

momo.com Inc. and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2022 and 2021 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 June 30, 2022 and 2021, the consolidated statements of comprehensive income for the three months and six months ended June 30, 2022 and 2021, and the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2022 and 2021, 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 June 30, 2022 and 2021, and of its consolidated financial performance for the three months and six months ended June 30, 2022 and 2021, and its consolidated cash flows for the six months ended June 30, 2022 and 2021 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 Pei-De Chen and Chun-Hung Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

July 27, 2022

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)

	June 30, 2022		December 31, 2021		June 30, 2021	
	(Reviewed)		(Audited)		(Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 26)	\$ 8,662,109	34	\$ 8,804,124	38	\$ 9,813,036	45
Financial assets at fair value through other comprehensive income - current (Note 7)	7,989	-	15,179	-	20,805	-
Notes and accounts receivable, net (Note 8)	67,785	-	116,728	1	99,720	-
Accounts receivable from related parties (Note 26)	218,694	1	104,783	1	56,375	-
Other receivables, net (Notes 8 and 26)	1,749,982	7	1,689,565	7	1,268,537	6
Inventories (Note 9)	3,471,177	13	3,728,410	16	2,241,845	11
Prepayments (Note 26)	105,723	-	69,244	-	116,962	1
Non-current assets held for sale (Note 12)	45,128	-	-	-	-	-
Other financial assets - current (Notes 10 and 27)	369,454	2	217,047	1	214,849	1
Other current assets	19,934	-	15,955	-	19,143	-
Right to recover products - current (Note 20)	<u>158,455</u>	<u>1</u>	<u>162,519</u>	<u>1</u>	<u>143,379</u>	<u>1</u>
Total current assets	<u>14,876,430</u>	<u>58</u>	<u>14,923,554</u>	<u>65</u>	<u>13,994,651</u>	<u>65</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 7)	432,345	2	61,177	-	85,766	-
Investments accounted for using equity method (Note 12)	569,520	2	691,559	3	768,276	4
Property, plant and equipment (Note 13)	6,899,535	27	5,079,849	22	4,766,079	22
Right-of-use assets (Notes 14 and 26)	2,341,565	9	1,505,291	7	1,563,860	7
Intangible assets	74,159	-	77,801	-	82,159	-
Deferred tax assets	45,708	-	57,298	-	34,255	-
Prepayments for equipment	80,148	-	270,265	1	17,838	-
Refundable deposits (Note 26)	195,630	1	142,913	1	134,367	1
Net defined benefit assets - non-current	807	-	803	-	429	-
Other financial assets - non-current (Notes 10 and 27)	<u>233,287</u>	<u>1</u>	<u>204,536</u>	<u>1</u>	<u>204,497</u>	<u>1</u>
Total non-current assets	<u>10,872,704</u>	<u>42</u>	<u>8,091,492</u>	<u>35</u>	<u>7,657,526</u>	<u>35</u>
TOTAL	<u>\$ 25,749,134</u>	<u>100</u>	<u>\$ 23,015,046</u>	<u>100</u>	<u>\$ 21,652,177</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities - current	\$ 155,982	1	\$ 85,916	-	\$ 53,970	-
Accounts payable (Note 15)	9,415,261	36	8,537,131	37	8,729,357	40
Accounts payable to related parties (Note 26)	317,219	1	447,295	2	229,455	1
Dividends payable	2,366,989	9	-	-	1,400,585	7
Other payables (Notes 16 and 26)	1,082,253	4	1,623,417	7	958,525	4
Current tax liabilities	406,785	2	585,583	3	392,420	2
Lease liabilities - current (Notes 14, 24 and 26)	726,691	3	535,770	2	494,862	2
Refund liabilities - current (Note 20)	175,404	1	180,104	1	160,659	1
Other current liabilities (Note 17)	<u>894,177</u>	<u>3</u>	<u>798,388</u>	<u>4</u>	<u>598,517</u>	<u>3</u>
Total current liabilities	<u>15,540,761</u>	<u>60</u>	<u>12,793,604</u>	<u>56</u>	<u>13,018,350</u>	<u>60</u>
NON-CURRENT LIABILITIES						
Provisions - non-current	27,816	-	24,160	-	22,680	-
Deferred tax liabilities	19,278	-	15,064	-	8,659	-
Lease liabilities - non-current (Notes 14, 24 and 26)	1,665,728	7	998,402	4	1,096,497	5
Guarantee deposits received	<u>347,466</u>	<u>1</u>	<u>334,803</u>	<u>2</u>	<u>316,231</u>	<u>2</u>
Total non-current liabilities	<u>2,060,288</u>	<u>8</u>	<u>1,372,429</u>	<u>6</u>	<u>1,444,067</u>	<u>7</u>
Total liabilities	<u>17,601,049</u>	<u>68</u>	<u>14,166,033</u>	<u>62</u>	<u>14,462,417</u>	<u>67</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)						
Capital stock						
Common stock	1,820,761	7	1,820,761	8	1,400,585	7
Stock dividends to be distributed	<u>364,152</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>420,176</u>	<u>2</u>
Total capital stock	<u>2,184,913</u>	<u>9</u>	<u>1,820,761</u>	<u>8</u>	<u>1,820,761</u>	<u>9</u>
Capital surplus	<u>2,262,268</u>	<u>9</u>	<u>2,446,415</u>	<u>11</u>	<u>2,446,415</u>	<u>11</u>
Retained earnings						
Legal reserve	1,461,632	6	1,128,868	5	1,128,868	5
Special reserve	206,677	1	142,530	1	142,530	1
Unappropriated earnings	<u>2,137,840</u>	<u>8</u>	<u>3,427,094</u>	<u>14</u>	<u>1,812,117</u>	<u>8</u>
Total retained earnings	<u>3,806,149</u>	<u>15</u>	<u>4,698,492</u>	<u>20</u>	<u>3,083,515</u>	<u>14</u>
Other equity	<u>(194,064)</u>	<u>(1)</u>	<u>(206,677)</u>	<u>(1)</u>	<u>(174,505)</u>	<u>(1)</u>
Total equity attributable to owners of the Company	<u>8,059,266</u>	<u>32</u>	<u>8,758,991</u>	<u>38</u>	<u>7,176,186</u>	<u>33</u>
NON-CONTROLLING INTERESTS (Note 19)	<u>88,819</u>	<u>-</u>	<u>90,022</u>	<u>-</u>	<u>13,574</u>	<u>-</u>
Total equity	<u>8,148,085</u>	<u>32</u>	<u>8,849,013</u>	<u>38</u>	<u>7,189,760</u>	<u>33</u>
TOTAL	<u>\$ 25,749,134</u>	<u>100</u>	<u>\$ 23,015,046</u>	<u>100</u>	<u>\$ 21,652,177</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 June 30				For the Six Months Ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 20 and 26)	\$ 25,138,426	100	\$ 22,258,273	100	\$ 48,075,867	100	\$ 40,619,491	100
OPERATING COSTS (Notes 9, 18, 21 and 26)	<u>22,659,571</u>	<u>90</u>	<u>19,989,062</u>	<u>90</u>	<u>43,221,609</u>	<u>90</u>	<u>36,453,086</u>	<u>90</u>
GROSS PROFIT FROM OPERATIONS	<u>2,478,855</u>	<u>10</u>	<u>2,269,211</u>	<u>10</u>	<u>4,854,258</u>	<u>10</u>	<u>4,166,405</u>	<u>10</u>
OPERATING EXPENSES (Notes 8, 18, 21 and 26)								
Marketing expenses	807,224	3	636,859	3	1,572,849	3	1,252,034	3
Administrative expenses	642,311	3	501,982	2	1,216,185	3	907,788	2
Research and development expenses	55,359	-	50,034	-	107,683	-	98,220	-
Expected credit (gain) loss	<u>(102)</u>	<u>-</u>	<u>190</u>	<u>-</u>	<u>802</u>	<u>-</u>	<u>1,378</u>	<u>-</u>
Total operating expenses	<u>1,504,792</u>	<u>6</u>	<u>1,189,065</u>	<u>5</u>	<u>2,897,519</u>	<u>6</u>	<u>2,259,420</u>	<u>5</u>
NET OTHER INCOME AND EXPENSES (Note 26)	<u>45,159</u>	<u>-</u>	<u>21,874</u>	<u>-</u>	<u>101,350</u>	<u>-</u>	<u>40,889</u>	<u>-</u>
OPERATING INCOME	<u>1,019,222</u>	<u>4</u>	<u>1,102,020</u>	<u>5</u>	<u>2,058,089</u>	<u>4</u>	<u>1,947,874</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	12,031	-	6,207	-	20,627	-	11,324	-
Other income	120	-	826	-	1,321	-	1,665	-
Other gains and losses, net (Notes 12 and 21)	57,516	-	(654)	-	61,656	-	97,762	-
Finance costs (Note 21)	(4,228)	-	(3,350)	-	(7,766)	-	(6,211)	-
Share of profit or loss of associates accounted for using equity method	<u>(40,095)</u>	<u>-</u>	<u>312</u>	<u>-</u>	<u>(58,908)</u>	<u>-</u>	<u>1,097</u>	<u>-</u>
Total non-operating income and expenses	<u>25,344</u>	<u>-</u>	<u>3,341</u>	<u>-</u>	<u>16,930</u>	<u>-</u>	<u>105,637</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	1,044,566	4	1,105,361	5	2,075,019	4	2,053,511	5
INCOME TAX EXPENSE (Note 22)	<u>212,681</u>	<u>1</u>	<u>221,552</u>	<u>1</u>	<u>418,684</u>	<u>1</u>	<u>390,424</u>	<u>1</u>
NET PROFIT	<u>831,885</u>	<u>3</u>	<u>883,809</u>	<u>4</u>	<u>1,656,335</u>	<u>3</u>	<u>1,663,087</u>	<u>4</u>

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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 June 30				For the Six Months Ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 19)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	\$ (3,545)	-	\$ 22,737	-	\$ (11,022)	-	\$ 27,786	-
Share of remeasurement of defined benefit plans of associates accounted for using equity method	367	-	-	-	367	-	-	-
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	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation	(2,280)	-	(10,208)	-	22,301	-	(23,854)	-
Share of other comprehensive gain (loss) of associates accounted for using equity method	2,452	-	(1,484)	-	1,395	-	(2,837)	-
Other comprehensive (loss) income, net of tax	(3,006)	-	11,045	-	13,041	-	18,795	-
TOTAL COMPREHENSIVE INCOME	<u>\$ 828,879</u>	<u>3</u>	<u>\$ 894,854</u>	<u>4</u>	<u>\$ 1,669,376</u>	<u>3</u>	<u>\$ 1,681,882</u>	<u>4</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 832,079	3	\$ 884,952	4	\$ 1,657,599	3	\$ 1,665,432	4
Non-controlling interests	(194)	-	(1,143)	-	(1,264)	-	(2,345)	-
	<u>\$ 831,885</u>	<u>3</u>	<u>\$ 883,809</u>	<u>4</u>	<u>\$ 1,656,335</u>	<u>3</u>	<u>\$ 1,663,087</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 829,109	3	\$ 896,016	4	\$ 1,670,579	3	\$ 1,684,295	4
Non-controlling interests	(230)	-	(1,162)	-	(1,203)	-	(2,413)	-
	<u>\$ 828,879</u>	<u>3</u>	<u>\$ 894,854</u>	<u>4</u>	<u>\$ 1,669,376</u>	<u>3</u>	<u>\$ 1,681,882</u>	<u>4</u>
EARNINGS PER SHARE (Note 23)								
Basic	<u>\$ 3.81</u>		<u>\$ 4.05</u>		<u>\$ 7.59</u>		<u>\$ 7.62</u>	
Diluted	<u>\$ 3.81</u>		<u>\$ 4.05</u>		<u>\$ 7.59</u>		<u>\$ 7.62</u>	

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
	Capital Stock			Retained Earnings			Exchange Differences on Translation	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
	Common Stock	Stock Dividends to Be Distributed	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings					
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
Distribution of 2020 earnings											
Legal reserve	-	-	-	194,443	-	(194,443)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(1,400,585)	-	-	(1,400,585)	-	(1,400,585)
Stock dividends	-	280,117	-	-	-	(280,117)	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(30,163)	30,163	-	-	-	-	-
Changes in equity of associates accounted for using equity method	-	-	4,940	-	-	(3,605)	-	-	1,335	-	1,335
Issue of stock dividends from capital surplus	-	140,059	(140,059)	-	-	-	-	-	-	-	-
Net profit (loss) for the six months ended June 30, 2021	-	-	-	-	-	1,665,432	-	-	1,665,432	(2,345)	1,663,087
Other comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	-	-	(26,623)	45,486	18,863	(68)	18,795
Total comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	-	1,665,432	(26,623)	45,486	1,684,295	(2,413)	1,681,882
Disposal of investments accounted for using equity method	-	-	(42,852)	-	-	50,838	-	(50,838)	(42,852)	-	(42,852)
BALANCE AT JUNE 30, 2021	<u>\$ 1,400,585</u>	<u>\$ 420,176</u>	<u>\$ 2,446,415</u>	<u>\$ 1,128,868</u>	<u>\$ 142,530</u>	<u>\$ 1,812,117</u>	<u>\$ (105,935)</u>	<u>\$ (68,570)</u>	<u>\$ 7,176,186</u>	<u>\$ 13,574</u>	<u>\$ 7,189,760</u>
BALANCE AT JANUARY 1, 2022	\$ 1,820,761	\$ -	\$ 2,446,415	\$ 1,128,868	\$ 142,530	\$ 3,427,094	\$ (107,892)	\$ (98,785)	\$ 8,758,991	\$ 90,022	\$ 8,849,013
Distribution of 2021 earnings											
Legal reserve	-	-	-	332,764	-	(332,764)	-	-	-	-	-
Special reserve	-	-	-	-	64,147	(64,147)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(2,366,989)	-	-	(2,366,989)	-	(2,366,989)
Stock dividends	-	182,076	-	-	-	(182,076)	-	-	-	-	-
Changes in equity of associates accounted for using equity method	-	-	-	-	-	(1,244)	-	-	(1,244)	-	(1,244)
Issue of stock dividends from capital surplus	-	182,076	(182,076)	-	-	-	-	-	-	-	-
Net profit (loss) for the six months ended June 30, 2022	-	-	-	-	-	1,657,599	-	-	1,657,599	(1,264)	1,656,335
Other comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	-	367	23,635	(11,022)	12,980	61	13,041
Total comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	-	1,657,966	23,635	(11,022)	1,670,579	(1,203)	1,669,376
Changes in equity of non-current assets held for sale	-	-	(2,071)	-	-	-	-	-	(2,071)	-	(2,071)
BALANCE AT JUNE 30, 2022	<u>\$ 1,820,761</u>	<u>\$ 364,152</u>	<u>\$ 2,262,268</u>	<u>\$ 1,461,632</u>	<u>\$ 206,677</u>	<u>\$ 2,137,840</u>	<u>\$ (84,257)</u>	<u>\$ (109,807)</u>	<u>\$ 8,059,266</u>	<u>\$ 88,819</u>	<u>\$ 8,148,085</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 Six Months Ended June 30	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 2,075,019	\$ 2,053,511
Adjustments for:		
Depreciation expenses	530,371	430,660
Amortization expenses	28,495	30,298
Expected credit loss	802	1,378
Finance costs	7,766	6,211
Interest income	(20,627)	(11,324)
Share of loss (profit) of associates accounted for using equity method	58,908	(1,097)
Loss on disposal of property, plant and equipment	61	70
Gain on disposal of non-current assets held for sale	(59,981)	-
Gain on disposal of investments accounted for using equity method	-	(99,052)
Others	367	770
Changes in operating assets and liabilities		
Notes and accounts receivable	48,330	49,332
Accounts receivable from related parties	(113,911)	(4,234)
Other receivables	(33,306)	(424,831)
Inventories	257,233	1,148,167
Prepayments	(36,479)	(62,967)
Other current assets	(4,488)	1,530
Right to recover products	4,064	(8,042)
Contract liabilities	70,066	18,518
Accounts payable	878,130	2,109,737
Accounts payable to related parties	(130,076)	(208,175)
Other payables	(291,502)	(4,180)
Refund liabilities	(4,700)	8,058
Other current liabilities	95,789	(100,837)
Net defined benefit plans	(4)	(708)
Cash generated from operations	3,360,327	4,932,793
Interest received	31	22
Income tax paid	(581,169)	(289,686)
Net cash generated from operating activities	<u>2,779,189</u>	<u>4,643,129</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(375,000)	-
Disposal of investments accounted for using equity method	-	466,547
Disposal of non-current assets held for sale	70,735	-
Acquisition of property, plant and equipment	(1,873,460)	(86,726)
Increase in refundable deposits	(56,865)	(36,370)

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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 Six Months Ended June 30	
	2022	2021
Decrease in refundable deposits	\$ 2,800	\$ 26,153
Acquisition of intangible assets	(10,880)	(22,124)
Increase in other financial assets	(311,213)	(30,283)
Decrease in other financial assets	131,170	29,510
Increase in prepayments for equipment	(210,448)	(17,181)
Interest received	18,948	10,610
Dividends received	<u>-</u>	<u>7,914</u>
Net cash (used in) generated from investing activities	<u>(2,614,213)</u>	<u>348,050</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in guarantee deposits received	32,120	31,123
Decrease in guarantee deposits received	(19,608)	(15,863)
Repayment of the principal portion of lease liabilities	(312,258)	(242,041)
Interest paid	<u>(7,451)</u>	<u>(6,117)</u>
Net cash used in financing activities	<u>(307,197)</u>	<u>(232,898)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>206</u>	<u>(218)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(142,015)	4,758,063
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>8,804,124</u>	<u>5,054,973</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 8,662,109</u>	<u>\$ 9,813,036</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 SIX MONTHS ENDED JUNE 30, 2022 AND 2021 (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 TV and radio production, radio and TV program distribution, radio and TV commercial, video program distribution, issuing of magazine, and retailing.

The consolidated financial statements of the Company as of and for the six months ended June 30, 2022, 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 July 27, 2022.

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. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

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

Note 2: 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 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

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

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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 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, 2021.

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, 2021.

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.

3) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

When the Group is committed to a sale plan involving the disposal of an investment or a portion of an investment in an associate, only the investment or the portion of the investment that will be disposed of is classified as held for sale when the classification criteria are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method. If the Group ceases to have significant influence over the investment after the disposal takes place, the Group accounts for any retained interest that has not been classified as held for sale in accordance with the accounting policies for financial instruments.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

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 on 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 Group's consolidated financial statements for the year ended December 31, 2021.

6. CASH AND CASH EQUIVALENTS

	June 30, 2022	December 31, 2021	June 30, 2021
Cash on hand and revolving funds	\$ 3	\$ 16	\$ 16
Cash in banks	4,490,330	5,850,979	6,828,941
Time deposits	<u>4,171,776</u>	<u>2,953,129</u>	<u>2,984,079</u>
	<u>\$ 8,662,109</u>	<u>\$ 8,804,124</u>	<u>\$ 9,813,036</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity Instrument Investments

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Current</u>			
Foreign unlisted stock	<u>\$ 7,989</u>	<u>\$ 15,179</u>	<u>\$ 20,805</u>
<u>Non-current</u>			
Domestic unlisted stock	<u>\$ 432,345</u>	<u>\$ 61,177</u>	<u>\$ 85,766</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.

In June 2022, the Group acquired 2.5% equity interest of Line Bank Taiwan Limited. with the investment amount of \$375,000 thousand.

As of June 30, 2022, December 31, 2021 and June 30, 2021, the financial assets were not pledged.

8. NOTES AND ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Notes and accounts receivable</u>			
Measured at amortized cost			
Gross carrying amount	\$ 69,775	\$ 118,504	\$ 101,356
Less: Allowance for impairment loss	<u>(1,990)</u>	<u>(1,776)</u>	<u>(1,636)</u>
	<u>\$ 67,785</u>	<u>\$ 116,728</u>	<u>\$ 99,720</u>

Other receivables

Measured at amortized cost			
Gross carrying amount	\$ 1,759,357	\$ 1,700,561	\$ 1,279,160
Less: Allowance for impairment loss	<u>(9,375)</u>	<u>(10,996)</u>	<u>(10,623)</u>
	<u>\$ 1,749,982</u>	<u>\$ 1,689,565</u>	<u>\$ 1,268,537</u>

Notes and 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 notes and accounts receivable and other receivables at an amount equal to lifetime ECLs. The expected credit losses on notes and 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 notes and accounts receivable and other receivables when there are evidences indicating that the counterparty is in severe financial difficulty and notes and accounts receivable and other receivables are considered uncollectible. For notes and accounts receivable and other receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

June 30, 2022

	Not Past Due	1 to 120 Days Past Due	121 to 365 Days Past Due	Over 365 Days Past Due	Total
Gross carrying amount	\$ 1,789,486	\$ 24,396	\$ 5,631	\$ 9,619	\$ 1,829,132
Loss allowance (Lifetime ECLs)	<u>(89)</u>	<u>(160)</u>	<u>(1,497)</u>	<u>(9,619)</u>	<u>(11,365)</u>
Amortized cost	<u>\$ 1,789,397</u>	<u>\$ 24,236</u>	<u>\$ 4,134</u>	<u>\$ -</u>	<u>\$ 1,817,767</u>

December 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	\$ 1,779,747	\$ 21,649	\$ 7,391	\$ 10,278	\$ 1,819,065
Loss allowance (Lifetime ECLs)	<u>(7)</u>	<u>(146)</u>	<u>(2,341)</u>	<u>(10,278)</u>	<u>(12,772)</u>
Amortized cost	<u>\$ 1,779,740</u>	<u>\$ 21,503</u>	<u>\$ 5,050</u>	<u>\$ -</u>	<u>\$ 1,806,293</u>

June 30, 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	\$ 1,321,573	\$ 43,182	\$ 5,748	\$ 10,013	\$ 1,380,516
Loss allowance (Lifetime ECLs)	<u>(29)</u>	<u>(93)</u>	<u>(2,167)</u>	<u>(9,970)</u>	<u>(12,259)</u>
Amortized cost	<u>\$ 1,321,544</u>	<u>\$ 43,089</u>	<u>\$ 3,581</u>	<u>\$ 43</u>	<u>\$ 1,368,257</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 notes and accounts receivable and other receivables were as follows:

	For the Six Months Ended June 30	
	2022	2021
Beginning balance	\$ 12,772	\$ 12,454
Add: Provision	802	1,378
Less: Write-off	<u>(2,209)</u>	<u>(1,573)</u>
Ending balance	<u>\$ 11,365</u>	<u>\$ 12,259</u>

9. INVENTORIES

	June 30, 2022	December 31, 2021	June 30, 2021
Merchandise	<u>\$ 3,471,177</u>	<u>\$ 3,728,410</u>	<u>\$ 2,241,845</u>

The cost of inventories recognized as cost of goods sold for the three months and the six months ended June 30, 2022 were \$21,469,135 thousand and \$40,969,001 thousand, respectively, which included reversal of inventory write-downs of \$323 thousand and inventory write-downs of \$6,758 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the three months and the six months ended June 30, 2021 were \$19,010,944 thousand and \$34,564,871 thousand, respectively, which included reversal of inventory write-downs of \$6,724 thousand and \$566 thousand, respectively.

10. OTHER FINANCIAL ASSETS

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Current</u>			
Pledged time deposits and restricted deposits	\$ 65,446	\$ 65,900	\$ 64,180
Time deposits with original maturities of more than 3 months	<u>304,008</u>	<u>151,147</u>	<u>150,669</u>
	<u>\$ 369,454</u>	<u>\$ 217,047</u>	<u>\$ 214,849</u>

Non-current

Pledged time deposits and restricted deposits	<u>\$ 233,287</u>	<u>\$ 204,536</u>	<u>\$ 204,497</u>
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- a. 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.
- b. Refer to Note 27 for information relating to other financial assets pledged as security.

11. SUBSIDIARIES

- a. Subsidiaries included in the consolidated financial statements

Investor	Subsidiary	Nature of Activities	% of Ownership			Note
			June 30, 2022	December 31, 2021	June 30, 2021	
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	100.00	-
momo	Prosperous Living Co., Ltd. (Prosperous Living)	Wholesale and retail sales	73.62	73.62	-	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: momo established Prosperous Living with 73.62% holdings of its equity interest in November 2021.

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

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Associates

Investee Company	June 30, 2022		December 31, 2021		June 30, 2021	
	Amount	% of Ownership	Amount	% of Ownership	Amount	% of Ownership
Global Home Shopping Co., Ltd. (GHS)	\$ 569,520	20.00	\$ 571,213	20.00	\$ 611,108	20.00
TV Direct Public Company Limited (TV Direct)	<u>-</u>	-	<u>120,346</u>	21.35	<u>157,168</u>	21.35
	<u>\$ 569,520</u>		<u>\$ 691,559</u>		<u>\$ 768,276</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 acquired 20% equity interests of GHS through its subsidiary - Honest Development.

b. TV Direct

During 2020, momo acquired 24.99% equity interest of TV Direct.

In January and April 2021, momo's percentage of ownership interest in TV Direct decreased to 21.35% due to non-subscription to the exercise of the share options, which were granted by TV Direct.

In May 2022, momo's percentage of ownership interest in TV Direct decreased to 11.17% as momo did not exercise the rights to participate in any share issuance for cash. Subsequently, momo resolved to sell all of its shares in TV Direct and reclassified its investments to non-current assets held for sale.

In June 2022, momo disposed of 80,180 thousand shares of TV Direct. The proceeds from disposal was \$96,986 thousand and the recognized gain on disposal of non-current assets held for sale was \$59,981 thousand. Therefore, momo's ownership interest in TV Direct decreased from 11.17% to 6.49%. As of June 30, 2022, the uncollected amount was \$26,251 thousand.

c. Taiwan Pelican Express Co., Ltd.

In March 2021, momo sold all shares of Taiwan Pelican Express Co., Ltd. (collectively, the "TPE") for \$466,547 thousand, and gain on the disposal of investment was \$99,052 thousand.

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

Name of Associate	June 30, 2022	December 31, 2021	June 30, 2021
TV Direct	<u>\$ -</u>	<u>\$ 175,566</u>	<u>\$ 180,572</u>

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery	Office Equipment	Lease Improvement	Other Equipment	Property under Construction	Total
Cost								
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	-	-	26,420	14,198	17,661	1,897	9,900	70,076
Disposals	-	-	(72)	(267)	-	-	-	(339)
Reclassifications	-	-	-	-	-	4,933	-	4,933
Effect of foreign currency exchange differences	-	-	(959)	(26)	(32)	(3)	-	(1,020)
Balance at June 30, 2021	<u>\$ 2,338,155</u>	<u>\$ 1,770,464</u>	<u>\$ 1,743,808</u>	<u>\$ 148,279</u>	<u>\$ 329,602</u>	<u>\$ 110,145</u>	<u>\$ 14,916</u>	<u>\$ 6,455,369</u>
Accumulated depreciation and impairment								
Balance at January 1, 2021	\$ -	\$ 248,058	\$ 924,842	\$ 96,180	\$ 209,687	\$ 29,563	\$ -	\$ 1,508,330
Depreciation expenses	-	40,662	102,047	10,633	22,083	6,798	-	182,223
Disposals	-	-	(47)	(222)	-	-	-	(269)
Effect of foreign currency exchange differences	-	-	(936)	(24)	(31)	(3)	-	(994)
Balance at June 30, 2021	<u>\$ -</u>	<u>\$ 288,720</u>	<u>\$ 1,025,906</u>	<u>\$ 106,567</u>	<u>\$ 231,739</u>	<u>\$ 36,358</u>	<u>\$ -</u>	<u>\$ 1,689,290</u>
Carrying amount 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 amount at June 30, 2021	<u>\$ 2,338,155</u>	<u>\$ 1,481,744</u>	<u>\$ 717,902</u>	<u>\$ 41,712</u>	<u>\$ 97,863</u>	<u>\$ 73,787</u>	<u>\$ 14,916</u>	<u>\$ 4,766,079</u>
Cost								
Balance at January 1, 2022	\$ 2,338,155	\$ 1,776,262	\$ 1,774,390	\$ 160,793	\$ 346,305	\$ 137,159	\$ 344,303	\$ 6,877,367
Additions	924,481	-	27,580	14,706	30,034	3,835	617,095	1,617,731
Disposals	-	-	(322)	(1,420)	-	(4)	-	(1,746)
Reclassifications	396,548	-	-	698	2,445	-	(3,263)	396,428
Effect of foreign currency exchange differences	-	-	1,455	39	-	5	-	1,499
Balance at June 30, 2022	<u>\$ 3,659,184</u>	<u>\$ 1,776,262</u>	<u>\$ 1,803,103</u>	<u>\$ 174,816</u>	<u>\$ 378,784</u>	<u>\$ 140,995</u>	<u>\$ 958,135</u>	<u>\$ 8,891,279</u>
Accumulated depreciation and impairment								
Balance at January 1, 2022	\$ -	\$ 329,639	\$ 1,056,257	\$ 116,529	\$ 251,323	\$ 43,770	\$ -	\$ 1,797,518
Depreciation expenses	-	40,976	104,162	12,017	26,832	10,427	-	194,414
Disposals	-	-	(322)	(1,359)	-	(4)	-	(1,685)
Effect of foreign currency exchange differences	-	-	1,454	39	-	4	-	1,497
Balance at June 30, 2022	<u>\$ -</u>	<u>\$ 370,615</u>	<u>\$ 1,161,551</u>	<u>\$ 127,226</u>	<u>\$ 278,155</u>	<u>\$ 54,197</u>	<u>\$ -</u>	<u>\$ 1,991,744</u>
Carrying amount at January 1, 2022	<u>\$ 2,338,155</u>	<u>\$ 1,446,623</u>	<u>\$ 718,133</u>	<u>\$ 44,264</u>	<u>\$ 94,982</u>	<u>\$ 93,389</u>	<u>\$ 344,303</u>	<u>\$ 5,079,849</u>
Carrying amount at June 30, 2022	<u>\$ 3,659,184</u>	<u>\$ 1,405,647</u>	<u>\$ 641,552</u>	<u>\$ 47,590</u>	<u>\$ 100,629</u>	<u>\$ 86,798</u>	<u>\$ 958,135</u>	<u>\$ 6,899,535</u>

No impairment loss or reversal of impairment loss was recognized for the six months ended June 30, 2022 and 2021.

The above items of property, plant and equipment are depreciated on a straight-line basis over their 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 June 30, 2022, December 31, 2021 and June 30, 2021, the property, plant and equipment were not pledged as collateral.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Carrying amount</u>			
Land	\$ 693	\$ 1,386	\$ 2,079
Buildings	2,337,976	1,498,805	1,554,376
Office equipment	2,029	3,506	5,085
Transportation equipment	<u>867</u>	<u>1,594</u>	<u>2,320</u>
	<u>\$ 2,341,565</u>	<u>\$ 1,505,291</u>	<u>\$ 1,563,860</u>
	For the Three Months Ended June 30		For the Six Months Ended June 30
	2022	2021	2022
			2021
Additions to right-of-use assets			<u>\$ 1,172,231</u>
Depreciation charge for right-of-use assets			
Land	\$ 346	\$ 346	\$ 693
Buildings	181,804	125,027	333,060
Office equipment	732	820	1,477
Transportation equipment	<u>364</u>	<u>364</u>	<u>727</u>
	<u>\$ 183,246</u>	<u>\$ 126,557</u>	<u>\$ 335,957</u>
			<u>\$ 248,437</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 six months ended June 30, 2022 and 2021.

b. Lease liabilities

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Carrying amount</u>			
Current	<u>\$ 726,691</u>	<u>\$ 535,770</u>	<u>\$ 494,862</u>
Non-current	<u>\$ 1,665,728</u>	<u>\$ 998,402</u>	<u>\$ 1,096,497</u>

The range of discount rate for lease liabilities was all 0.61%-0.86% per annum as of June 30, 2022, December 31, 2021 and June 30, 2021.

c. Material lease activities and terms

The Group leases buildings for the use of offices and warehouses with lease terms of 1 to 10.1 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 June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Expenses relating to short-term leases	<u>\$ 7,688</u>	<u>\$ 8,204</u>	<u>\$ 15,902</u>	<u>\$ 16,791</u>
Expenses relating to low-value asset leases	<u>\$ 5,784</u>	<u>\$ 426</u>	<u>\$ 11,549</u>	<u>\$ 815</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 18,432</u>	<u>\$ 21,113</u>	<u>\$ 37,177</u>	<u>\$ 42,183</u>
Total cash outflow for leases			<u>\$ (384,337)</u>	<u>\$ (307,947)</u>

The Group's leases of certain buildings qualify as short-term leases and leases of certain office equipment 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 \$4,818 thousand, \$18,960 thousand and \$6,081 thousand as of June 30, 2022, December 31, 2021 and June 30, 2021, respectively.

15. ACCOUNTS PAYABLE

	June 30, 2022	December 31, 2021	June 30, 2021
Suppliers	<u>\$ 9,415,261</u>	<u>\$ 8,537,131</u>	<u>\$ 8,729,357</u>

16. OTHER PAYABLES

	June 30, 2022	December 31, 2021	June 30, 2021
Payables for salaries and bonus	\$ 287,314	\$ 505,030	\$ 285,478
Payables for business tax	108,148	112,808	198,469
Payables for pension	11,194	27,791	25,095
Payables for equipment and construction	18,250	280,906	1,832
Others	<u>657,347</u>	<u>696,882</u>	<u>447,651</u>
	<u>\$ 1,082,253</u>	<u>\$ 1,623,417</u>	<u>\$ 958,525</u>

17. OTHER CURRENT LIABILITIES

	June 30, 2022	December 31, 2021	June 30, 2021
Collection about travelling merchandise	\$ 117,920	\$ 110,262	\$ 97,262
Other financial liabilities	597,530	505,229	262,905
Others	<u>178,727</u>	<u>182,897</u>	<u>238,350</u>
	<u>\$ 894,177</u>	<u>\$ 798,388</u>	<u>\$ 598,517</u>

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

Domestic firms of the Group 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. The employees of 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.

For the three months and six months ended June 30, 2022 and 2021, the pension expenses of defined contribution plans were \$35,295 thousand, \$25,655 thousand, \$65,020 thousand and \$51,144 thousand, respectively.

b. Defined benefit plans

For the three months and six months ended June 30, 2022 and 2021, the deduction of pension expenses of defined benefit plans were \$0 thousand, \$0 thousand, \$4 thousand and \$2 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2021 and 2020.

19. EQUITY

a. Common stock

As of June 30, 2022, December 31, 2021 and June 30, 2021, momo had authorized 300,000 thousand common shares, with 182,076 thousand, 182,076 thousand and 140,059 thousand shares issued and outstanding at par value \$10 per share.

On May 18, 2021, the Company’s shareholders resolved in the shareholders’ meeting to issue 42,017 thousand common shares with a par value of \$10 from earnings and capital surplus. The subscription base date was July 11, 2021, and the Company’s paid-in capital increased to \$1,820,761 thousand.

On May 20, 2022, the Company’s shareholders resolved in the shareholders’ meeting to issue 36,415 thousand common shares with a par value of \$10 from earnings and capital surplus. After the issuance, the Company’s paid-in capital increased to \$2,184,913 thousand. On June 6, 2022, the above transaction was approved by the Securities and Futures Bureau, FSC, and the subscription base date was determined by the Board of Directors on July 8, 2022.

b. Capital surplus

	June 30, 2022	December 31, 2021	June 30, 2021
Issuance of common shares	\$ 2,133,938	\$ 2,316,014	\$ 2,316,014
Changes in percentage of ownership interests in subsidiaries	125,291	125,291	125,291
Share of changes in capital surplus of associates	2,869	4,940	4,940
Expired employee share options	<u>170</u>	<u>170</u>	<u>170</u>
	<u>\$ 2,262,268</u>	<u>\$ 2,446,415</u>	<u>\$ 2,446,415</u>

Under the ROC Company Act, the capital surplus generated from the excess of the issuance price over the par value of common 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 unappropriated 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.

Pursuant to existing regulations, momo is required to set aside and reverse additional special reserve equivalent to the net debit balance of other equity items, such as exchange differences on the translation of the financial statements of foreign operations and unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income. Distributions can be made out of any subsequent reversal of the debit to other equity items.

The appropriations of earnings for 2021 and 2020 that had been resolved by the shareholders in their meetings on May 20, 2022 and May 18, 2021, respectively, were as follows:

	For the Year Ended December 31	
	2021	2020
Legal reserve	\$ 332,764	\$ 194,443
Special reserve	\$ 64,147	\$ (30,163)
Cash dividends	\$ 2,366,989	\$ 1,400,585
Share dividends	\$ 182,076	\$ 280,117
Cash dividends per share (NT\$)	\$ 13	\$ 10
Share dividends per share (NT\$)	\$ 1	\$ 2

The Company's shareholders resolved in the shareholders' meeting on May 20, 2022 and May 18, 2021 to issue share dividends of \$182,076 thousand and \$140,059 thousand, respectively, from capital surplus.

d. Other equity items

1) Exchange differences on the translation

	For the Six Months Ended June 30	
	2022	2021
Beginning balance	\$ (107,892)	\$ (79,312)
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	22,240	(23,786)
Share from associates accounted for using equity method	1,395	(2,837)
Other comprehensive income (loss) recognized for the period	23,635	(26,623)
Ending balance	\$ (84,257)	\$ (105,935)

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

	For the Six Months Ended June 30	
	2022	2021
Beginning balance	\$ (98,785)	\$ (63,218)
Recognized for the period		
Unrealized (loss) gain - equity instruments	(11,022)	27,786
Share from associates accounted for using equity method	-	17,700
Other comprehensive (loss) income recognized for the period	(11,022)	45,486
Disposal of associates accounted for using equity method	-	(50,838)
Ending balance	\$ (109,807)	\$ (68,570)

e. Non-controlling interests

	For the Six Months Ended June 30	
	2022	2021
Beginning balance	\$ 90,022	\$ 15,987
Share in loss for the period	(1,264)	(2,345)
Other comprehensive income (loss) during the period		
Exchange differences on the translation of the financial statements of foreign entities	<u>61</u>	<u>(68)</u>
Ending balance	<u>\$ 88,819</u>	<u>\$ 13,574</u>

20. OPERATING REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
TV and magazine	\$ 1,233,616	\$ 1,341,351	\$ 2,528,927	\$ 2,730,582
E-commerce	23,893,501	20,904,243	45,527,085	37,863,978
Others	<u>11,309</u>	<u>12,679</u>	<u>19,855</u>	<u>24,931</u>
	<u>\$ 25,138,426</u>	<u>\$ 22,258,273</u>	<u>\$ 48,075,867</u>	<u>\$ 40,619,491</u>

Please refer to Note 4(o) to the consolidated financial statements for the year ended December 31, 2021 and Note 31 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 June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Gain on disposal of non-current assets held for sale (Note 12)	\$ 59,981	\$ -	\$ 59,981	\$ -
Gain on disposal of investments accounted for using equity method (Note 12)	-	-	-	99,052
Net foreign exchange (losses) gains	(2,406)	(592)	1,736	(1,226)

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Loss on disposal of property, plant and equipment	\$ (59)	\$ (59)	\$ (61)	\$ (70)
Others	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>6</u>
	<u>\$ 57,516</u>	<u>\$ (654)</u>	<u>\$ 61,656</u>	<u>\$ 97,762</u>
				(Concluded)

b. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Interest on lease liabilities	\$ 4,204	\$ 3,333	\$ 7,722	\$ 6,178
Others	<u>24</u>	<u>17</u>	<u>44</u>	<u>33</u>
	<u>\$ 4,228</u>	<u>\$ 3,350</u>	<u>\$ 7,766</u>	<u>\$ 6,211</u>

c. Employee benefits expense, depreciation and amortization

Function Nature	For the Three Months Ended June 30, 2022			For the Three Months Ended June 30, 2021		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salary	\$ 274,768	\$ 354,081	\$ 628,849	\$ 222,739	\$ 323,635	\$ 546,374
Insurance expense	30,126	34,521	64,647	23,198	31,057	54,255
Pension	14,022	21,273	35,295	10,567	15,088	25,655
Other employee benefits	18,849	18,883	37,732	14,130	21,123	35,253
Depreciation expenses	227,727	53,404	281,131	166,938	50,185	217,123
Amortization expenses	2,453	11,469	13,922	1,784	14,123	15,907

Function Nature	For the Six Months Ended June 30, 2022			For the Six Months Ended June 30, 2021		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salary	\$ 545,549	\$ 690,325	\$ 1,235,874	\$ 438,767	\$ 608,917	\$ 1,047,684
Insurance expense	59,119	70,692	129,811	46,283	64,042	110,325
Pension	27,489	37,527	65,016	21,035	30,107	51,142
Other employee benefits	35,998	36,841	72,839	27,673	39,010	66,683
Depreciation expenses	423,897	106,474	530,371	332,318	98,342	430,660
Amortization expenses	4,538	23,957	28,495	3,550	26,748	30,298

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 and six months ended June 30, 2022 and 2021, the estimated compensation of employees and the remuneration of directors were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Compensation of employees	<u>\$ 1,041</u>	<u>\$ 1,104</u>	<u>\$ 2,070</u>	<u>\$ 2,055</u>
Remuneration of directors	<u>\$ 1,561</u>	<u>\$ 1,104</u>	<u>\$ 3,104</u>	<u>\$ 2,055</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 2021 and 2020 that were resolved by the Board of Directors on February 16, 2022 and February 18, 2021, respectively, were as follows:

	For the Year Ended December 31	
	2021	2020
	Cash	Cash
Compensation of employees	<u>\$ 4,081</u>	<u>\$ 2,420</u>
Remuneration of directors	<u>\$ 6,122</u>	<u>\$ 2,420</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, 2021 and 2020.

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 June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Current tax				
In respect of the current period	\$ 204,979	\$ 217,189	\$ 407,799	\$ 387,825
Adjustments for prior years	<u>(4,919)</u>	<u>(579)</u>	<u>(4,919)</u>	<u>(579)</u>
	<u>200,060</u>	<u>216,610</u>	<u>402,880</u>	<u>387,246</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Deferred tax				
In respect of the current period	\$ 12,621	\$ 4,942	\$ 15,804	\$ 3,178
Income tax expense recognized in profit or loss	<u>\$ 212,681</u>	<u>\$ 221,552</u>	<u>\$ 418,684</u>	<u>\$ 390,424</u> (Concluded)

b. Income tax assessments

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

Company	Year
momo	2019
FST	2020
FLI	2020
FPI	2020
Bebe Poshe	2020
FSL	2020
MFS	2020

23. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Basic earnings per share	<u>\$ 3.81</u>	<u>\$ 4.05</u>	<u>\$ 7.59</u>	<u>\$ 7.62</u>
Diluted earnings per share	<u>\$ 3.81</u>	<u>\$ 4.05</u>	<u>\$ 7.59</u>	<u>\$ 7.62</u>

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares on July 8, 2022. The basic and diluted earnings per share adjusted retrospectively for the three months and six months ended June 30, 2021 were as follows:

Unit: NT\$ Per Share

	Before Retrospective Adjustment		After Retrospective Adjustment	
	For the Three Months Ended June 30, 2021	For the Six Months Ended June 30, 2021	For the Three Months Ended June 30, 2021	For the Six Months Ended June 30, 2021
Basic earnings per share	<u>\$ 4.86</u>	<u>\$ 9.15</u>	<u>\$ 4.05</u>	<u>\$ 7.62</u>
Diluted earnings per share	<u>\$ 4.86</u>	<u>\$ 9.15</u>	<u>\$ 4.05</u>	<u>\$ 7.62</u>

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

Net Profit for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 832,079</u>	<u>\$ 884,952</u>	<u>\$ 1,657,599</u>	<u>\$ 1,665,432</u>

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Weighted average number of common shares used in the computation of basic earnings per share	218,491	218,491	218,491	218,491
Effect of potentially dilutive common shares:				
Compensation of employees	<u>2</u>	<u>1</u>	<u>4</u>	<u>2</u>
Weighted average number of common shares used in the computation of diluted earnings per share	<u>218,493</u>	<u>218,492</u>	<u>218,495</u>	<u>218,493</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 six months ended June 30, 2022

	Beginning Balance	Cash Flows	Non-cash Changes		Ending Balance
			New Leases	Others	
Lease liabilities	<u>\$ 1,534,172</u>	<u>\$ (319,709)</u>	<u>\$ 1,170,234</u>	<u>\$ 7,722</u>	<u>\$ 2,392,419</u>

For the six months ended June 30, 2021

	Beginning Balance	Cash Flows	Non-cash Changes		Ending Balance
			New Leases	Others	
Lease liabilities	\$ 1,304,284	\$ (248,158)	\$ 383,956	\$ 151,277	\$ 1,591,359

25. FINANCIAL INSTRUMENTS

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

Management of the Group considers that the carrying amounts of financial assets and financial liabilities in the consolidated financial statements that are not measured at fair value 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

June 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
Unlisted stock - foreign	\$ -	\$ -	\$ 7,989	\$ 7,989
Unlisted stock - domestic	-	-	432,345	432,345
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 440,334</u>	<u>\$ 440,334</u>

December 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	\$ -	\$ -	\$ 15,179	\$ 15,179
Unlisted stock - domestic	-	-	61,177	61,177
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,356</u>	<u>\$ 76,356</u>

June 30, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
Unlisted stock - foreign	\$ -	\$ -	\$ 20,805	\$ 20,805
Unlisted stock - domestic	-	-	85,766	85,766
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,571</u>	<u>\$ 106,571</u>

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

The fair values of domestic and foreign unlisted stocks were determined using the market comparison approach or asset approach. Using Black-Scholes model, the evaluations were referenced to the stock price at the end of period or the financial information of similar companies, including market transaction prices, equity values and company values. The unobservable inputs were the liquidity discount rates and the stock price volatility. At June 30, 2022, December 31, 2021 and June 30, 2021, the ranges of liquidity discount rates were 15.09%-30.99%, 17.65%-27.4% and 19.64%, and the ranges of stock price volatility were 31.99%-41.29%, 26.07%-44.95% and 49.84%. The fair value of domestic unlisted stocks was determined using the price-book ratio approach as of June 30, 2021. The Group compares the net value per share with those of other public companies in the same industry or evaluates stock prices 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. The unobservable input used was liquidity discount rate of 20%.

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

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

	For the Six Months Ended June 30	
	2022	2021
Beginning balance	\$ 76,356	\$ 78,785
Recognized in other comprehensive (loss) income (included in unrealized valuation (loss) gain on financial assets at fair value through other comprehensive income)	(11,022)	27,786
Purchase	<u>375,000</u>	<u>-</u>
Ending balance	<u>\$440,334</u>	<u>\$106,571</u>

c. Categories of financial instruments

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Financial assets</u>			
Financial assets at fair value through other comprehensive income			
Investments in equity instruments	\$ 440,334	\$ 76,356	\$ 106,571
Financial assets at amortized cost (Note 1)	<u>11,496,941</u>	<u>11,279,696</u>	<u>11,791,381</u>
	<u>\$ 11,937,275</u>	<u>\$ 11,356,052</u>	<u>\$ 11,897,952</u>

Financial liabilities

Financial liabilities at amortized cost (Note 2)	<u>\$ 14,126,718</u>	<u>\$ 11,447,875</u>	<u>\$ 11,897,058</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, dividends payable, other financial liabilities and guarantee deposits received.

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 level of 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 June 30, 2022, December 31, 2021 and June 30, 2021, the Group had unused bank facilities of \$50,000 thousand, \$150,000 thousand and \$99,991 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.

June 30, 2022

	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	\$ 71,255	\$ 126,492	\$ 544,995	\$ 1,327,749	\$ 370,365

December 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	\$ 49,000	\$ 95,347	\$ 403,578	\$ 856,519	\$ 157,834

June 30, 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	\$ 42,931	\$ 86,637	\$ 376,089	\$ 916,476	\$ 199,137

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 29.

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, notes and 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 (decreased) increased as follows:

	For the Six Months Ended June 30	
	2022	2021
Appreciated 5%	\$ (6,488)	\$ (6,172)
Depreciated 5%	\$ 6,488	\$ 6,172

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:

	June 30, 2022	December 31, 2021	June 30, 2021
Fair value interest rate risk			
Financial assets	\$ 4,926,701	\$ 3,371,093	\$ 3,391,043
Financial liabilities	2,392,419	1,534,172	1,591,359
Cash flow interest rate risk			
Financial assets	4,506,956	5,969,319	6,947,155

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 six months ended June 30, 2022 and 2021 would have increased or decreased by \$11,267 thousand and \$17,368 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 six months ended June 30, 2022 and 2021 would have increased or decreased by \$22,017 thousand and \$5,329 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 June 30, 2022, December 31, 2021 and June 30, 2021, 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
GHS	Associates
Beijing Global JiuSha Media Technology Co., Ltd.	Associates
Beijing YueShih JiuSha Media Technology Co., Ltd.	Associates
Citruss Saudi Trading Company LLC	Associates
TPE	Associates (Note 1)
Taipei New Horizon Co., Ltd.	Same ultimate parent entity
Taiwan Fixed Network Co., Ltd.	Same ultimate parent entity
Taiwan Digital Service Co., Ltd.	Same ultimate parent entity
TFN Media Co., Ltd.	Same ultimate parent entity
Win TV Broadcasting Co., Ltd.	Same ultimate parent entity
Taiwan Kuro Times Co., Ltd.	Same ultimate parent entity
Yeong Jia Leh Cable TV Co., Ltd.	Same ultimate parent entity
Mangrove Cable TV Co., Ltd.	Same ultimate parent entity
Phoenix Cable TV Co., Ltd.	Same ultimate parent entity
Union Cable TV Co., Ltd.	Same ultimate parent entity
Globalview Cable TV Co., Ltd.	Same ultimate parent entity

(Continued)

Related Party Name	Related Party Categories
AppWorks Ventures Co., Ltd.	Related party in substance
Mistake Entertainment Co., Ltd.	Related party in substance
AppWorks School Co., Ltd.	Related party in substance
Nada Holding Corp.	Related party in substance
Fubon Life Insurance Co., Ltd. (Fubon Life)	Related party in substance
Fubon Insurance Co., Ltd. (Fubon Ins.)	Related party in substance
Taipei Fubon Commercial Bank Co., Ltd. (TFCB)	Related party in substance
Fubon Bank (China) Co., Ltd.	Related party in substance
Fubon Securities Co., Ltd.	Related party in substance
Fubon Securities Investment Trust Co., Ltd.	Related party in substance
Fubon Investment Service Co., Ltd.	Related party in substance
Fubon Financial Venture Capital Co., Ltd.	Related party in substance
Fubon Financial Holding Co., Ltd.	Related party in substance
Fubon Futures Co., Ltd.	Related party in substance
Fubon Marketing Co., Ltd.	Related party in substance
Fubon Sports & Entertainment Co., Ltd. (FSE)	Related party in substance
Fubon Gymnasium Co., Ltd.	Related party in substance
Fubon Asset Management Co., Ltd.	Related party in substance
Fubon Property Management Co., Ltd. (FPM)	Related party in substance
Fubon Land Development Co., Ltd.	Related party in substance
Fubon Real Estate Management Co., Ltd.	Related party in substance
Fubon Hospitality Management Co., Ltd.	Related party in substance
Fubon Insurance Agency Co., Ltd.	Related party in substance
Fu-Sheng Insurance Agency Co., Ltd.	Related party in substance
TFB Capital Co., Ltd.	Related party in substance
P. League+ Co., Ltd.	Related party in substance
Jih Sun International Bank, Ltd.	Related party in substance
Jih Sun Securities Co., Ltd.	Related party in substance
Jih Sun Futures Co., Ltd.	Related party in substance
Chung Hsing Constructions Co., Ltd.	Related party in substance
Fu Yi Health Management Co., Ltd.	Related party in substance
Chen Feng Investment Ltd.	Related party in substance
Chen Yun Co., Ltd.	Related party in substance
Hung Fu Investment Co., Ltd.	Related party in substance
Cho Pharma Inc.	Related party in substance
kbro Co., Ltd.	Related party in substance
kbro Media Co., Ltd.	Related party in substance
One Production Film Co., Ltd.	Related party in substance
Daanwenshan CATV Co., Ltd.	Related party in substance
North Taoyuan CATV Co., Ltd.	Related party in substance
Yangmingshan CATV Co., Ltd.	Related party in substance
Hsin Taipei CATV Co., Ltd.	Related party in substance
Chinpingtao CATV Co., Ltd.	Related party in substance
Hsintangcheng CATV Co., Ltd.	Related party in substance
Chuanlien CATV Co., Ltd.	Related party in substance
Chen Tao Cable TV Co., Ltd.	Related party in substance
Fengmeng Cable TV Co., Ltd.	Related party in substance
Hsinpingtao CATV Co., Ltd.	Related party in substance
Kuansheng CATV Co., Ltd.	Related party in substance
Nantien CATV Co., Ltd.	Related party in substance
Taiwan Win TV Media Co., Ltd.	Related party in substance

(Continued)

Related Party Name	Related Party Categories
Far Eastern Memorial Hospital	Related party in substance (Note 2)
Fubon Cultural & Educational Foundation	Related party in substance
Fubon Charity Foundation	Related party in substance
Fubon Art Foundation	Related party in substance
Taiwan Mobile Foundation	Related party in substance
Taipei Fubon Bank Charity Foundation	Related party in substance
Taipei New Horizon Management Agency	Related party in substance
	(Concluded)

Note 1: Not a related party since March 2021.

Note 2: Not a related party since September 2021.

b. Operating revenues

Line Items	Related Party Categories	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2022	2021	2022	2021
Sales	Ultimate parent entity	\$ 62,175	\$ 60,750	\$ 117,346	\$ 101,699
	Associates	<u>78</u>	<u>1,981</u>	<u>279</u>	<u>3,212</u>
		<u>\$ 62,253</u>	<u>\$ 62,731</u>	<u>\$ 117,625</u>	<u>\$ 104,911</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 June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Ultimate parent entity	\$ 572,077	\$ 523,104	\$ 1,194,397	\$ 1,095,998
Associates	-	-	-	127,694
Other related parties	<u>73,107</u>	<u>70,061</u>	<u>131,596</u>	<u>124,337</u>
	<u>\$ 645,184</u>	<u>\$ 593,165</u>	<u>\$ 1,325,993</u>	<u>\$ 1,348,029</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	June 30, 2022	December 31, 2021	June 30, 2021
Accounts receivable	Ultimate parent entity	\$ 36,384	\$ 58,675	\$ 29,305
	Associates	<u>265</u>	<u>373</u>	<u>2,451</u>
	Other related parties			
	TFCB	177,814	43,255	21,810
	Others	<u>4,231</u>	<u>2,480</u>	<u>2,809</u>
		<u>182,045</u>	<u>45,735</u>	<u>24,619</u>
		<u>\$ 218,694</u>	<u>\$ 104,783</u>	<u>\$ 56,375</u>
Other receivables	Ultimate parent entity	\$ 42,476	\$ 45,248	\$ 49,107
	Associates	-	-	3,659
	Other related parties			
	TFCB	<u>165,099</u>	<u>201,248</u>	<u>108,711</u>
		<u>\$ 207,575</u>	<u>\$ 246,496</u>	<u>\$ 161,477</u>

The outstanding trade receivables from related parties are unsecured and no impairment losses were recognized after assessment.

e. Payables to related parties

Line Items	Related Party Categories	June 30, 2022	December 31, 2021	June 30, 2021
Accounts payable	Ultimate parent entity	\$ 234,902	\$ 284,803	\$ 145,639
	Other related parties	<u>82,317</u>	<u>162,492</u>	<u>83,816</u>
		<u>\$ 317,219</u>	<u>\$ 447,295</u>	<u>\$ 229,455</u>
Other payables	Ultimate parent entity	\$ 85,446	\$ 50,743	\$ 24,747
	Parent entity	-	3,673	1,376
	Other related parties	<u>-</u>	<u>17,270</u>	<u>15,735</u>
		<u>\$ 85,446</u>	<u>\$ 71,686</u>	<u>\$ 41,858</u>

The outstanding trade payables to related parties are unsecured.

f. Bank deposits

Line Items	Related Party Categories/Name	June 30, 2022	December 31, 2021	June 30, 2021
Cash and cash equivalents	Other related parties			
	TFCB	\$ 656,393	\$ 1,270,658	\$ 750,545
	Others	<u>10,555</u>	<u>10,554</u>	<u>15,351</u>
		<u>\$ 666,948</u>	<u>\$ 1,281,212</u>	<u>\$ 765,896</u>

g. Prepayments

Related Party Categories/Name	June 30, 2022	December 31, 2021	June 30, 2021
Ultimate parent entity	\$ -	\$ -	\$ 123
Associates	-	757	577
Other related parties			
Fubon Ins.	26,728	3,312	19,248
FSE	12,600	-	12,600
Others	-	-	1,000
	<u>39,328</u>	<u>3,312</u>	<u>32,848</u>
	<u>\$ 39,328</u>	<u>\$ 4,069</u>	<u>\$ 33,548</u>

h. Lease arrangements

	Related Party Categories/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2022	2021	2022	2021
Acquisitions of right-of-use assets	Other related parties Fubon Life	<u>\$ 39,381</u>	<u>\$ 64,999</u>	<u>\$ 85,197</u>	<u>\$ 64,999</u>
Line Items	Related Party Categories/Name	June 30, 2022	December 31, 2021	June 30, 2021	
Lease liabilities	Ultimate parent entity	\$ 8,953	\$ 11,174	\$ -	
	Other related parties				
	Fubon Life	<u>265,385</u>	<u>270,497</u>	<u>352,064</u>	
		<u>\$ 274,338</u>	<u>\$ 281,671</u>	<u>\$ 352,064</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	June 30, 2022	December 31, 2021	June 30, 2021
Ultimate parent entity	\$ -	\$ 736	\$ 750
Associates	-	1,556	1,548
Other related parties			
Fubon Life	46,056	41,000	40,800
Others	-	572	572
	<u>46,056</u>	<u>41,572</u>	<u>41,372</u>
	<u>\$ 46,056</u>	<u>\$ 43,864</u>	<u>\$ 43,670</u>

2) Operating expenses

Related Party Categories/ Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Ultimate parent entity	\$ 18,381	\$ 11,912	\$ 35,154	\$ 19,512
Associates	-	611	-	1,852
Other related parties				
TFCB	165,426	25,020	313,683	44,609
FPM	-	7,238	-	7,238
Others	17,067	24,778	17,067	24,778
	<u>182,493</u>	<u>57,036</u>	<u>330,750</u>	<u>76,625</u>
	<u>\$ 200,874</u>	<u>\$ 69,559</u>	<u>\$ 365,904</u>	<u>\$ 97,989</u>

3) Other income and expenses

Related Party Categories/ Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Ultimate parent entity	\$ -	\$ 407	\$ -	\$ 407
Associates				
GHS	-	3,674	-	7,439
Others	-	-	-	24
	<u>-</u>	<u>3,674</u>	<u>-</u>	<u>7,463</u>
Other related parties				
TFCB	14,845	8,089	27,851	16,566
	<u>\$ 14,845</u>	<u>\$ 12,170</u>	<u>\$ 27,851</u>	<u>\$ 24,436</u>

j. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Short-term employee benefits	\$ 17,123	\$ 16,240	\$ 36,564	\$ 31,217
Post-employment benefits	<u>5,218</u>	<u>633</u>	<u>5,821</u>	<u>1,157</u>
	<u>\$ 22,341</u>	<u>\$ 16,873</u>	<u>\$ 42,385</u>	<u>\$ 32,374</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, lawsuits and purchases were as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Other financial assets - current	\$ 65,446	\$ 65,900	\$ 64,180
Other financial assets - non-current	<u>233,287</u>	<u>204,536</u>	<u>204,497</u>
	<u>\$ 298,733</u>	<u>\$ 270,436</u>	<u>\$ 268,677</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 DBS Bank (Taiwan) Ltd., which provided performance guarantee for advance receipts from prepaid bonus of \$191,929 thousand, electronic tickets of \$80,907 thousand, and physical tickets of \$38,022 thousand as of June 30, 2022, respectively.
- As of June 30, 2022, December 31, 2021 and June 30, 2021, the amounts of lease commitments commencing after the balance sheet date were \$1,180,726 thousand, \$1,896,117 thousand and \$775,457 thousand, respectively.
- Due to the business development needs, the Company's Board of Directors resolved the logistics warehouse construction and equipment procurement in Southern District in July 2020. As of June 30, 2022, contract amount not yet paid for the logistics warehouse construction and equipment were \$1,404,152 thousand and \$181,333 thousand, respectively.

29. 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:

June 30, 2022

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 17,700	4.423 (RMB:NTD)	\$ 78,286
USD	1,160	29.67 (USD:NTD)	34,428
THB	30,996	0.847 (THB:NTD)	<u>26,251</u>
			<u>\$ 138,965</u>

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
Non-monetary items			
Financial assets at fair value through other comprehensive income			
HKD	\$ 2,114	3.78 (HKD:NTD)	\$ 7,989
Non-current assets held for sale			
THB	53,286	0.847 (THB:NTD)	45,128
Investments accounted for using equity method			
RMB	128,763	4.423 (RMB:NTD)	<u>569,520</u>
			<u>\$ 622,637</u>
<u>Foreign currency liabilities</u>			
Monetary items			
USD	276	29.67 (USD:NTD)	\$ 8,185
EUR	33	31.19 (EUR:NTD)	<u>1,020</u>
			<u>\$ 9,205</u> (Concluded)

December 31, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 25,604	4.341 (RMB:NTD)	\$ 111,146
USD	827	27.66 (USD:NTD)	<u>22,871</u>
			<u>\$ 134,017</u>
Non-monetary items			
Financial assets at fair value through other comprehensive income			
HKD	4,279	3.547 (HKD:NTD)	\$ 15,179
Investments accounted for using equity method			
RMB	131,586	4.341 (RMB:NTD)	571,213
THB	144,178	0.835 (THB:NTD)	<u>120,346</u>
			<u>\$ 706,738</u>
<u>Foreign currency liabilities</u>			
Monetary items			
USD	70	27.66 (USD:NTD)	<u>\$ 1,944</u>

June 30, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 25,859	4.318 (RMB:NTD)	\$ 111,660
USD	458	27.895 (USD:NTD)	<u>12,785</u>
			<u>\$ 124,445</u>
Non-monetary items			
Financial assets at fair value through other comprehensive income			
HKD	5,790	3.593 (HKD:NTD)	\$ 20,805
Investments accounted for using equity method			
RMB	141,526	4.318 (RMB:NTD)	611,108
THB	179,744	0.874 (THB:NTD)	<u>157,168</u>
			<u>\$ 789,081</u>
<u>Foreign currency liabilities</u>			
Monetary items			
USD	36	27.895 (USD:NTD)	<u>\$ 1,006</u>

For the three months and six months ended June 30, 2022 and 2021, realized and unrealized net foreign exchange (losses) gains were \$(2,406) thousand, \$(592) thousand, \$1,736 thousand and \$(1,226) thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currencies transactions and functional currencies of the entities in the Group.

30. 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)

31. 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, Prosperous Living - wholesale and retail sales, Asian Crown (BVI) - investment, and Honest Development - investment; for the six months ended June 30, 2022 and 2021, 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.

a. Segment revenue and results

The following was an analysis of the Group's revenue and results by reportable segments:

	TV and Magazine	E-commerce	Others	Adjustments and Eliminations	Total
For the six months ended <u>June 30, 2022</u>					
Revenues					
Non-inter-company revenues	<u>\$ 2,529,131</u>	<u>\$ 45,527,764</u>	<u>\$ 531,154</u>	<u>\$ (512,182)</u>	<u>\$ 48,075,867</u>
Segment profits	<u>\$ 215,706</u>	<u>\$ 1,809,790</u>	<u>\$ 40,070</u>	<u>\$ 9,453</u>	<u>\$ 2,075,019</u>
For the six months ended <u>June 30, 2021</u>					
Revenues					
Non-inter-company revenues	<u>\$ 2,734,384</u>	<u>\$ 37,864,136</u>	<u>\$ 258,146</u>	<u>\$ (237,175)</u>	<u>\$ 40,619,491</u>
Segment profits	<u>\$ 302,766</u>	<u>\$ 1,656,215</u>	<u>\$ 118,823</u>	<u>\$ (24,293)</u>	<u>\$ 2,053,511</u>

b. Geographical information

The Group's mainly operating place and non-current assets are generated mostly located in Taiwan.

TABLE 1

momo.com Inc. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2022
(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	June 30, 2022				Note
				Shares (Thousands)	Carrying Amount	% of Ownership	Fair Value	
momo	<u>Unlisted Stock</u> Media Asia Group Holdings Limited	-	Financial assets at fair value through other comprehensive income - current	4,367	\$ 7,989	0.15	\$ 7,989	
	We Can Medicines Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	3,140	57,345	7.85	57,345	
	LINE Bank Taiwan Limited	-	Financial assets at fair value through other comprehensive income - non-current	37,500	375,000	2.50	375,000	
	<u>Listed Stock</u> TV Direct	-	Non-current assets held for sale	111,033	45,128	6.49	111,900	

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 SIX MONTHS ENDED JUNE 30, 2022
(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	
					Shares (Thousands)	Amount	Shares (Thousands)	Amount	Shares (Thousands)	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares (Thousands)	Amount
momo	Unlisted Stock LINE Bank Taiwan Limited	Financial assets at fair value through other comprehensive income - non-current	-	-	-	\$ -	37,500	\$ 375,000	-	\$ -	\$ -	\$ -	37,500	\$ 375,000

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 SIX MONTHS ENDED JUNE 30, 2022
(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	Ultimate parent entity	Sale	\$ 117,346	-	Based on contract terms	\$ -	-	\$ 36,384	13	
			Purchase	1,193,914	3	Based on contract terms	-	-	(234,902)	(2)	
	FSL	Subsidiary	Purchase	354,348	1	Based on contract terms	-	-	(134,730)	(1)	
MFS	momo	Parent entity	Sale	116,136	91	Based on contract terms	-	-	22,305	100	

TABLE 4

momo.com Inc. AND SUBSIDIARIES

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

JUNE 30, 2022

(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	\$ 177,814	Note	\$ -	-	\$ 28,599	\$ -
			Other receivables	165,078	-	-	-	165,078	-
FSL	momo	Parent entity	Accounts receivable	135,137	5.12	-	-	62,747	-

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 SIX MONTHS ENDED JUNE 30, 2022
(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	\$ 13,446	The terms of transaction are determined in accordance with mutual agreements or general business practices	0.03
		FSL	1	Accounts payable	134,730		0.52
		MFS	1	Operating costs	354,348		0.74
				Accounts payable	22,304		0.09
		Prosperous Living	1	Operating costs	91,305		0.19
				Operating costs	10,703		0.02
1	MFS	Prosperous Living	3	Operating revenue	10,393		0.02

Note: No. 1 represents the transactions from parent entity to subsidiary.
No. 2 represents the transactions from subsidiary to parent entity.
No. 3 represents the transactions from subsidiary to subsidiary.

TABLE 6**momo.com Inc. AND SUBSIDIARIES****INFORMATION ON INVESTEEES****FOR THE SIX MONTHS ENDED JUNE 30, 2022****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2022	December 31, 2021	Shares (Thousands)	%	Carrying Amount			
momo	FST	Taiwan	Travel agent	\$ 6,000	\$ 6,000	3,000	100.00	\$ 43,108	\$ 2,073	\$ 2,073	Note 3
	FLI	Taiwan	Life insurance agent	3,000	3,000	500	100.00	3,757	(1,445)	(1,445)	
	FPI	Taiwan	Property insurance agent	3,000	3,000	500	100.00	12,614	3,145	3,145	
	Asian Crown (BVI)	British Virgin Islands	Investment	885,285	885,285	9,735	81.99	17,498	(3,505)	(2,874)	
	Honest Development	Samoa	Investment	670,448	670,448	21,778	100.00	643,970	(12,345)	(12,345)	
	Bebe Poshe	Taiwan	Wholesale of cosmetics	85,000	85,000	8,500	85.00	27,786	(4,623)	(3,930)	
	FSL	Taiwan	Logistics industry	250,000	250,000	25,000	100.00	298,520	42,582	42,573	
	MFS	Taiwan	Wholesaling	100,000	100,000	10,000	100.00	100,071	(707)	(707)	
	Prosperous Living	Taiwan	Wholesale and retail sales	220,850	220,850	22,085	73.62	221,682	1,310	965	
	TV Direct	Thailand	Wholesale and retail sales	-	179,406	-	-	-	(192,427)	(44,798)	
Asian Crown (BVI)	Fortune Kingdom	Samoa	Investment	1,132,789	1,132,789	11,594	100.00	17,077	(3,716)	Note 2	
Fortune Kingdom	HK Fubon Multimedia	Hong Kong	Investment	1,132,789	1,132,789	11,594	100.00	17,077	(3,716)	Note 2	
Honest Development	HK Yue Numerous	Hong Kong	Investment	670,448	670,448	16,600	100.00	643,970	(12,345)	Note 2	

Note 1: Except for 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 it is not presented in this table.

Note 3: Reclassified as non-current assets held for sale. Please refer to Note 12 and Table 1 for details.

Note 4: 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 SIX MONTHS ENDED JUNE 30, 2022
(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, 2022	Remittance of Funds		Accumulated Outward Remittance For Investment from Taiwan as of June 30, 2022	Net Income (Loss) of Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of June 30, 2022	Accumulated Repatriation of Investment Income as of June 30, 2022	Note
					Outward	Inward							
FGE	Wholesaling	\$ 342,783 (RMB 77,500)	b.	\$ 810,209 (USD 14,000) (RMB 89,267)	\$ -	\$ -	\$ 810,209 (USD 14,000) (RMB 89,267)	\$ (4,426)	76.70	\$ (3,395)	\$ 7,411	\$ -	
Haobo	Investment	48,653 (RMB 11,000)	b.	-	-	-	-	(13,000)	100.00	(13,000)	615,332	-	
GHS	Wholesaling	221,151 (RMB 50,000)	b.	-	-	-	-	67,819	20.00	(14,110)	569,520	-	

Accumulated Outward Remittance for Investments in Mainland China as of June 30, 2022	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$1,447,286 (USD14,000, RMB89,267 and HKD168,539)	\$1,447,286 (USD14,000, RMB89,267 and HKD168,539)	\$4,888,851

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' subsidiary.
 - 3) GHS is Haobo's associate.
- c. Others.

Note 2: The exchange rates on June 30, 2022 are USD1=NT\$29.67, RMB1=NT\$4.423, and HKD1=NT\$3.78.

TABLE 8**momo.com Inc.****INFORMATION OF MAJOR SHAREHOLDERS
JUNE 30, 2022**

Name of Major Shareholder	Shares	
	Number of Shares	% of Ownership
WMT	81,961,366	45.01
TECO CAPITAL INVESTMENT CO., LTD.	19,174,000	10.53
WOORI HOMESHOPPING CO., LTD.	14,418,200	7.91

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of common shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.