December 31, 2020	March 31, 2020
Ultimate parent entity	\$ 219	\$ 162	\$ 108
Associates	<u>573</u>	<u>571</u>	<u>735</u>
Other related parties			
Fubon Ins.	26,157	2,593	23,680
FSE	-	-	14,400
	<u>26,157</u>	<u>2,593</u>	<u>38,080</u>
	<u>\$ 26,949</u>	<u>\$ 3,326</u>	<u>\$ 38,923</u>

h. Lease arrangements

Line Items	Related Party Categories/Name	March 31, 2021	December 31, 2020	March 31, 2020
Lease liabilities	Ultimate parent entity	\$ 1,071	\$ 2,139	\$ 5,330
	Other related parties			
	Fubon Life	<u>323,037</u>	<u>358,247</u>	<u>426,970</u>
		<u>\$ 324,108</u>	<u>\$ 360,386</u>	<u>\$ 432,300</u>

Line Items	Related Party Categories/Name	For the Three Months Ended March 31	
		2021	2020
Interest expense	Ultimate parent entity	\$ 4	\$ 13
	Other related parties		
	Fubon Life	<u>736</u>	<u>963</u>
		<u>\$ 740</u>	<u>\$ 976</u>

The leases are conducted by referring to general market prices, and all the terms and conditions conform to normal business practices.

i. Others

1) Refundable deposits

Related Party Categories/Name	March 31, 2021	December 31, 2020	March 31, 2020
Ultimate parent entity	<u>\$ 749</u>	<u>\$ 747</u>	<u>\$ 741</u>
Associates	<u>1,554</u>	<u>6,308</u>	<u>5,668</u>
Other related parties			
Fubon Life	40,830	38,757	33,187
Others	<u>541</u>	<u>541</u>	<u>541</u>
	<u>41,371</u>	<u>39,298</u>	<u>33,728</u>
	<u>\$ 43,674</u>	<u>\$ 46,353</u>	<u>\$ 40,137</u>

2) Operating expenses

Related Party Categories	For the Three Months Ended March 31	
	2021	2020
Ultimate parent entity	\$ 921	\$ 677
Associates	1,241	1,584
Other related parties	<u>19,589</u>	<u>13,913</u>
	<u>\$ 21,751</u>	<u>\$ 16,174</u>

3) Other income and expenses

Related Party Categories/Name	For the Three Months Ended March 31	
	2021	2020
Associates		
GHS	\$ 3,765	\$ -
Others	<u>24</u>	<u>68</u>
	<u>3,789</u>	<u>68</u>

(Continued)

Related Party Categories/Name	For the Three Months Ended March 31	
	2021	2020
Other related parties		
TFCB	\$ 8,477	\$ 15,975
Others	<u>-</u>	<u>8</u>
	<u>8,477</u>	<u>15,983</u>
	<u>\$ 12,266</u>	<u>\$ 16,051</u>
		(Concluded)

j. Compensation of key management personnel

	For the Three Months Ended March 31	
	2021	2020
Short-term employee benefits	\$ 14,977	\$ 13,709
Post-employment benefits	<u>524</u>	<u>502</u>
	<u>\$ 15,501</u>	<u>\$ 14,211</u>

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

27. ASSETS PLEDGED

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

	March 31, 2021	December 31, 2020	March 31, 2020
Other financial assets - current	\$ 64,200	\$ 64,187	\$ 69,341
Other financial assets - non-current	<u>204,197</u>	<u>204,195</u>	<u>155,963</u>
	<u>\$ 268,397</u>	<u>\$ 268,382</u>	<u>\$ 225,304</u>

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

- 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 \$93,590 thousand as of March 31, 2021, electronic tickets of \$63,353 thousand as of March 31, 2021, and physical tickets of \$63,626 thousand as of March 31, 2021.
- As of March 31, 2021, December 31, 2020 and March 31, 2020, the amounts of lease commitments commencing after the balance sheet date were \$221,662 thousand, \$324,574 thousand and \$286,282 thousand, respectively.

29. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

In April 2021, the Company's Board of Directors resolved that would sign the lease agreement of warehouse with Zong Sine Industries Inc., with lease terms of ten years and a month from May 2023. The anticipated amount of acquired right-of-use assets would be \$675,157 thousand.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies 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:

March 31, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 24,371	4.334 (RMB:NTD)	\$ 105,625
USD	1,165	28.51 (USD:NTD)	<u>33,212</u>
			<u>\$ 138,837</u>
Non-monetary items			
Financial assets at fair value through other comprehensive income			
HKD	4,620	3.667 (HKD:NTD)	\$ 16,942
Investments accounted for using equity method			
RMB	140,429	4.334 (RMB:NTD)	608,621
THB	185,449	0.915 (THB:NTD)	<u>169,668</u>
			<u>\$ 795,231</u>
<u>Foreign currency liabilities</u>			
Monetary items			
USD	42	28.51 (USD:NTD)	<u>\$ 1,199</u>

December 31, 2020

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 23,994	4.372 (RMB:NTD)	\$ 104,900
USD	877	28.48 (USD:NTD)	<u>24,971</u>
			<u>\$ 129,871</u>
Non-monetary items			
Financial assets at fair value through other comprehensive income			
HKD	2,323	3.673 (HKD:NTD)	\$ 8,533
Investments accounted for using equity method			
RMB	138,695	4.372 (RMB:NTD)	606,376
THB	201,029	0.956 (THB:NTD)	<u>192,103</u>
			<u>\$ 807,012</u>

March 31, 2020

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 20,465	4.252 (RMB:NTD)	\$ 87,017
USD	1,272	30.205 (USD:NTD)	<u>38,424</u>
			<u>\$ 125,441</u>
Non-monetary items			
Financial assets at fair value through other comprehensive income			
HKD	655	3.895 (HKD:NTD)	\$ 2,551
Investments accounted for using equity method			
RMB	125,244	4.252 (RMB:NTD)	532,537
THB	86,861	0.927 (THB:NTD)	<u>80,520</u>
			<u>\$ 615,608</u>

Foreign currency liabilities

Monetary items			
USD	74	30.205 (USD:NTD)	<u>\$ 2,229</u>

For the three months ended March 31, 2021 and 2020, realized and unrealized net foreign exchange losses were \$634 thousand and \$847 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.

31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions

- 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 or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (Table 2)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
- 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. (Table 4)
- 9) Trading in derivative instruments. (None)
- 10) Intercompany relationships and significant intercompany transactions. (Table 5)

b. Information on investees. (Table 6)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 7)
 - 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)
- d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 8)

32. SEGMENT INFORMATION

The Group has two reporting segments: Television and magazine department and E-commerce department.

Other segments include FST - travel agent, FLI - life insurance agent, FPI - property insurance agent, Bebe Poshe - wholesale of cosmetics, FSL - logistics industry, MFS - wholesaling, Asian Crown (BVI) - investment, and Honest Development - investment; for the three months ended March 31, 2021 and 2020, 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	E-commerce	Others	Adjustments and Eliminations	Total
For the three months ended <u>March 31, 2021</u>					
Revenues					
Non-inter-company revenues	<u>\$ 1,390,426</u>	<u>\$ 16,959,809</u>	<u>\$ 100,081</u>	<u>\$ (89,098)</u>	<u>\$ 18,361,218</u>
Segment profits	<u>\$ 174,582</u>	<u>\$ 692,720</u>	<u>\$ 89,266</u>	<u>\$ (8,418)</u>	<u>\$ 948,150</u>
For the three months ended <u>March 31, 2020</u>					
Revenues					
Non-inter-company revenues	<u>\$ 1,455,423</u>	<u>\$ 13,621,163</u>	<u>\$ 52,346</u>	<u>\$ (23,225)</u>	<u>\$ 15,105,707</u>
Segment profits	<u>\$ 161,544</u>	<u>\$ 408,164</u>	<u>\$ (11,621)</u>	<u>\$ (807)</u>	<u>\$ 557,280</u>

TABLE 1

momo.com Inc. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2021				Note
				Units/Shares (Thousands)	Carrying Value	% of Ownership	Fair Value	
momo	<u>Stock</u> Media Asia Group Holdings Limited	-	Financial assets at fair value through other comprehensive income - current	4,367	\$ 16,942	0.15	\$ 16,942	
	We Can Medicines Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	3,140	66,892	7.85	66,892	

Note: Refer to Table 6 and Table 7 for the information on investment in subsidiaries and associates.

TABLE 2

momo.com Inc. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal (Note 2)	Number of Shares	Amount
momo	<u>Stock</u> TPE	Investments accounted for using equity method	Note 1	Note 1	14,793	\$ 386,414	-	\$ -	14,793	\$ 466,547	\$ 410,229	\$ 99,052 (Note 2)	-	\$ -

Note 1: Sold in open market.

Note 2: The amounts included capital surplus derecognized and other comprehensive income transferred in.

TABLE 3

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 THREE MONTHS ENDED MARCH 31, 2021
(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	TWM TPE	Ultimate parent entity Associates	Purchase	\$ 572,894	3	Based on contract terms	-	-	\$ (133,683)	(2)	Note
			Purchase	127,694	1	Based on contract terms	-	-	-	-	

Note: momo sold all of its shares of TPE in March 2021.

TABLE 4

momo.com Inc. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% of THE PAID-IN CAPITAL

MARCH 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance		Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
						Amount	Actions Taken		
momo	TFCB	Related party in substance	Accounts receivable	\$ 26,263	Note -	\$ -	-	\$ 3,760 101,739	\$ - -
			Other receivables	101,739		-	-		

Note: It is not applicable due to the nature of the transaction.

TABLE 5

momo.com Inc. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Number	Investee Company	Counterparty	Relationship (Note)	Transaction Details			% of Consolidated Total Operating Revenues or Total Assets
				Financial Statement Accounts	Amount	Payment Terms	
0	momo	Bebe Poshe	1	Operating costs	\$ 14,509	The terms of transaction are determined in accordance with mutual agreements or general business practices	0.08
		FSL	1	Accounts payable	36,818		0.21
		FSL	1	Operating costs	55,717		0.30
		MFS	1	Operating costs	14,956		0.08

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

TABLE 6**momo.com Inc. AND SUBSIDIARIES****INFORMATION ON INVESTEEES****FOR THE THREE MONTHS ENDED MARCH 31, 2021****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2021	December 31, 2020	Shares (Thousands)	%	Carrying Value			
momo	FST	Taiwan	Travel agent	\$ 6,000	\$ 6,000	3,000	100.00	\$ 46,408	\$ 671	\$ 671	Note 3
	FLI	Taiwan	Life insurance agent	3,000	3,000	500	100.00	6,733	(386)	(386)	
	FPI	Taiwan	Property insurance agent	3,000	3,000	500	100.00	7,341	(388)	(388)	
	Asian Crown (BVI)	British Virgin Islands	Investment	885,285	885,285	9,735	81.99	28,623	(3,122)	(2,560)	
	TPE	Taiwan	Logistics industry	-	295,860	-	-	-	-	6,114	
	Honest Development	Samoa	Investment	670,448	670,448	21,778	100.00	680,566	8,779	8,779	
	Bebe Poshe	Taiwan	Wholesale of cosmetics	85,000	85,000	8,500	85.00	38,968	(2,857)	(2,429)	
	FSL	Taiwan	Logistics industry	250,000	250,000	25,000	100.00	248,367	1,812	1,808	
	MFS	Taiwan	Wholesaling	100,000	100,000	10,000	100.00	101,782	(33)	(33)	
	TV Direct	Thailand	Wholesale and retail sales	192,267	192,267	191,213	24.94	169,668	(38,622)	(14,485)	
				(THB 210,151)	(THB 210,151)						
Asian Crown (BVI)	Fortune Kingdom	Samoa	Investment	1,132,789	1,132,789	11,594	100.00	30,655	(3,136)	Note 2	
Fortune Kingdom	HK Fubon Multimedia	Hong Kong	Investment	1,132,789	1,132,789	11,594	100.00	30,655	(3,136)	Note 2	
Honest Development	HK Yue Numerous	Hong Kong	Investment	670,448	670,448	16,600	100.00	680,566	8,779	Note 2	

Note 1: Except for TPE and TV Direct, share of profit (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: momo sold all of its shares of TPE in March 2021.

Note 4: In March 2021, momo's shareholding in TV Direct decreased from 24.99% to 24.94% due to the exercise of the stock options.

Note 5: The exchange rate on March 31, 2021 is THB1=NT\$0.915.

Note 6: Please refer to Table 7 for information on investments in mainland China.

TABLE 7**momo.com Inc. AND SUBSIDIARIES**
**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance For Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance For Investment from Taiwan as of March 31, 2021	Net Income (Loss) of Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2021	Accumulated Repatriation of Investment Income as of March 31, 2021	Note
					Outward	Inward							
FGE	Wholesaling	\$ 335,886 (RMB 77,500)	b.	\$ 786,024 (USD 14,000) (RMB 89,267)	\$ -	\$ -	\$ 786,024 (USD 14,000) (RMB 89,267)	\$ (3,274)	76.70	\$ (2,511)	\$ 18,682	\$ -	
Haobo	Investment	47,674 (RMB 11,000)	b.	-	-	-	-	8,955	100.00	8,955	652,817	-	
GHS	Wholesaling	216,701 (RMB 50,000)	b.	-	-	-	-	8,499	20.00	9,156	608,621	-	

Accumulated Outward Remittance for Investments in Mainland China as of March 31, 2021	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$1,404,057 (USD14,000, RMB89,267 and HKD168,539)	\$1,404,057 (USD14,000, RMB89,267 and HKD168,539)	\$4,616,521

Note 1: Methods of investment 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 March 31, 2021 are USD1=NT\$28.51, RMB1=NT\$4.334, and HKD1=NT\$3.667.

TABLE 8**momo.com Inc.****INFORMATION OF MAJOR SHAREHOLDERS
MARCH 31, 2021**

Name of Major Shareholder	Shares	
	Number of Shares	% of Ownership
Wealth Media Technology Co, Ltd.	63,047,205	45.01
TECO CAPITAL INVESTMENT CO., LTD.	15,015,000	10.72
WOORI HOMESHOPPING CO., LTD.	14,014,000	10.00

Note: The table discloses shareholding information of shareholders whose shareholding percentage is more than 5%. The Taiwan Depository & Clearing Corporation (TDCC) calculates the total number of common stocks and special stocks (including treasury stocks) that have completed the dematerialized registration and delivery on the last business day of the quarter. The number of stocks reported in the momo's consolidated financial statements and the actual number of stocks that have completed the dematerialized registration and delivery may be different due to the basis of calculation.