

## **momo.com Inc. and Subsidiaries**

**Consolidated Financial Statements for the  
Six Months Ended June 30, 2024 and 2023 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, 2024 and 2023, the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2024 and 2023, and the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2024 and 2023, and the related notes to the consolidated financial statements, including material accounting policy information. 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 the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### 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, 2024 and 2023, its consolidated financial performance for the three months and six months ended June 30, 2024 and 2023, and its consolidated cash flows for the six months ended June 30, 2024 and 2023 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

August 2, 2024

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)**

	<b>June 30, 2024</b>		<b>December 31, 2023</b>		<b>June 30, 2023</b>	
<b>ASSETS</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Notes 6 and 29)	\$ 7,605,415	26	\$ 6,277,880	22	\$ 5,214,368	23
Financial assets at fair value through other comprehensive income - current (Note 8)	173	-	623	-	808	-
Accounts receivable, net (Note 9)	269,351	1	199,630	1	129,204	-
Accounts receivable from related parties (Note 29)	255,984	1	391,306	1	251,278	1
Other receivables, net (Notes 9 and 29)	2,481,047	8	2,710,831	10	1,801,137	8
Inventories (Note 10)	4,112,502	14	4,621,814	16	4,389,322	19
Prepayments (Note 29)	141,987	-	68,856	-	134,602	1
Other financial assets - current (Notes 11, 29, 30 and 31)	299,141	1	199,851	1	125,373	-
Other current assets	14,148	-	13,652	-	17,366	-
Right to recover products - current (Note 21)	151,266	1	168,496	1	159,914	1
Total current assets	15,331,014	52	14,652,939	52	12,223,372	53
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss - non-current (Note 7)	287,500	1	287,500	1	247,197	1
Financial assets at fair value through other comprehensive income - non-current (Note 8)	508,478	2	405,306	1	421,439	2
Investments accounted for using equity method (Notes 13 and 29)	617,009	2	391,900	1	471,282	2
Property, plant and equipment (Note 14)	8,608,594	29	8,181,371	29	7,534,784	33
Right-of-use assets (Note 15)	3,260,063	11	3,603,750	13	1,404,955	7
Intangible assets (Notes 26 and 29)	28,823	-	39,331	-	55,769	-
Deferred tax assets	116,174	-	121,505	-	21,413	-
Prepayments for equipment	274,105	1	134,655	1	70,184	-
Refundable deposits (Note 29)	218,081	1	226,334	1	240,567	1
Net defined benefit assets - non-current	4,028	-	3,973	-	4,011	-
Other financial assets - non-current (Notes 11, 29 and 30)	282,995	1	272,995	1	242,906	1
Total non-current assets	14,205,850	48	13,668,620	48	10,714,507	47
<b>TOTAL</b>	<b>\$ 29,536,864</b>	<b>100</b>	<b>\$ 28,321,559</b>	<b>100</b>	<b>\$ 22,937,879</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Contract liabilities - current	\$ 152,184	1	\$ 131,911	1	\$ 153,932	1
Accounts payable (Note 16)	10,248,866	35	10,133,305	36	9,747,510	42
Accounts payable to related parties (Note 29)	341,998	1	286,726	1	290,757	1
Dividends payable	3,558,944	12	-	-	962	-
Other payables (Notes 17 and 29)	1,140,521	4	1,626,233	5	1,030,510	4
Current tax liabilities	408,356	1	479,497	2	413,095	2
Lease liabilities - current (Notes 15, 27 and 29)	722,848	2	796,384	3	574,999	3
Refund liabilities - current (Note 21)	162,766	1	179,947	1	173,763	1
Other current liabilities (Note 18)	1,368,369	5	1,244,530	4	981,936	4
Total current liabilities	18,104,852	62	14,878,533	53	13,367,464	58
<b>NON-CURRENT LIABILITIES</b>						
Provisions - non-current	31,227	-	31,252	-	27,046	-
Deferred tax liabilities	12,986	-	20,250	-	19,287	-
Lease liabilities - non-current (Notes 15, 27 and 29)	2,583,023	9	2,826,367	10	860,713	4
Guarantee deposits received	385,534	1	385,188	1	368,262	2
Total non-current liabilities	3,012,770	10	3,263,057	11	1,275,308	6
Total liabilities	21,117,622	72	18,141,590	64	14,642,772	64
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)</b>						
Capital stock						
Common stock	2,403,404	8	2,403,404	8	2,184,913	10
Stock dividends to be distributed	120,170	1	-	-	218,491	1
Total capital stock	2,523,574	9	2,403,404	8	2,403,404	11
Capital surplus	1,849,758	6	1,969,928	7	1,969,928	8
Retained earnings						
Legal reserve	2,159,102	7	1,804,834	6	1,804,834	8
Special reserve	126,502	-	210,385	1	210,385	1
Unappropriated earnings	1,680,652	6	3,831,533	14	1,934,814	8
Total retained earnings	3,966,256	13	5,846,752	21	3,950,033	17
Other equity	(5,331)	-	(126,502)	-	(113,799)	-
Total equity attributable to owners of the Company	8,334,257	28	10,093,582	36	8,209,566	36
<b>NON-CONTROLLING INTERESTS (Note 20)</b>	<b>84,985</b>	<b>-</b>	<b>86,387</b>	<b>-</b>	<b>85,541</b>	<b>-</b>
Total equity	8,419,242	28	10,179,969	36	8,295,107	36
<b>TOTAL</b>	<b>\$ 29,536,864</b>	<b>100</b>	<b>\$ 28,321,559</b>	<b>100</b>	<b>\$ 22,937,879</b>	<b>100</b>

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)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 21, 29 and 34)	\$ 26,656,946	100	\$ 26,212,415	100	\$ 53,534,815	100	\$ 51,332,455	100
OPERATING COSTS (Notes 10, 22 and 29)	<u>24,229,709</u>	<u>91</u>	<u>23,604,749</u>	<u>90</u>	<u>48,570,263</u>	<u>91</u>	<u>46,168,980</u>	<u>90</u>
GROSS PROFIT FROM OPERATIONS	<u>2,427,237</u>	<u>9</u>	<u>2,607,666</u>	<u>10</u>	<u>4,964,552</u>	<u>9</u>	<u>5,163,475</u>	<u>10</u>
OPERATING EXPENSES (Notes 9, 22 and 29)								
Marketing expenses	758,227	3	908,798	3	1,447,840	3	1,734,870	3
Administrative expenses	684,041	2	664,828	3	1,353,049	2	1,293,283	3
Research and development expenses	100,178	-	66,479	-	191,247	-	128,500	-
Expected credit (gain) loss	<u>(1,879)</u>	<u>-</u>	<u>1,260</u>	<u>-</u>	<u>(1,590)</u>	<u>-</u>	<u>1,717</u>	<u>-</u>
Total operating expenses	<u>1,540,567</u>	<u>5</u>	<u>1,641,365</u>	<u>6</u>	<u>2,990,546</u>	<u>5</u>	<u>3,158,370</u>	<u>6</u>
NET OTHER INCOME AND EXPENSES (Note 29)	<u>37,536</u>	<u>-</u>	<u>34,227</u>	<u>-</u>	<u>67,604</u>	<u>-</u>	<u>87,494</u>	<u>-</u>
OPERATING INCOME	<u>924,206</u>	<u>4</u>	<u>1,000,528</u>	<u>4</u>	<u>2,041,610</u>	<u>4</u>	<u>2,092,599</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income (Note 29)	39,578	-	31,904	-	65,287	-	54,965	-
Other income	452	-	658	-	1,026	-	1,488	-
Other gains and losses, net (Note 22)	1,142	-	4,185	-	4,297	-	7,290	-
Finance costs (Note 22)	(8,141)	-	(3,172)	-	(16,643)	-	(6,321)	-
Share of profit of associates accounted for using equity method	<u>1,787</u>	<u>-</u>	<u>5,025</u>	<u>-</u>	<u>822</u>	<u>-</u>	<u>1,111</u>	<u>-</u>
Total non-operating income and expenses	<u>34,818</u>	<u>-</u>	<u>38,600</u>	<u>-</u>	<u>54,789</u>	<u>-</u>	<u>58,533</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	959,024	4	1,039,128	4	2,096,399	4	2,151,132	4
INCOME TAX EXPENSE (Note 23)	<u>190,966</u>	<u>1</u>	<u>196,580</u>	<u>1</u>	<u>418,536</u>	<u>1</u>	<u>419,926</u>	<u>1</u>
NET PROFIT FOR THE PERIOD	<u>768,058</u>	<u>3</u>	<u>842,548</u>	<u>3</u>	<u>1,677,863</u>	<u>3</u>	<u>1,731,206</u>	<u>3</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 20 and 23)								
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	(38,380)	-	15,980	-	102,812	-	33,645	-

(Continued)

**momo.com Inc. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation	\$ 6,447	-	\$ (18,541)	-	\$ 18,098	-	\$ (15,092)	-
Share of other comprehensive income (loss) of associates accounted for using equity method	5	-	824	-	284	-	(852)	-
Other comprehensive (loss) income, net of tax	(31,928)	-	(1,737)	-	121,194	-	17,701	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>\$ 736,130</u>	<u>3</u>	<u>\$ 840,811</u>	<u>3</u>	<u>\$ 1,799,057</u>	<u>3</u>	<u>\$ 1,748,907</u>	<u>3</u>
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO:</b>								
Owners of the Company	\$ 768,255	3	\$ 842,879	3	\$ 1,677,210	3	\$ 1,731,320	3
Non-controlling interests	(197)	-	(331)	-	653	-	(114)	-
	<u>\$ 768,058</u>	<u>3</u>	<u>\$ 842,548</u>	<u>3</u>	<u>\$ 1,677,863</u>	<u>3</u>	<u>\$ 1,731,206</u>	<u>3</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:</b>								
Owners of the Company	\$ 736,318	3	\$ 841,180	3	\$ 1,798,381	3	\$ 1,749,046	3
Non-controlling interests	(188)	-	(369)	-	676	-	(139)	-
	<u>\$ 736,130</u>	<u>3</u>	<u>\$ 840,811</u>	<u>3</u>	<u>\$ 1,799,057</u>	<u>3</u>	<u>\$ 1,748,907</u>	<u>3</u>
<b>EARNINGS PER SHARE</b>								
(Note 24)								
Basic	<u>\$ 3.20</u>		<u>\$ 3.51</u>		<u>\$ 6.98</u>		<u>\$ 7.20</u>	
Diluted	<u>\$ 3.20</u>		<u>\$ 3.51</u>		<u>\$ 6.98</u>		<u>\$ 7.20</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)

	Equity Attributable to Owners of the Company						Other Equity		Total	Non-controlling Interests	Total Equity
	Capital Stock		Capital Surplus	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		Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2023	\$ 2,184,913	\$ -	\$ 2,259,399	\$ 1,461,632	\$ 206,677	\$ 3,913,139	\$ (69,576)	\$ (140,809)	\$ 9,815,375	\$ 88,221	\$ 9,903,596
Distribution of 2022 earnings											
Legal reserve	-	-	-	343,202	-	(343,202)	-	-	-	-	-
Special reserve	-	-	-	-	3,708	(3,708)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(3,277,369)	-	-	(3,277,369)	-	(3,277,369)
Issue of stock dividends from capital surplus	-	218,491	(218,491)	-	-	-	-	-	-	-	-
Net profit (loss) for the six months ended June 30, 2023	-	-	-	-	-	1,731,320	-	-	1,731,320	(114)	1,731,206
Other comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	-	(15,919)	33,645	17,726	(25)	17,701
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	1,731,320	(15,919)	33,645	1,749,046	(139)	1,748,907
Reorganization	-	-	(70,980)	-	-	-	-	-	(70,980)	-	(70,980)
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	-	-	(6,506)	-	-	(6,506)	(1,579)	(8,085)
Cash dividends for non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	(962)	(962)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(78,860)	-	78,860	-	-	-
BALANCE AT JUNE 30, 2023	<u>\$ 2,184,913</u>	<u>\$ 218,491</u>	<u>\$ 1,969,928</u>	<u>\$ 1,804,834</u>	<u>\$ 210,385</u>	<u>\$ 1,934,814</u>	<u>\$ (85,495)</u>	<u>\$ (28,304)</u>	<u>\$ 8,209,566</u>	<u>\$ 85,541</u>	<u>\$ 8,295,107</u>
BALANCE AT JANUARY 1, 2024	\$ 2,403,404	\$ -	\$ 1,969,928	\$ 1,804,834	\$ 210,385	\$ 3,831,533	\$ (81,917)	\$ (44,585)	\$ 10,093,582	\$ 86,387	\$ 10,179,969
Distribution of 2023 earnings											
Legal reserve	-	-	-	354,268	-	(354,268)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(3,557,038)	-	-	(3,557,038)	-	(3,557,038)
Reversal of special reserve	-	-	-	-	(83,883)	83,883	-	-	-	-	-
Issue of stock dividends from capital surplus	-	120,170	(120,170)	-	-	-	-	-	-	-	-
Net profit for the six months ended June 30, 2024	-	-	-	-	-	1,677,210	-	-	1,677,210	653	1,677,863
Other comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	-	18,359	102,812	121,171	23	121,194
Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	1,677,210	18,359	102,812	1,798,381	676	1,799,057
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	-	-	(668)	-	-	(668)	(172)	(840)
Cash dividends for non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	(1,906)	(1,906)
BALANCE AT JUNE 30, 2024	<u>\$ 2,403,404</u>	<u>\$ 120,170</u>	<u>\$ 1,849,758</u>	<u>\$ 2,159,102</u>	<u>\$ 126,502</u>	<u>\$ 1,680,652</u>	<u>\$ (63,558)</u>	<u>\$ 58,227</u>	<u>\$ 8,334,257</u>	<u>\$ 84,985</u>	<u>\$ 8,419,242</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)

	For the Six Months Ended June 30	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 2,096,399	\$ 2,151,132
Adjustments for:		
Depreciation expenses	660,429	551,758
Amortization expenses	14,483	22,827
Expected credit (gain) loss	(1,590)	1,717
Gain on financial assets at fair value through profit or loss	-	(9,651)
Finance costs	16,643	6,321
Interest income	(65,287)	(54,965)
Share of profit of associates accounted for using equity method	(822)	(1,111)
(Gain) loss on disposal of property, plant and equipment	(40)	978
Others	(3,363)	912
Changes in operating assets and liabilities		
Accounts receivable	(69,688)	49,669
Accounts receivable from related parties	135,322	35,355
Other receivables	233,146	456,346
Inventories	509,312	90,086
Prepayments	(73,131)	(64,941)
Other current assets	(493)	(1,106)
Other financial assets	(138,321)	-
Right to recover products	17,230	15,210
Contract liabilities	20,273	(49,482)
Accounts payable	115,561	(912,447)
Accounts payable to related parties	55,272	(53,457)
Other payables	(433,679)	(509,126)
Provisions	(554)	(507)
Other current liabilities	123,839	(8,453)
Net defined benefit plans	(55)	(59)
Refund liabilities	(17,181)	(17,239)
Cash generated from operations	3,193,705	1,699,767
Interest received	84	72
Income tax paid	(491,523)	(422,039)
Net cash generated from operating activities	<u>2,702,266</u>	<u>1,277,800</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Disposal of financial assets at fair value through other comprehensive income	-	4,028
Acquisition of investments accounted for using equity method	(206,000)	-
Acquisition of property, plant and equipment	(642,436)	(440,420)
Disposal of property, plant and equipment	546	750
Increase in refundable deposits	(6,021)	(10,499)
Decrease in refundable deposits	15,093	9,745

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# **momo.com Inc. AND SUBSIDIARIES**

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

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Acquisition of intangible assets	\$ (3,637)	\$ (9,140)
Increase in other financial assets	(64,320)	(72,841)
Decrease in other financial assets	97,086	71,631
Increase in prepayments for equipment	(133,056)	(24,820)
Interest received	61,840	54,576
Net cash outflow on acquisition of e-book business	<u>(28,400)</u>	<u>(43,000)</u>
Net cash used in investing activities	<u>(909,305)</u>	<u>(459,990)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in guarantee deposits received	22,485	28,826
Decrease in guarantee deposits received	(22,139)	(20,334)
Repayment of the principal portion of lease liabilities	(448,447)	(364,696)
Cash dividends paid	-	(3,277,369)
Acquisition of additional interests in subsidiary	(840)	(8,085)
Interest paid	<u>(16,580)</u>	<u>(6,175)</u>
Net cash used in financing activities	<u>(465,521)</u>	<u>(3,647,833)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>95</u>	<u>(46)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,327,535	(2,830,069)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>6,277,880</u>	<u>8,044,437</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 7,605,415</u>	<u>\$ 5,214,368</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, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

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### **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, retailing, and retail sale no storefront.

The consolidated financial statements 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 August 2, 2024.

### **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 “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB</b>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

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

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
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 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

#### IFRS 18 “Presentation and Disclosures in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as ‘other’ only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

##### **a. Statement of compliance**

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

##### **b. Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value 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, 2023.

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

##### **d. Other material accounting policies**

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

###### **1) Classification of current and non-current assets and liabilities**

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

2) 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.

3) Income tax expense

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

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

The same material accounting judgments and key sources of estimation uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2023.

## 6. CASH AND CASH EQUIVALENTS

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand and revolving funds	\$ 3	\$ 3	\$ 3
Cash in banks	1,220,462	1,517,217	1,282,164
Time deposits	<u>6,384,950</u>	<u>4,760,660</u>	<u>3,932,201</u>
	<u>\$ 7,605,415</u>	<u>\$ 6,277,880</u>	<u>\$ 5,214,368</u>

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Domestic unlisted stock	<u>\$ 287,500</u>	<u>\$ 287,500</u>	<u>\$ 247,197</u>

In August 2023 and June 2024, the Group's percentage of ownership interest in Gaius Automotive Inc. decreased from 8.02% to 7.61% and from 7.61% to 7.07%, respectively, as the Group did not exercise the rights to participate in any share issuance for cash.

As of June 30, 2024, December 31 and June 30, 2023, the financial assets were not pledged.

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

### Equity Instrument Investments

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Foreign listed stock	\$ 173	\$ 623	\$ 808
<u>Non-current</u>			
Domestic listed stock	\$ 213,607	\$ -	\$ -
Domestic unlisted stock	294,871	405,306	421,439
	<u>\$ 508,478</u>	<u>\$ 405,306</u>	<u>\$ 421,439</u>

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

Media Asia Group Holdings Limited ("Media Asia")'s parent company is eSun Holdings Limited ("eSun"). In November 2022, eSun's Board of Directors resolved the acquisition of 100% interest of Media Asia through a share exchange ratio of 6 shares of Media Asia for 1 share of eSun and HK\$0.24 per share. The effective date was March 16, 2023. The Group acquired 728 thousand shares of eSun and \$4,028 thousand in cash through this share exchange offered. The amount of \$78,860 thousand of other equity related to the original investment was reclassified from unrealized loss on financial assets at FVTOCI to retained earnings.

In March 2024, the Group's percentage of ownership interest in We Can Medicines Co., Ltd. decreased from 7.68% to 6.94% as the Group did not exercise the rights to participate in any share issuance for cash.

As of June 30, 2024, December 31 and June 30, 2023, the financial assets were not pledged.

## 9. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Accounts receivable</u>			
Measured at amortized cost			
Gross carrying amount	\$ 270,124	\$ 200,717	\$ 130,417
Less: Allowance for impairment loss	(773)	(1,087)	(1,213)
	<u>\$ 269,351</u>	<u>\$ 199,630</u>	<u>\$ 129,204</u>

(Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Other receivables</u>			
Measured at amortized cost			
Gross carrying amount	\$ 2,482,188	\$ 2,713,782	\$ 1,804,168
Less: Allowance for impairment loss	<u>(1,141)</u>	<u>(2,951)</u>	<u>(3,031)</u>
	<u>\$ 2,481,047</u>	<u>\$ 2,710,831</u>	<u>\$ 1,801,137</u>
			(Concluded)

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

The Group measures the loss allowance for accounts receivable and other receivables at an amount equal to lifetime ECLs. The ECLs on accounts receivable and other receivables are estimated using a provision matrix approach considering the past default experience and collecting experience of each debtor, an increase in the number of delayed payments in the portfolio past the average credit period, as well as the change rates of consumer price index and economic leading indicators. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision matrix does not distinguish customer segments. As a result, the expected credit loss rate is based on the number of past due days of accounts receivable and other receivables.

The Group writes off accounts receivable and other receivables when there is evidence indicating that the counterparty is in severe financial difficulty and accounts receivable and other receivables are considered uncollectible. For 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 accounts receivable and other receivables.

June 30, 2024

	Not Past Due	1 to 120 Days Past Due	121 to 365 Days Past Due	Over 365 Days Past Due	Total
Gross carrying amount	\$ 2,721,034	\$ 27,557	\$ 2,729	\$ 992	\$ 2,752,312
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(3)</u>	<u>(919)</u>	<u>(992)</u>	<u>(1,914)</u>
Amortized cost	<u>\$ 2,721,034</u>	<u>\$ 27,554</u>	<u>\$ 1,810</u>	<u>\$ -</u>	<u>\$ 2,750,398</u>

December 31, 2023

	Not Past Due	1 to 120 Days Past Due	121 to 365 Days Past Due	Over 365 Days Past Due	Total
Gross carrying amount	\$ 2,823,316	\$ 86,250	\$ 2,416	\$ 2,517	\$ 2,914,499
Loss allowance (Lifetime ECLs)	<u>(2)</u>	<u>(52)</u>	<u>(1,467)</u>	<u>(2,517)</u>	<u>(4,038)</u>
Amortized cost	<u>\$ 2,823,314</u>	<u>\$ 86,198</u>	<u>\$ 949</u>	<u>\$ -</u>	<u>\$ 2,910,461</u>

June 30, 2023

	Not Past Due	1 to 120 Days Past Due	121 to 365 Days Past Due	Over 365 Days Past Due	Total
Gross carrying amount	\$ 1,856,003	\$ 73,004	\$ 2,978	\$ 2,600	\$ 1,934,585
Loss allowance (Lifetime ECLs)	<u>(480)</u>	<u>(42)</u>	<u>(1,122)</u>	<u>(2,600)</u>	<u>(4,244)</u>
Amortized cost	<u>\$ 1,855,523</u>	<u>\$ 72,962</u>	<u>\$ 1,856</u>	<u>\$ -</u>	<u>\$ 1,930,341</u>

The expected credit loss rate of each period above, excluding abnormal transactions which have been recognized 100% credit loss, is lower than 2.27% when the aging of the receivables not past due or within 120 days and is between 2.42%-100% when the aging period past due over 121 days.

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

	For the Six Months Ended June 30	
	2024	2023
Beginning balance	\$ 4,038	\$ 6,955
Add: Provision	-	1,717
Recovery	-	2
Less: Write-off	(534)	(4,430)
Reversal	<u>(1,590)</u>	<u>-</u>
Ending balance	<u>\$ 1,914</u>	<u>\$ 4,244</u>

## 10. INVENTORIES

	June 30, 2024	December 31, 2023	June 30, 2023
Merchandise	<u>\$ 4,112,502</u>	<u>\$ 4,621,814</u>	<u>\$ 4,389,322</u>

The cost of inventories recognized as cost of goods sold for the three months and the six months ended June 30, 2024 were \$23,084,343 thousand and \$46,319,738 thousand, respectively, which included inventory write-downs of \$2,774 thousand and \$6,405 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the three months and the six months ended June 30, 2023 were \$22,442,484 thousand and \$43,908,157 thousand, respectively, which included reversal of inventory write-downs of \$6,481 thousand and \$4,482 thousand, respectively.



## 11. OTHER FINANCIAL ASSETS

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Pledged time deposits and restricted deposits	\$ 65,197	\$ 65,195	\$ 65,200
Time deposits with original maturities of more than 3 months	95,623	134,656	60,173
Trust account	<u>138,321</u>	<u>-</u>	<u>-</u>
	<u>\$ 299,141</u>	<u>\$ 199,851</u>	<u>\$ 125,373</u>

### Non-current

Pledged time deposits and restricted deposits	<u>\$ 282,995</u>	<u>\$ 272,995</u>	<u>\$ 242,906</u>
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- The Group estimates the expected credit risks of the above financial assets are not significant, and all the credit risks did not increase after initial recognition.
- Refer to Note 30 for information relating to other financial assets pledged as security.
- Refer to Note 31 for information relating to trust account.

## 12. SUBSIDIARIES

- Subsidiaries included in the consolidated financial statements

Investor	Subsidiary	Nature of Activities	% of Ownership			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
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	Note 1
momo	Fuli Insurance Agent Co., Ltd. (FI)	Comprehensive insurance agent	100.00	100.00	100.00	Note 1
momo	Bebe Poshe International Co., Ltd. (Bebe Poshe)	Wholesale of cosmetics	94.25	93.73	93.73	Note 2
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	73.62	-
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	93.55	93.55	93.55	Note 3
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 1: In order to integrate organizational resources, maximize operational synergies, and enhance competitiveness, the Board of Directors of FI resolved to merge with FLI in October 2023, and FI was the surviving company. The base date of merge was November 30, 2023.

Note 2: momo acquired equity interest of Bebe Poshe's non-controlling interests in May 2024 and March and May 2023. Please refer to Note 25 for the details.

Note 3: FGE is no longer viable as a going concern due to long-term losses. The Board of Directors resolved the liquidation in October 2023. The statutory deregistration process was completed in April 2024; however, the liquidation proceeds are yet to be recovered.

- Subsidiaries excluded from the consolidated financial statements: None.

### 13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

#### Investments in Associates

Investee Company	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	% of Owner-ship	Amount	% of Owner-ship	Amount	% of Owner-ship
Global Home Shopping Co., Ltd. (GHS)	\$ 411,163	20.00	\$ 391,900	20.00	\$ 471,282	20.00
SK Biomedical INC. (SK Biomedical)	5,947	20.00	-	-	-	-
Fubon Green Power Co., Ltd. (Fubon Green Power)	<u>199,899</u>	5.00	<u>-</u>	-	<u>-</u>	-
	<u>\$ 617,009</u>		<u>\$ 391,900</u>		<u>\$ 471,282</u>	

Refer to Table 5 and 6 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 interest of GHS through its subsidiary - Honest Development.

b. SK Biomedical

In March 2024, momo acquired 20% equity interest of SK Biomedical for a payment of \$6,000 thousand.

c. Fubon Green Power

In June 2024, momo acquired 5% equity interest of Fubon Green Power for a payment of \$200,000 thousand. Although the shareholding ratio does not reach 20%, it is evaluated by equity method due to the significant influence that momo together with its ultimate parent company, Taiwan Mobile Co., Ltd.(“TWM”), has over Fubon Green Power.

### 14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery	Office Equipment	Lease Improvement	Other Equipment	Property under Construction	Total
<u>Cost</u>								
Balance at January 1, 2023	\$ 3,659,184	\$ 1,777,404	\$ 1,915,829	\$ 189,595	\$ 395,483	\$ 174,093	\$ 1,398,101	\$ 9,509,689
Additions	-	-	36,846	12,866	7,231	8,446	307,022	372,411
Disposals	-	-	(93,761)	(4,397)	(2,162)	(2,597)	-	(102,917)
Reclassifications	-	-	<u>23,665</u>	-	-	<u>10,729</u>	-	<u>34,394</u>
Balance at June 30, 2023	<u>\$ 3,659,184</u>	<u>\$ 1,777,404</u>	<u>\$ 1,882,579</u>	<u>\$ 198,064</u>	<u>\$ 400,552</u>	<u>\$ 190,671</u>	<u>\$ 1,705,123</u>	<u>\$ 9,813,577</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2023	\$ -	\$ 409,091	\$ 1,266,493	\$ 139,376	\$ 305,984	\$ 66,162	\$ -	\$ 2,187,106
Depreciation expenses	-	25,779	109,316	13,600	29,327	14,854	-	192,876
Disposals	-	-	(93,034)	(4,355)	(1,879)	(1,921)	-	(101,189)
Balance at June 30, 2023	<u>\$ -</u>	<u>\$ 434,870</u>	<u>\$ 1,282,775</u>	<u>\$ 148,621</u>	<u>\$ 333,432</u>	<u>\$ 79,095</u>	<u>\$ -</u>	<u>\$ 2,278,793</u>
Carrying amount at January 1, 2023	<u>\$ 3,659,184</u>	<u>\$ 1,368,313</u>	<u>\$ 649,336</u>	<u>\$ 50,219</u>	<u>\$ 89,499</u>	<u>\$ 107,931</u>	<u>\$ 1,398,101</u>	<u>\$ 7,322,583</u>
Carrying amount at June 30, 2023	<u>\$ 3,659,184</u>	<u>\$ 1,342,534</u>	<u>\$ 599,804</u>	<u>\$ 49,443</u>	<u>\$ 67,120</u>	<u>\$ 111,576</u>	<u>\$ 1,705,123</u>	<u>\$ 7,534,784</u>

(Continued)

	Land	Buildings	Machinery	Office Equipment	Lease Improvement	Other Equipment	Property under Construction	Total
<u>Cost</u>								
Balance at January 1, 2024	\$ 3,659,184	\$ 1,777,404	\$ 1,953,871	\$ 213,753	\$ 418,482	\$ 218,500	\$ 2,404,903	\$ 10,646,097
Additions	-	8,476	174,637	13,079	16,954	4,233	395,162	612,541
Disposals	-	-	(75,931)	(2,520)	(2,338)	(2,434)	-	(83,223)
Balance at June 30, 2024	<u>\$ 3,659,184</u>	<u>\$ 1,785,880</u>	<u>\$ 2,052,577</u>	<u>\$ 224,312</u>	<u>\$ 433,098</u>	<u>\$ 220,299</u>	<u>\$ 2,800,065</u>	<u>\$ 11,175,415</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2024	\$ -	\$ 460,650	\$ 1,387,975	\$ 161,281	\$ 357,827	\$ 96,993	\$ -	\$ 2,464,726
Depreciation expenses	-	26,157	108,603	15,024	15,976	19,052	-	184,812
Disposals	-	-	(75,931)	(2,520)	(2,338)	(1,928)	-	(82,717)
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ 486,807</u>	<u>\$ 1,420,647</u>	<u>\$ 173,785</u>	<u>\$ 371,465</u>	<u>\$ 114,117</u>	<u>\$ -</u>	<u>\$ 2,566,821</u>
Carrying amount at January 1, 2024	<u>\$ 3,659,184</u>	<u>\$ 1,316,754</u>	<u>\$ 565,896</u>	<u>\$ 52,472</u>	<u>\$ 60,655</u>	<u>\$ 121,507</u>	<u>\$ 2,404,903</u>	<u>\$ 8,181,371</u>
Carrying amount at June 30, 2024	<u>\$ 3,659,184</u>	<u>\$ 1,299,073</u>	<u>\$ 631,930</u>	<u>\$ 50,527</u>	<u>\$ 61,633</u>	<u>\$ 106,182</u>	<u>\$ 2,800,065</u>	<u>\$ 8,608,594</u>

(Concluded)

No impairment loss or reversal of impairment loss was recognized for the six months ended June 30, 2024 and 2023.

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	1-15 years

As of June 30, 2024, December 31 and June 30, 2023, the property, plant and equipment were not pledged as collateral.

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Carrying amount</u>			
Land	\$ 2,348	\$ 3,077	\$ 3,806
Buildings	3,254,803	3,597,128	1,396,853
Office equipment	-	78	274
Transportation equipment	<u>2,912</u>	<u>3,467</u>	<u>4,022</u>
	<u>\$ 3,260,063</u>	<u>\$ 3,603,750</u>	<u>\$ 1,404,955</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Additions to right-of-use assets			<u>\$ 132,477</u>	<u>\$ 180,983</u>
Depreciation charge for right-of-use assets				
Land	\$ 365	\$ 365	\$ 729	\$ 711
Buildings	236,183	179,783	474,255	357,511
Office equipment	20	129	78	303
Transportation equipment	<u>277</u>	<u>202</u>	<u>555</u>	<u>357</u>
	<u>\$ 236,845</u>	<u>\$ 180,479</u>	<u>\$ 475,617</u>	<u>\$ 358,882</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, 2024 and 2023.

b. Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Carrying amount</u>			
Current	<u>\$ 722,848</u>	<u>\$ 796,384</u>	<u>\$ 574,999</u>
Non-current	<u>\$ 2,583,023</u>	<u>\$ 2,826,367</u>	<u>\$ 860,713</u>

The range of discount rate for lease liabilities was 0.61%-1.45%, 0.61%-1.4% and 0.61%-1.31% per annum as of June 30, 2024, December 31 and June 30, 2023, respectively.

c. Material lease activities and terms

The Group leases buildings for the use of offices and warehouses with lease terms of 2 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	
	2024	2023	2024	2023
Expenses relating to short-term leases	<u>\$ 8,303</u>	<u>\$ 8,503</u>	<u>\$ 16,388</u>	<u>\$ 16,557</u>
Expenses relating to low-value asset leases	<u>\$ 5,238</u>	<u>\$ 7,400</u>	<u>\$ 11,088</u>	<u>\$ 13,567</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 15,714</u>	<u>\$ 16,275</u>	<u>\$ 34,494</u>	<u>\$ 33,219</u>
Total cash outflow for leases			<u>\$ (526,997)</u>	<u>\$ (434,214)</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 primary 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 \$5,100 thousand, \$20,514 thousand and \$5,100 thousand as of June 30, 2024, December 31 and June 30, 2023, respectively.

## 16. ACCOUNTS PAYABLE

	June 30, 2024	December 31, 2023	June 30, 2023
Suppliers	<u>\$ 10,248,866</u>	<u>\$ 10,133,305</u>	<u>\$ 9,747,510</u>

## 17. OTHER PAYABLES

	June 30, 2024	December 31, 2023	June 30, 2023
Payables for salaries and bonus	\$ 334,110	\$ 600,353	\$ 298,592
Payables for business tax	94,345	128,597	122,140
Payables for pension	36,800	36,642	35,940
Payables for equipment and construction	28,462	53,396	202
Others	<u>646,804</u>	<u>807,245</u>	<u>573,636</u>
	<u>\$ 1,140,521</u>	<u>\$ 1,626,233</u>	<u>\$ 1,030,510</u>

## 18. OTHER CURRENT LIABILITIES

	June 30, 2024	December 31, 2023	June 30, 2023
Collection about travelling merchandise	\$ 177,055	\$ 168,314	\$ 156,338
Other financial liabilities	873,517	905,211	644,108
Others	<u>317,797</u>	<u>171,005</u>	<u>181,490</u>
	<u>\$ 1,368,369</u>	<u>\$ 1,244,530</u>	<u>\$ 981,936</u>

## 19. 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, 2024 and 2023, the pension expenses of defined contribution plans were \$35,363 thousand, \$33,664 thousand, \$70,328 thousand and \$67,185 thousand, respectively.

b. Defined benefit plans

For the three months and six months ended June 30, 2024 and 2023, the deduction of pension expenses of defined benefit plans were \$0 thousand, \$0 thousand, \$55 thousand and \$59 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023 and 2022.

## 20. EQUITY

a. Capital stock

As of June 30, 2024, December 31 and June 30, 2023, momo's authorized shares were 300,000 thousand shares, and issued and paid shares were 240,340 thousand shares, 240,340 thousand shares and 218,491 thousand shares, respectively, at par value \$10 per share.

On May 19, 2023, the Company's shareholders resolved in the shareholders' meeting to issue 21,849 thousand common shares with a par value of \$10 from capital surplus. After the issuance, the Company's paid-in capital increased to \$2,403,404 thousand. On July 17, 2023, the above transaction was approved by the Securities and Futures Bureau, FSC, and the subscription base date was determined to be August 21, 2023 by the Board of Directors.

On June 19, 2024, the Company's shareholders resolved in the shareholders' meeting to issue 12,017 thousand common shares with a par value of \$10 from capital surplus. After the issuance, the Company's paid-in capital increased to \$2,523,574 thousand. On July 17, 2024, the above transaction was approved by the Securities and Futures Bureau, FSC, and the subscription base date was determined to be August 25, 2024 by the Board of Directors on August 2, 2024.

b. Capital surplus

	June 30, 2024	December 31, 2023	June 30, 2023
Issuance of common shares	\$ 1,724,297	\$ 1,844,467	\$ 1,844,467
Changes in percentage of ownership interests in subsidiaries	125,291	125,291	125,291
Expired employee share options	<u>170</u>	<u>170</u>	<u>170</u>
	<u>\$ 1,849,758</u>	<u>\$ 1,969,928</u>	<u>\$ 1,969,928</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 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 22(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 and unrealized valuation gain (loss) on financial assets at FVTOCI.

The appropriations of earnings for 2023 and 2022 that had been resolved by the shareholders in their meeting on June, 19, 2024 and May 19, 2023, respectively, were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Legal reserve	\$ 354,268	\$ 343,202
Special reserve	\$ (83,883)	\$ 3,708
Cash dividends	\$ 3,557,038	\$ 3,277,369
Cash dividends per share (NT\$)	\$ 14.8	\$ 15

The Company's shareholders had resolved in the shareholders' meeting on June 19, 2024 and May 19, 2023 to issue stock dividends of \$120,170 thousand and \$218,491 thousand, respectively, from capital surplus.

d. Other equity items

1) Exchange differences on the translation

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Beginning balance	<u>\$ (81,917)</u>	<u>\$ (69,576)</u>
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	18,075	(15,067)
Share from associates accounted for using equity method	<u>284</u>	<u>(852)</u>
Other comprehensive income (loss) recognized for the period	<u>18,359</u>	<u>(15,919)</u>
Ending balance	<u>\$ (63,558)</u>	<u>\$ (85,495)</u>

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

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Beginning balance	<u>\$ (44,585)</u>	<u>\$ (140,809)</u>
Recognized for the period		
Unrealized gain - equity instruments	102,722	18,628
Income tax effect	<u>90</u>	<u>15,017</u>
Other comprehensive income recognized for the period	<u>102,812</u>	<u>33,645</u>
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>-</u>	<u>78,860</u>
Ending balance	<u>\$ 58,227</u>	<u>\$ (28,304)</u>

e. Non-controlling interests

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Beginning balance	\$ 86,387	\$ 88,221
Share in profit (loss) for the period	653	(114)
Other comprehensive income (loss) during the period		
Exchange differences on the translation of the financial statements of foreign entities	23	(25)
Acquisition of non-controlling interests in subsidiaries (Note 25)	(172)	(1,579)
Cash dividends for non-controlling interests of subsidiaries	<u>(1,906)</u>	<u>(962)</u>
Ending balance	<u>\$ 84,985</u>	<u>\$ 85,541</u>



## 21. OPERATING REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
E-commerce division	\$ 25,788,445	\$ 25,229,266	\$ 51,591,499	\$ 49,306,419
Multimedia business division	857,010	973,899	1,921,717	2,007,952
Others	<u>11,491</u>	<u>9,250</u>	<u>21,599</u>	<u>18,084</u>
	<u>\$ 26,656,946</u>	<u>\$ 26,212,415</u>	<u>\$ 53,534,815</u>	<u>\$ 51,332,455</u>

Please refer to Note 4(m) to the consolidated financial statements for the year ended December 31, 2023 and Note 34 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.

## 22. PROFIT BEFORE INCOME TAX

### a. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Gain on financial assets at FVTPL	\$ -	\$ 5,887	\$ -	\$ 9,651
Net foreign exchange gains (losses)	1,591	(1,740)	4,706	(1,532)
(Loss) gain on disposal of property, plant and equipment	-	(200)	40	(978)
Others	<u>(449)</u>	<u>238</u>	<u>(449)</u>	<u>149</u>
	<u>\$ 1,142</u>	<u>\$ 4,185</u>	<u>\$ 4,297</u>	<u>\$ 7,290</u>

### b. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Interest on lease liabilities	\$ 8,112	\$ 3,149	\$ 16,584	\$ 6,277
Others	<u>29</u>	<u>23</u>	<u>59</u>	<u>44</u>
	<u>\$ 8,141</u>	<u>\$ 3,172</u>	<u>\$ 16,643</u>	<u>\$ 6,321</u>

c. Employee benefits expense, depreciation and amortization

Function Nature	For the Three Months Ended June 30, 2024			For the Three Months Ended June 30, 2023		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salary	\$ 300,320	\$ 416,972	\$ 717,292	\$ 293,626	\$ 365,055	\$ 658,681
Insurance expense	34,431	40,890	75,321	33,905	38,758	72,663
Pension	16,025	19,338	35,363	15,587	18,077	33,664
Other employee benefits	21,728	26,870	48,598	18,787	28,420	47,207
Depreciation expenses	273,150	56,135	329,285	222,906	55,517	278,423
Amortization expenses	2,118	5,063	7,181	2,427	9,109	11,536

Function Nature	For the Six Months Ended June 30, 2024			For the Six Months Ended June 30, 2023		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salary	\$ 600,113	\$ 816,023	\$ 1,416,136	\$ 588,810	\$ 747,363	\$ 1,336,173
Insurance expense	68,770	83,015	151,785	67,430	78,153	145,583
Pension	31,894	38,379	70,273	30,945	36,181	67,126
Other employee benefits	40,812	48,096	88,908	37,480	49,098	86,578
Depreciation expenses	548,293	112,136	660,429	443,274	108,484	551,758
Amortization expenses	4,319	10,164	14,483	4,855	17,972	22,827

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.

However, if the Company is operating at a loss, profits shall be retained to make up the losses of preceding 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, 2024 and 2023, 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	
	2024	2023	2024	2023
Compensation of employees	\$ 951	\$ 1,034	\$ 2,082	\$ 2,142
Remuneration of directors	\$ 1,426	\$ 1,551	\$ 3,123	\$ 3,213

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 2023 and 2022 that were resolved by the Board of Directors on February 16, 2024 and February 17, 2023, respectively, were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
	<b>Cash</b>	<b>Cash</b>
Compensation of employees	<u>\$ 4,420</u>	<u>\$ 4,291</u>
Remuneration of directors	<u>\$ 6,631</u>	<u>\$ 6,437</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, 2023 and 2022.

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.

## 23. INCOME TAX

### a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Current tax				
In respect of the current period	\$ 203,514	\$ 205,355	\$ 418,501	\$ 432,478
Adjustments for prior years	<u>1,877</u>	<u>(10,001)</u>	<u>1,878</u>	<u>(9,860)</u>
	<u>205,391</u>	<u>195,354</u>	<u>420,379</u>	<u>422,618</u>
Deferred tax				
In respect of the current period	<u>(14,425)</u>	<u>1,226</u>	<u>(1,843)</u>	<u>(2,692)</u>
Income tax expense recognized in profit or loss	<u>\$ 190,966</u>	<u>\$ 196,580</u>	<u>\$ 418,536</u>	<u>\$ 419,926</u>

b. Income tax recognized directly in equity

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Current tax				
Disposal of investments in equity instruments designated as at FVTOCI	\$ -	\$ -	\$ -	\$ 14,997
Deferred tax				
Disposal of investments in equity instruments designated as at FVTOCI	-	-	-	(14,997)
Income tax benefit (expense) recognized directly in equity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

c. Income tax recognized in other comprehensive income

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Deferred tax				
Unrealized valuation loss on financial assets at FVTOCI	\$ 3	\$ 13	\$ 90	\$ 15,017
Income tax benefit recognized in other comprehensive income	<u>\$ 3</u>	<u>\$ 13</u>	<u>\$ 90</u>	<u>\$ 15,017</u>

d. Income tax assessments

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

<b>Company</b>	<b>Year</b>
momo	2021
FST	2022
FLI (Dissolved)	2022
FI	2022
Bebe Poshe	2022
FSL	2022
MFS	2021
Prosperous Living	2022

## 24. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Basic earnings per share				
Basic earnings per share	<u>\$ 3.20</u>	<u>\$ 3.51</u>	<u>\$ 6.98</u>	<u>\$ 7.20</u>
Pro forma earnings per share that was adjusted retrospectively to reflect the effects of changes in the number of shares resulting from the issuance of bonuses (August 25, 2024) after these consolidated financial statements were approved	<u>\$ 3.05</u>	<u>\$ 3.34</u>	<u>\$ 6.65</u>	<u>\$ 6.86</u>
Diluted earnings per share				
Diluted earnings per share	<u>\$ 3.20</u>	<u>\$ 3.51</u>	<u>\$ 6.98</u>	<u>\$ 7.20</u>
Pro forma earnings per share that was adjusted retrospectively to reflect the effects of changes in the number of shares resulting from the issuance of bonuses (August 25, 2024) after these consolidated financial statements were approved	<u>\$ 3.05</u>	<u>\$ 3.34</u>	<u>\$ 6.65</u>	<u>\$ 6.86</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	
	2024	2023	2024	2023
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 768,255</u>	<u>\$ 842,879</u>	<u>\$ 1,677,210</u>	<u>\$ 1,731,320</u>

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

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Weighted average number of common shares used in the computation of basic earnings per share	240,340	240,340	240,340	240,340
Effect of potentially dilutive common shares:				
Compensation of employees	<u>2</u>	<u>2</u>	<u>8</u>	<u>5</u>
Weighted average number of common shares used in the computation of diluted earnings per share	<u>240,342</u>	<u>240,342</u>	<u>240,348</u>	<u>240,345</u>

The Group may settle the compensation of employees in cash or shares; therefore, 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.

**25. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS**

In May 2024, March and May 2023, the Group acquired equity interests of Bebe Poshe, and consequently the shareholding in Bebe Poshe increased. Please refer to Note 12.

The above transactions were accounted for as equity transactions, since the Group didn't cease to have control over its subsidiary.

Bebe Poshe

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Consideration paid	\$ (840)	\$ (8,085)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	<u>172</u>	<u>1,579</u>
Differences recognized from equity transactions	<u>\$ (668)</u>	<u>\$ (6,506)</u>
<u>Line items adjusted for equity transactions</u>		
Unappropriated Earnings	<u>\$ (668)</u>	<u>\$ (6,506)</u>

## 26. REORGANIZATION

In order to expand the Group's publisher business and strengthen the competitiveness of the services, the Group acquired the e-book business from Taiwan Mobile Co., Ltd. in March 2023. The above transaction is accounted for using the book-value method since it meets reorganization under common control.

	<b>E-Book Business</b>
Consideration paid in cash	\$ (71,400)
Carrying amount of the acquired net assets	<u>420</u>
The impact recognized in equity	<u>\$ (70,980)</u>

The amount of the consideration paid that exceeds the carrying amount is adjusted to capital surplus from issued common shares.

## 27. CASH FLOW INFORMATION

Changes in liabilities arising from financing activities:

For the six months ended June 30, 2024

	<b>Beginning Balance</b>	<b>Cash Flows</b>	<b>Non-cash Changes</b>		<b>Ending Balance</b>
			<b>New Leases</b>	<b>Others</b>	
Lease liabilities	<u>\$ 3,622,751</u>	<u>\$ (465,027)</u>	<u>\$ 132,114</u>	<u>\$ 16,033</u>	<u>\$ 3,305,871</u>

For the six months ended June 30, 2023

	<b>Beginning Balance</b>	<b>Cash Flows</b>	<b>Non-cash Changes</b>		<b>Ending Balance</b>
			<b>New Leases</b>	<b>Others</b>	
Lease liabilities	<u>\$ 1,625,299</u>	<u>\$ (370,871)</u>	<u>\$ 180,484</u>	<u>\$ 800</u>	<u>\$ 1,435,712</u>

## 28. 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, 2024

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Unlisted stock - domestic	\$ <u>-</u>	\$ <u>-</u>	\$ <u>287,500</u>	\$ <u>287,500</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed stock - foreign	\$ 173	\$ -	\$ -	\$ 173
Listed stock - domestic	213,607	-	-	213,607
Unlisted stock - domestic	<u>-</u>	<u>-</u>	<u>294,871</u>	<u>294,871</u>
	<u>\$ 213,780</u>	<u>\$ -</u>	<u>\$ 294,871</u>	<u>\$ 508,651</u>

December 31, 2023

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Unlisted stock - domestic	\$ <u>-</u>	\$ <u>-</u>	\$ <u>287,500</u>	\$ <u>287,500</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed stock - foreign	\$ 623	\$ -	\$ -	\$ 623
Unlisted stock - domestic	<u>-</u>	<u>-</u>	<u>405,306</u>	<u>405,306</u>
	<u>\$ 623</u>	<u>\$ -</u>	<u>\$ 405,306</u>	<u>\$ 405,929</u>

June 30, 2023

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Unlisted stock - domestic	\$ <u>-</u>	\$ <u>-</u>	\$ <u>247,197</u>	\$ <u>247,197</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed stock - foreign	\$ 808	\$ -	\$ -	\$ 808
Unlisted stock - domestic	<u>-</u>	<u>-</u>	<u>421,439</u>	<u>421,439</u>
	<u>\$ 808</u>	<u>\$ -</u>	<u>\$ 421,439</u>	<u>\$ 422,247</u>

There were no transfers between the fair value measurements of Levels 1 and 2 for the six months ended June 30, 2024 and 2023.

2) Valuation techniques and assumptions used in fair value determination

- a) The fair value of financial instruments traded in active markets is based on quoted market prices (including stocks of publicly traded companies).



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

The fair values of domestic unlisted stocks were determined using the market approach, asset approach or income approach. The evaluations were referenced to the valuation of the same type of companies, the transaction prices of recent financing activities, the information of companies or estimated free cash flows to measure its fair values. The unobservable inputs were the liquidity discount rates and the stock price volatility. At December 31 and June 30, 2023, the ranges of liquidity discount rates were 24.08% and 30%, and the ranges of stock price volatility were 25.42% and 37.61%.

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

a) Financial assets at FVTPL - equity instruments:

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Beginning balance	\$ 287,500	\$ 237,546
Recognized in profit or loss (gain on financial assets at FVTPL)	<u>-</u>	<u>9,651</u>
Ending balance	<u>\$ 287,500</u>	<u>\$ 247,197</u>

b) Financial assets at FVTOCI - equity instruments:

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Beginning balance	\$ 405,306	\$ 407,704
Recognized in other comprehensive (loss) income (unrealized valuation (loss) gain on financial assets at FVTOCI)	(13,620)	18,728
Disposal	-	(4,993)
Transfers out of Level 3 (Note)	<u>(96,815)</u>	<u>-</u>
Ending balance	<u>\$ 294,871</u>	<u>\$ 421,439</u>

Note: Because certain equity investment's quoted price (unadjusted) in active markets became available, its fair value hierarchy was transferred from Level 3 to Level 1.

c. Categories of financial instruments

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 287,500	\$ 287,500	\$ 247,197
Financial assets at FVTOCI			
Investments in equity instruments	508,651	405,929	422,247
Financial assets at amortized cost (Note 1)	<u>11,412,014</u>	<u>10,278,827</u>	<u>8,004,833</u>
	<u>\$ 12,208,165</u>	<u>\$ 10,972,256</u>	<u>\$ 8,674,277</u>

Financial liabilities

Financial liabilities at amortized cost (Note 2)	<u>\$ 16,549,380</u>	<u>\$ 13,336,663</u>	<u>\$ 12,082,109</u>
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Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, accounts receivable, other receivables, other financial assets and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise 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 other 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, 2024, December 31 and June 30, 2023, the Group had unused bank facilities of \$80,000 thousand, \$50,000 thousand and \$50,000 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, 2024

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Lease liabilities	\$ 65,172	\$ 132,038	\$ 552,413	\$ 1,886,285	\$ 761,325

December 31, 2023

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Lease liabilities	\$ 62,623	\$ 158,391	\$ 605,174	\$ 2,037,902	\$ 864,306

June 30, 2023

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Lease liabilities	\$ 53,855	\$ 100,782	\$ 427,574	\$ 779,161	\$ 94,166

5) Market risk

Market risk is the risk that arises from the changes in foreign exchange rates, interest rates, and 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 assets and liabilities exposed to significant exchange rate risk, please refer to Note 32.

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, other receivables, other financial assets, accounts payable and other payables, etc. If the NTD, when compared with the relevant foreign currencies, had appreciated or depreciated by 5% on the reporting date, profit would have increased (decreased) as follows:

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Appreciated 5%	\$ (5,985)	\$ (4,723)
Depreciated 5%	\$ 5,985	\$ 4,723

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, 2024	December 31, 2023	June 30, 2023
Fair value interest rate risk			
Financial assets	\$ 6,640,775	\$ 5,008,243	\$ 3,813,876
Financial liabilities	3,305,871	3,622,751	1,435,712
Cash flow interest rate risk			
Financial assets	1,756,331	1,949,442	1,954,800

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, 2024 and 2023 would have increased or decreased by \$4,391 thousand and \$4,887 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 profit for the six months ended June 30, 2024 and 2023 would have increased or decreased by \$14,375 thousand and \$12,360 thousand, respectively, as a result of the change in fair value of financial assets at FVTPL, and the other comprehensive income for the six months ended June 30, 2024 and 2023 would have increased or decreased by \$25,433 thousand and \$21,112 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

## 29. TRANSACTIONS WITH RELATED PARTIES

momo's parent is Wealth Media Technology Co., Ltd., which held 45.01% of common stocks of momo as of June 30, 2024, December 31 and June 30, 2023, respectively. momo's ultimate parent and ultimate controlling party is 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
TWM	Ultimate parent entity
Wealth Media Technology Co., Ltd. (WMT)	Parent entity
GHS	Associates
Beijing Global JiuSha Media Technology Co., Ltd.	Associates
Fubon Green Power	Associates
Taipei New Horizon Co., Ltd.	Other related party
Taiwan Fixed Network Co., Ltd.	Other related party
Taiwan Digital Service Co., Ltd.	Other related party
TFN Media Co., Ltd.	Other related party
Win TV Broadcasting Co., Ltd.	Other related party
Taiwan Teleservices & Technologies Co., Ltd.	Other related party
Taiwan Kuro Times Co., Ltd.	Other related party (Note 2)
Yeong Jia Leh Cable TV Co., Ltd.	Other related party
Mangrove Cable TV Co., Ltd.	Other related party
Phoenix Cable TV Co., Ltd.	Other related party
Union Cable TV Co., Ltd.	Other related party
Globalview Cable TV Co., Ltd.	Other related party
FullSynergy New Retail Co., Ltd.	Other related party
AppWorks Ventures Co., Ltd.	Other related party
Mistake Entertainment Co., Ltd.	Other related party
AppWorks School Co., Ltd.	Other related party
Mepay Co., Ltd.	Other related party
Fansta Co., Ltd.	Other related party (Note 1)
EnVision Concept Co., Ltd.	Other related party
Tropics Entertainment Co., Ltd.	Other related party
Shoei Contents Corporation	Other related party
NADA Holdings Corp.	Other related party
Fubon Life Insurance Co., Ltd. (Fubon Life)	Other related party
Fubon Insurance Co., Ltd. (Fubon Ins.)	Other related party
Taipei Fubon Commercial Bank Co., Ltd. (TFCB)	Other related party
Fubon Bank (China) Co., Ltd.	Other related party
Fubon Securities Co., Ltd.	Other related party
Fubon Asset Management Co., Ltd.	Other related party
Fubon Investment Services Co., Ltd.	Other related party
Fubon Financial Venture Capital Co., Ltd.	Other related party
Fubon Financial Holding Co., Ltd.	Other related party
Fubon Futures Co., Ltd.	Other related party
Fubon Sports & Entertainment Co., Ltd. (FSE)	Other related party
Fubon Stadium Co., Ltd.	Other related party
Fubon Property Management Co., Ltd.	Other related party
Fubon Land Development Co., Ltd.	Other related party
Fubon Real Estate Management Co., Ltd.	Other related party
Fubon Hospitality Management Co., Ltd.	Other related party

(Continued)

Related Party Name	Related Party Categories
Fubon Insurance Agency Co., Ltd.	Other related party (Note 3)
Fubon Insurance Agency Co., Ltd.	Other related party (formerly known as Fu-Sheng Insurance Agency Co., Ltd.)
P. League+ Co., Ltd.	Other related party
Jih Sun International Bank, Ltd.	Other related party (Note 4)
Jih Sun Futures Co., Ltd.	Other related party (Note 4)
Chung Hsing Constructions Co., Ltd.	Other related party
Fu Yi Health Management Co., Ltd.	Other related party
Chen Yun Co., Ltd.	Other related party
Hung Fu Investment Co., Ltd.	Other related party
Ming Dong Co., Ltd.	Other related party
Cho Pharma Inc.	Other related party
kbro Co., Ltd.	Other related party
One Production Film Co., Ltd.	Other related party (Note 4)
Daanwenshan CATV Co., Ltd.	Other related party
North Taoyuan CATV Co., Ltd.	Other related party
Yangmingshan CATV Co., Ltd.	Other related party
Hsin Taipei CATV Co., Ltd.	Other related party
Chinpingtao CATV Co., Ltd.	Other related party
Hsintangcheng CATV Co., Ltd.	Other related party
Chuanlien CATV Co., Ltd.	Other related party
Chen Tao Cable TV Co., Ltd.	Other related party
Fengmeng Cable TV Co., Ltd.	Other related party
Hsinpingtao CATV Co., Ltd.	Other related party
Kuansheng CATV Co., Ltd.	Other related party
Nantien CATV Co., Ltd.	Other related party
Taiwan Win TV Media Co., Ltd.	Other related party (Note 1)
Uospace Tech Co., Ltd.	Other related party
More Sounds Film Production Co., Ltd.	Other related party
Fubon Cultural & Educational Foundation	Other related party
Fubon Charity Foundation	Other related party
Fubon Art Foundation	Other related party
Taiwan Mobile Foundation	Other related party
Fubon Life Art Museum Foundation	Other related party
Taipei Fubon Bank Charity Foundation	Other related party
Taipei New Horizon Management Agency	Other related party

(Concluded)

Note 1: Not a related party since the second quarter of 2024.

Note 2: Not a related party since the fourth quarter of 2023.

Note 3: Not a related party since the third quarter of 2023.

Note 4: Not a related party since the second quarter of 2023.

b. Operating revenues

Line Items	Related Party Categories	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2024	2023	2024	2023
Sales	Ultimate parent entity	\$ 66,770	\$ 66,941	\$ 136,334	\$ 126,339
	Other related parties	<u>13,842</u>	<u>3</u>	<u>13,842</u>	<u>3</u>
		<u>\$ 80,612</u>	<u>\$ 66,944</u>	<u>\$ 150,176</u>	<u>\$ 126,342</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	
	2024	2023	2024	2023
Ultimate parent entity	\$ 683,651	\$ 654,315	\$ 1,461,909	\$ 1,397,662
Other related parties	<u>65,102</u>	<u>71,619</u>	<u>128,058</u>	<u>129,316</u>
	<u>\$ 748,753</u>	<u>\$ 725,934</u>	<u>\$ 1,589,967</u>	<u>\$ 1,526,978</u>

The entities mentioned above provide sales, broadcast, 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, 2024	December 31, 2023	June 30, 2023
Accounts receivable	Ultimate parent entity	<u>\$ 75,463</u>	<u>\$ 146,732</u>	<u>\$ 65,801</u>
	Other related parties			
	TFCB	165,858	239,796	181,692
	Others	<u>14,663</u>	<u>4,778</u>	<u>3,785</u>
		<u>180,521</u>	<u>244,574</u>	<u>185,477</u>
		<u>\$ 255,984</u>	<u>\$ 391,306</u>	<u>\$ 251,278</u>
Other receivables	Ultimate parent entity	\$ 48,213	\$ 52,680	\$ 39,583
	Other related parties			
	TFCB	<u>433,367</u>	<u>450,459</u>	<u>192,306</u>
		<u>\$ 481,580</u>	<u>\$ 503,139</u>	<u>\$ 231,889</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, 2024	December 31, 2023	June 30, 2023
Accounts payable	Ultimate parent entity	\$ 263,888	\$ 285,939	\$ 212,705
	Other related parties	<u>78,110</u>	<u>787</u>	<u>78,052</u>
		<u>\$ 341,998</u>	<u>\$ 286,726</u>	<u>\$ 290,757</u>
Other payables	Ultimate parent entity	\$ 70,659	\$ 81,928	\$ 76,637
	Other related parties	<u>10,708</u>	<u>3,516</u>	<u>3,788</u>
		<u>\$ 81,367</u>	<u>\$ 85,444</u>	<u>\$ 80,425</u>

The outstanding trade payables to related parties are unsecured.

f. Bank deposits

Line Items	Related Party Categories/Name	June 30, 2024	December 31, 2023	June 30, 2023
Cash and cash equivalents	Other related parties			
	TFCB	<u>\$ 2,182,150</u>	<u>\$ 3,360,824</u>	<u>\$ 646,430</u>
Other financial assets	Other related parties			
	TFCB	<u>\$ 157,270</u>	<u>\$ 15,728</u>	<u>\$ 15,873</u>

g. Prepayments

Related Party Categories/Name	June 30, 2024	December 31, 2023	June 30, 2023
Other related parties			
Fubon Ins.	\$ 44,440	\$ 5,625	\$ 31,590
FSE	<u>26,700</u>	<u>-</u>	<u>17,100</u>
	<u>\$ 71,140</u>	<u>\$ 5,625</u>	<u>\$ 48,690</u>

h. Acquisition of investments accounted for using equity method

For the six months ended June 30, 2024

Related Party Transaction	Shares (Thousands)	Purchase Price
Contributions to Fubon Green Power's capital increase	20,000	<u>\$ 200,000</u>

i. Lease arrangements

Line Items	Related Party Categories/Name	June 30, 2024	December 31, 2023	June 30, 2023
Lease liabilities	Other related parties			
	Fubon Life	<u>\$ 599,850</u>	<u>\$ 695,471</u>	<u>\$ 80,811</u>

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

j. Acquisition of other assets

Line Items	Related Party Categories	Purchase Price			
		For the Three Months Ended June 30		For the Six Months Ended June 30	
		2024	2023	2024	2023
E-Book of business	Ultimate parent entity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,400</u>

k. Others

1) Refundable deposits

Related Party Categories/Name	June 30, 2024	December 31, 2023	June 30, 2023
Other related parties			
Fubon Life	<u>\$ 60,227</u>	<u>\$ 59,906</u>	<u>\$ 46,486</u>

2) Operating expenses

Related Party Categories/ Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Ultimate parent entity	<u>\$ 13,709</u>	<u>\$ 17,907</u>	<u>\$ 15,764</u>	<u>\$ 32,405</u>
Other related parties				
TFCB	208,130	204,104	411,541	387,027
Others	<u>13,800</u>	<u>13,515</u>	<u>13,800</u>	<u>13,515</u>
	<u>221,930</u>	<u>217,619</u>	<u>425,341</u>	<u>400,542</u>
	<u>\$ 235,639</u>	<u>\$ 235,526</u>	<u>\$ 441,105</u>	<u>\$ 432,947</u>

3) Other income and expenses

Related Party Categories/ Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Other related parties				
TFCB	<u>\$ 11,794</u>	<u>\$ 15,484</u>	<u>\$ 23,860</u>	<u>\$ 30,204</u>

4) Interest income

Related Party Categories/ Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Other related parties				
TFCB	\$ 18,032	\$ 3,936	\$ 18,032	\$ 3,936

5) mo-coins transactions

The Group sales mo-coins to related parties amounting to \$900,582 thousand for the six months ended June 30, 2024.

1. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 18,258	\$ 15,636	\$ 39,440	\$ 34,504
Post-employment benefits	526	412	1,071	848
	<u>\$ 18,784</u>	<u>\$ 16,048</u>	<u>\$ 40,511</u>	<u>\$ 35,352</u>

The compensation of directors and key executives, as determined by the remuneration committee, is based on the performance of individual and market trends.

### 30. ASSETS PLEDGED

The following assets were provided as collateral for performance guarantee, lawsuits, and purchases:

	June 30, 2024	December 31, 2023	June 30, 2023
Other financial assets - current	\$ 65,197	\$ 65,195	\$ 65,200
Other financial assets - non-current	<u>282,995</u>	<u>272,995</u>	<u>242,906</u>
	<u>\$ 348,192</u>	<u>\$ 338,190</u>	<u>\$ 308,106</u>

### 31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group on the reporting date 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 \$54,666 thousand, mo-coins of \$58,877 thousand, electronic tickets of \$150,914 thousand, and physical tickets of \$6,255 thousand as of June 30, 2024, respectively.
- As of June 30, 2024, December 31 and June 30, 2023, the amounts of lease commitments commencing after the balance sheet date were \$651,962 thousand, \$310,885 thousand and \$2,717,725 thousand, respectively.

- c. Due to the business development needs, momo's Board of Directors resolved the logistics warehouse construction and equipment procurement in Southern District in July 2020. As of June 30, 2024, contract amount not yet paid for the logistics warehouse construction and equipment were \$145,304 thousand and \$272,841 thousand, respectively. In addition, momo's Board of Directors resolved the logistics warehouse construction in Central District in January 2023. As of June 30, 2024, contract amount not yet paid for the logistics warehouse construction was \$4,834,646 thousand.
- d. The Group provided collection and payment services to contracted stores guaranteed through an escrow arrangement. As of June 30, 2024, the balance of the trust account held with financial institution was \$138,321 thousand.

## 32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

June 30, 2024

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 16,055	4.457 (RMB:NTD)	\$ 71,559
USD	1,716	32.53 (USD:NTD)	<u>55,829</u>
			<u>\$ 127,388</u>
Non-monetary items			
Financial assets at FVTOCI			
HKD	41	4.165 (HKD:NTD)	\$ 173
Investments accounted for using equity method			
RMB	92,251	4.457 (RMB:NTD)	<u>411,163</u>
			<u>\$ 411,336</u>
<u>Foreign currency liabilities</u>			
Monetary items			
USD	237	32.53 (USD:NTD)	<u>\$ 7,698</u>

December 31, 2023

	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 17,125	4.319 (RMB:NTD)	\$ 73,962
USD	2,051	30.705 (USD:NTD)	<u>62,989</u>
			<u>\$ 136,951</u>
Non-monetary items			
Financial assets at FVTOCI			
HKD	159	3.929 (HKD:NTD)	\$ 623
Investments accounted for using equity method			
RMB	90,739	4.319 (RMB:NTD)	<u>391,900</u>
			<u>\$ 392,523</u>
<u>Foreign currency liabilities</u>			
Monetary items			
USD	198	30.705 (USD:NTD)	<u>\$ 6,082</u>

June 30, 2023

	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 17,034	4.286 (RMB:NTD)	\$ 73,008
USD	690	31.07 (USD:NTD)	<u>21,450</u>
			<u>\$ 94,458</u>
Non-monetary items			
Financial assets at FVTOCI			
HKD	204	3.965 (HKD:NTD)	\$ 808
Investments accounted for using equity method			
RMB	109,959	4.286 (RMB:NTD)	<u>471,282</u>
			<u>\$ 472,090</u>

For the three months and six months ended June 30, 2024 and 2023, realized and unrealized net foreign exchange gains (losses) were \$1,591 thousand, \$(1,740) thousand, \$4,706 thousand and \$(1,532) 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.

### 33. SEPARATELY DISCLOSED ITEMS

#### a. Information on 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. (None)
- 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 2)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 3)
- 9) Trading in derivative instruments. (None)
- 10) Intercompany relationships and significant intercompany transactions. (Table 4)

#### b. Information on investees. (Table 5)

#### 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 6)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, unrealized gains or losses, and other related information which is helpful to understand the impact of investment in mainland China on financial reports. (None)

#### 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 7)

### 34. SEGMENT INFORMATION

The Group has two reporting segments: E-commerce division and Multimedia business division.

Other segments include FST - travel agent, FLI (merged and eliminated)- life insurance agent, FI - comprehensive 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, 2024 and 2023, 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:

	<b>E-commerce</b>	<b>Multimedia Business</b>	<b>Others</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
For the six months ended <u>June 30, 2024</u>					
Revenue					
Non-inter-company revenue	<u>\$ 51,592,926</u>	<u>\$ 1,921,768</u>	<u>\$ 779,068</u>	<u>\$ (758,947)</u>	<u>\$ 53,534,815</u>
Segment profits	<u>\$ 1,909,292</u>	<u>\$ 110,015</u>	<u>\$ 20,632</u>	<u>\$ 1,671</u>	<u>\$ 2,041,610</u>
For the six months ended <u>June 30, 2023</u>					
Revenue					
Non-inter-company revenue	<u>\$ 49,308,159</u>	<u>\$ 2,007,971</u>	<u>\$ 676,328</u>	<u>\$ (660,003)</u>	<u>\$ 51,332,455</u>
Segment profits	<u>\$ 1,938,273</u>	<u>\$ 100,109</u>	<u>\$ 53,109</u>	<u>\$ 1,108</u>	<u>\$ 2,092,599</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, 2024**  
**(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, 2024				Note
				Shares (Thousands)	Carrying Amount	% of Ownership	Fair Value	
momo	<u>Foreign listed stock</u> eSun	-	Financial assets at FVTOCI - current	728	\$ 173	0.04	\$ 173	
	<u>Domestic listed stock</u> We Can Medicines Co., Ltd.	-	Financial assets at FVTOCI - non-current	3,073	213,607	6.94	213,607	
	<u>Domestic unlisted stock</u> LINE Bank Taiwan Limited	-	Financial assets at FVTOCI - non-current	37,500	294,871	2.50	294,871	
	Gaius Automotive Inc.	-	Financial assets at FVTPL - non-current	5,750	287,500	7.07	287,500	

Note: Refer to Table 5 and Table 6 for the information on investment in subsidiaries and associates.



**TABLE 2**

**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, 2024  
(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	\$ 135,531	-	Based on contract terms	\$ -	-	\$ 75,237	14	
			Purchase	1,460,960	3	Based on contract terms	-	-	(263,888)	(2)	
	FSL	Subsidiary	Purchase	613,588	1	Based on contract terms	-	-	(226,941)	(2)	
MFS	momo	Parent entity	Sale	105,629	97	Based on contract terms	-	-	22,031	94	

**TABLE 3**

**momo.com Inc. AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
JUNE 30, 2024**

**(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	TWM	Ultimate parent entity	Accounts receivable	\$ 75,237	12.54	\$ -	-	\$ 64,549	\$ -
			Other receivables	48,213	-	-	-	44,579	-
	TFCB	Other related party	Accounts receivable	165,858	Note	-	-	114,464	-
			Other receivables	432,407	-	-	-	431,669	-
FSL	momo	Parent entity	Accounts receivable	227,477	4.86	-	-	125,169	-

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

**TABLE 4**

**momo.com Inc. AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Number	Investee Company	Counterparty	Relationship (Note)	Transaction Details			% of Consolidated Total Operating Revenue or Total Assets
				Financial Statement Accounts	Amount	Payment Terms	
0	momo	Bebe Poshe	1	Operating costs	\$ 14,780	The terms of transaction are determined in accordance with mutual agreements or general business practices	0.03
		FSL	1	Accounts payable	226,941		0.77
		MFS	1	Operating costs	613,588		1.15
				Accounts payable	22,025		0.07
		Prosperous Living	1	Operating costs	87,096		0.16
				Operating costs	13,133		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 5**

**momo.com Inc. AND SUBSIDIARIES**

**INFORMATION ON INVESTEEES**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2024**  
**(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, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2024	December 31, 2023	Shares (Thousands)	%	Carrying Amount			
momo	FST	Taiwan	Travel agent	\$ 6,000	\$ 6,000	3,000	100.00	\$ 48,077	\$ 5,342	\$ 5,342	Note 3
	FI	Taiwan	Comprehensive insurance agent	8,000	3,000	1,000	100.00	15,473	645	645	
	Asian Crown (BVI)	British Virgin Islands	Investment	885,285	885,285	9,735	81.99	13,617	749	614	
	Honest Development	Samoa	Investment	670,448	670,448	21,778	100.00	422,467	(1,461)	(1,461)	Note 4
	Bebe Poshe	Taiwan	Wholesale of cosmetics	99,805	98,965	9,425	94.25	30,335	627	584	
	FSL	Taiwan	Logistics industry	250,000	250,000	25,000	100.00	317,913	40,619	40,610	
	MFS	Taiwan	Wholesaling	100,000	100,000	10,000	100.00	110,761	9,331	9,331	
	Prosperous Living	Taiwan	Wholesale and retail sales	220,850	220,850	22,085	73.62	223,069	1,807	1,330	Note 5
	SK Biomedical	Taiwan	Wholesale and retail sales	6,000	-	600	20.00	5,947	(400)	(53)	
	Fubon Green Power	Taiwan	Energy technical services	200,000	-	20,000	5.00	199,899	(2,036)	(101)	Note 6
Asian Crown (BVI)	Fortune Kingdom	Samoa	Investment	1,132,789	1,132,789	11,594	100.00	11,923	518	Note 2	
Fortune Kingdom	HK Fubon Multimedia	Hong Kong	Investment	1,132,789	1,132,789	11,594	100.00	11,923	518	Note 2	
Honest Development	HK Yue Numerous	Hong Kong	Investment	670,448	670,448	16,600	100.00	422,465	(1,072)	Note 2	

Note 1: Except for SK Biomedical and Fubon Green Power, 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: In April 2024, momo increased the capital of FI by \$5,000 thousand in cash.

Note 4: In May 2024, momo’s percentage of ownership interest in Bebe Poshe increased to 94.25% due to the acquisition of non-controlling interests.

Note 5: In March 2024, momo acquired 20% equity interest of SK Biomedical, please refer to Note 13.

Note 6: In June 2024, momo acquired 5% equity interest of Fubon Green Power, please refer to Note 13.

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

TABLE 6

momo.com Inc. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE SIX MONTHS ENDED JUNE 30, 2024  
(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, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2024	Net Income (Loss) of Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of June 30, 2024	Accumulated Repatriation of Investment Income as of June 30, 2024	Note
					Outward	Inward							
FGE	Wholesaling	\$ 345,419 (RMB 77,500)	b.	\$ 853,285 (USD 14,000) (RMB 89,267)	\$ -	\$ -	\$ 853,285 (USD 14,000) (RMB 89,267)	\$ (13)	76.70	\$ (10)	\$ 2,353	\$ -	Note 2
Haobo	Investment	49,027 (RMB 11,000)	b.	-	-	-	-	1,347	100.00	1,347	414,051	-	Note 3
GHS	Wholesaling	222,851 (RMB 50,000)	b.	-	-	-	-	1,295	20.00	976	411,163	60,183 (RMB 13,503)	Note 3

Accumulated Outward Remittance for Investments in Mainland China as of June 30, 2024	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$1,555,250 (USD14,000, RMB89,267 and HKD168,539)	\$1,555,250 (USD14,000, RMB89,267 and HKD168,539)	\$5,051,545

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: FGE is no longer viable as a going concern due to long-term losses. The Board of Directors resolved the liquidation in October 2023. The statutory deregistration process was completed in April 2024; however, the liquidation proceeds are yet to be recovered.

Note 3: GHS and Haobo allocated their earnings to their parent company in previous years. In May 2024, HK Yue Numerous distributed earnings of RMB13,503 thousand to its parent company Honest Development. Honest Development subsequently distributed earnings of RMB13,503 thousand to momo.

Note 4: The exchange rates on June 30, 2024 are USD1=NT\$32.53, RMB1=NT\$4.457, and HKD1=NT\$4.165.

**TABLE 7****momo.com Inc.****INFORMATION OF MAJOR SHAREHOLDERS  
JUNE 30, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	% of Ownership
WMT	108,189,002	45.01
TECO CAPITAL INVESTMENT Co., Ltd.	25,309,680	10.53
WOORI HOMESHOPPING Co., Ltd.	19,032,024	7.92

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.