

momo.com Inc. and Subsidiaries

**Consolidated Financial Statements for the
Nine Months Ended September 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 September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, and the consolidated statements of changes in equity and cash flows for the nine months ended September 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 September 30, 2024 and 2023, its consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, and its consolidated cash flows for the nine months ended September 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

November 1, 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)

	September 30, 2024		December 31, 2023		September 30, 2023	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 29)	\$ 3,332,445	13	\$ 6,277,880	22	\$ 4,570,512	19
Financial assets at fair value through other comprehensive income - current (Note 8)	142	-	623	-	615	-
Notes and accounts receivable, net (Note 9)	258,984	1	199,630	1	173,783	1
Accounts receivable from related parties (Note 29)	200,089	1	391,306	1	249,791	1
Other receivables, net (Notes 9 and 29)	1,796,202	7	2,710,831	10	1,944,254	8
Inventories (Note 10)	4,893,906	19	4,621,814	16	4,852,670	20
Prepayments (Note 29)	132,880	-	68,856	-	111,080	-
Other financial assets - current (Notes 11, 29, 30 and 31)	568,523	2	199,851	1	127,401	-
Other current assets	20,056	-	13,652	-	16,176	-
Right to recover products - current (Note 21)	<u>134,718</u>	<u>-</u>	<u>168,496</u>	<u>1</u>	<u>134,577</u>	<u>1</u>
Total current assets	<u>11,337,945</u>	<u>43</u>	<u>14,652,939</u>	<u>52</u>	<u>12,180,859</u>	<u>50</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	287,500	1	287,500	1	252,131	1
Financial assets at fair value through other comprehensive income - non-current (Note 8)	431,325	2	405,306	1	376,430	2
Investments accounted for using equity method (Notes 13 and 29)	619,985	3	391,900	1	488,263	2
Property, plant and equipment (Note 14)	8,779,989	34	8,181,371	29	7,741,782	32
Right-of-use assets (Notes 15 and 29)	3,475,321	13	3,603,750	13	2,651,569	11
Intangible assets (Notes 26 and 29)	84,160	-	39,331	-	46,905	-
Deferred tax assets	116,460	-	121,505	-	32,895	-
Prepayments for equipment (Note 29)	440,161	2	134,655	1	118,517	-
Refundable deposits (Note 29)	224,146	1	226,334	1	223,983	1
Net defined benefit assets - non-current	4,028	-	3,973	-	4,011	-
Other financial assets - non-current (Notes 11, 29 and 30)	<u>282,998</u>	<u>1</u>	<u>272,995</u>	<u>1</u>	<u>272,906</u>	<u>1</u>
Total non-current assets	<u>14,746,073</u>	<u>57</u>	<u>13,668,620</u>	<u>48</u>	<u>12,209,392</u>	<u>50</u>
TOTAL	<u>\$ 26,084,018</u>	<u>100</u>	<u>\$ 28,321,559</u>	<u>100</u>	<u>\$ 24,390,251</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities - current	\$ 115,556	-	\$ 131,911	1	\$ 58,517	-
Accounts payable (Note 16)	9,822,919	38	10,133,305	36	9,372,699	38
Accounts payable to related parties (Note 29)	303,325	1	286,726	1	335,096	1
Other payables (Notes 17 and 29)	1,088,284	4	1,626,233	5	1,073,103	4
Current tax liabilities	115,203	-	479,497	2	192,069	1
Lease liabilities - current (Notes 15, 27 and 29)	857,673	3	796,384	3	717,960	3
Refund liabilities - current (Note 21)	144,410	1	179,947	1	146,440	1
Other current liabilities (Note 18)	<u>1,529,617</u>	<u>6</u>	<u>1,244,530</u>	<u>4</u>	<u>1,096,566</u>	<u>5</u>
Total current liabilities	<u>13,976,987</u>	<u>53</u>	<u>14,878,533</u>	<u>53</u>	<u>12,992,450</u>	<u>53</u>
NON-CURRENT LIABILITIES						
Provisions - non-current	30,728	-	31,252	-	28,324	-
Deferred tax liabilities	12,592	-	20,250	-	16,688	-
Lease liabilities - non-current (Notes 15, 27 and 29)	2,666,685	10	2,826,367	10	1,961,603	8
Guarantee deposits received	<u>382,095</u>	<u>2</u>	<u>385,188</u>	<u>1</u>	<u>375,736</u>	<u>2</u>
Total non-current liabilities	<u>3,092,100</u>	<u>12</u>	<u>3,263,057</u>	<u>11</u>	<u>2,382,351</u>	<u>10</u>
Total liabilities	<u>17,069,087</u>	<u>65</u>	<u>18,141,590</u>	<u>64</u>	<u>15,374,801</u>	<u>63</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)						
Common stock	<u>2,523,574</u>	<u>10</u>	<u>2,403,404</u>	<u>8</u>	<u>2,403,404</u>	<u>10</u>
Capital surplus	<u>1,849,758</u>	<u>7</u>	<u>1,969,928</u>	<u>7</u>	<u>1,969,928</u>	<u>8</u>
Retained earnings						
Legal reserve	2,159,102	9	1,804,834	6	1,804,834	8
Special reserve	126,502	-	210,385	1	210,385	1
Unappropriated earnings	<u>2,344,437</u>	<u>9</u>	<u>3,831,533</u>	<u>14</u>	<u>2,684,798</u>	<u>11</u>
Total retained earnings	<u>4,630,041</u>	<u>18</u>	<u>5,846,752</u>	<u>21</u>	<u>4,700,017</u>	<u>20</u>
Other equity	<u>(72,930)</u>	<u>-</u>	<u>(126,502)</u>	<u>-</u>	<u>(143,338)</u>	<u>(1)</u>
Total equity attributable to owners of the Company	<u>8,930,443</u>	<u>35</u>	<u>10,093,582</u>	<u>36</u>	<u>8,930,011</u>	<u>37</u>
NON-CONTROLLING INTERESTS (Note 20)	<u>84,488</u>	<u>-</u>	<u>86,387</u>	<u>-</u>	<u>85,439</u>	<u>-</u>
Total equity	<u>9,014,931</u>	<u>35</u>	<u>10,179,969</u>	<u>36</u>	<u>9,015,450</u>	<u>37</u>
TOTAL	<u>\$ 26,084,018</u>	<u>100</u>	<u>\$ 28,321,559</u>	<u>100</u>	<u>\$ 24,390,251</u>	<u>100</u>

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

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 21, 29 and 35)	\$ 25,552,937	100	\$ 25,074,675	100	\$ 79,087,752	100	\$ 76,407,130	100
OPERATING COSTS (Notes 10, 22 and 29)	<u>23,273,561</u>	<u>91</u>	<u>22,752,330</u>	<u>91</u>	<u>71,843,824</u>	<u>91</u>	<u>68,921,310</u>	<u>90</u>
GROSS PROFIT FROM OPERATIONS	<u>2,279,376</u>	<u>9</u>	<u>2,322,345</u>	<u>9</u>	<u>7,243,928</u>	<u>9</u>	<u>7,485,820</u>	<u>10</u>
OPERATING EXPENSES (Notes 9, 22 and 29)								
Marketing expenses	718,236	3	705,274	3	2,166,076	3	2,440,144	3
Administrative expenses	662,729	2	664,880	2	2,015,778	2	1,958,163	3
Research and development expenses	106,319	-	70,049	-	297,566	-	198,549	-
Expected credit loss (gain)	<u>3,349</u>	<u>-</u>	<u>(120)</u>	<u>-</u>	<u>1,759</u>	<u>-</u>	<u>1,597</u>	<u>-</u>
Total operating expenses	<u>1,490,633</u>	<u>5</u>	<u>1,440,083</u>	<u>5</u>	<u>4,481,179</u>	<u>5</u>	<u>4,598,453</u>	<u>6</u>
NET OTHER INCOME AND EXPENSES (Note 29)	<u>33,810</u>	<u>-</u>	<u>30,937</u>	<u>-</u>	<u>101,414</u>	<u>-</u>	<u>118,431</u>	<u>-</u>
OPERATING INCOME	<u>822,553</u>	<u>4</u>	<u>913,199</u>	<u>4</u>	<u>2,864,163</u>	<u>4</u>	<u>3,005,798</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income (Note 29)	25,414	-	19,157	-	90,701	-	74,122	-
Other income	1,338	-	533	-	2,364	-	2,021	-
Other gains and losses, net (Note 22)	871	-	7,438	-	5,168	-	14,728	-
Finance costs (Note 22)	(9,313)	-	(5,639)	-	(25,956)	-	(11,960)	-
Share of profit or loss of associates accounted for using equity method	<u>(6,563)</u>	<u>-</u>	<u>1,435</u>	<u>-</u>	<u>(5,741)</u>	<u>-</u>	<u>2,546</u>	<u>-</u>
Total non-operating income and expenses	<u>11,747</u>	<u>-</u>	<u>22,924</u>	<u>-</u>	<u>66,536</u>	<u>-</u>	<u>81,457</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	834,300	4	936,123	4	2,930,699	4	3,087,255	4
INCOME TAX EXPENSE (Note 23)	<u>168,066</u>	<u>1</u>	<u>186,264</u>	<u>1</u>	<u>586,602</u>	<u>1</u>	<u>606,190</u>	<u>1</u>
NET PROFIT FOR THE PERIOD	<u>666,234</u>	<u>3</u>	<u>749,859</u>	<u>3</u>	<u>2,344,097</u>	<u>3</u>	<u>2,481,065</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	(77,178)	(1)	(45,163)	-	25,634	-	(11,518)	-

(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 September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation	\$ 9,584	-	\$ 16,143	-	\$ 27,682	-	\$ 1,051	-
Share of other comprehensive income (loss) of associates accounted for using equity method	7	-	(496)	-	291	-	(1,348)	-
Other comprehensive (loss) income, net of tax	(67,587)	(1)	(29,516)	-	53,607	-	(11,815)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 598,647</u>	<u>2</u>	<u>\$ 720,343</u>	<u>3</u>	<u>\$ 2,397,704</u>	<u>3</u>	<u>\$ 2,469,250</u>	<u>3</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 666,148	3	\$ 749,984	3	\$ 2,343,358	3	\$ 2,481,304	3
Non-controlling interests	86	-	(125)	-	739	-	(239)	-
	<u>\$ 666,234</u>	<u>3</u>	<u>\$ 749,859</u>	<u>3</u>	<u>\$ 2,344,097</u>	<u>3</u>	<u>\$ 2,481,065</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 598,549	2	\$ 720,445	3	\$ 2,396,930	3	\$ 2,469,491	3
Non-controlling interests	98	-	(102)	-	774	-	(241)	-
	<u>\$ 598,647</u>	<u>2</u>	<u>\$ 720,343</u>	<u>3</u>	<u>\$ 2,397,704</u>	<u>3</u>	<u>\$ 2,469,250</u>	<u>3</u>
EARNINGS PER SHARE (Note 24)								
Basic	<u>\$ 2.64</u>		<u>\$ 2.97</u>		<u>\$ 9.29</u>		<u>\$ 9.83</u>	
Diluted	<u>\$ 2.64</u>		<u>\$ 2.97</u>		<u>\$ 9.29</u>		<u>\$ 9.83</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
	Common Stock	Capital Surplus	Retained Earnings			Exchange Differences on Translation	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
			Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 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 nine months ended September 30, 2023	-	-	-	-	2,481,304	-	-	2,481,304	(239)	2,481,065
Other comprehensive loss for the nine months ended September 30, 2023	-	-	-	-	-	(295)	(11,518)	(11,813)	(2)	(11,815)
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	2,481,304	(295)	(11,518)	2,469,491	(241)	2,469,250
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 SEPTEMBER 30, 2023	<u>\$ 2,403,404</u>	<u>\$ 1,969,928</u>	<u>\$ 1,804,834</u>	<u>\$ 210,385</u>	<u>\$ 2,684,798</u>	<u>\$ (69,871)</u>	<u>\$ (73,467)</u>	<u>\$ 8,930,011</u>	<u>\$ 85,439</u>	<u>\$ 9,015,450</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 nine months ended September 30, 2024	-	-	-	-	2,343,358	-	-	2,343,358	739	2,344,097
Other comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	27,938	25,634	53,572	35	53,607
Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	2,343,358	27,938	25,634	2,396,930	774	2,397,704
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	-	(3,031)	-	-	(3,031)	(767)	(3,798)
Cash dividends for non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	(1,906)	(1,906)
BALANCE AT SEPTEMBER 30, 2024	<u>\$ 2,523,574</u>	<u>\$ 1,849,758</u>	<u>\$ 2,159,102</u>	<u>\$ 126,502</u>	<u>\$ 2,344,437</u>	<u>\$ (53,979)</u>	<u>\$ (18,951)</u>	<u>\$ 8,930,443</u>	<u>\$ 84,488</u>	<u>\$ 9,014,931</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 Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 2,930,699	\$ 3,087,255
Adjustments for:		
Depreciation expenses	983,623	850,039
Amortization expenses	22,840	31,970
Expected credit loss	1,759	1,597
Gain on financial assets at fair value through profit or loss	-	(14,585)
Finance costs	25,956	11,960
Interest income	(90,701)	(74,122)
Dividend income	(833)	-
Share of loss (profit) of associates accounted for using equity method	5,741	(2,546)
(Gain) loss on disposal of property, plant and equipment	(43)	978
Others	(3,275)	(823)
Changes in operating assets and liabilities		
Notes and accounts receivable	(59,345)	5,100
Accounts receivable from related parties	191,217	36,842
Other receivables	911,485	313,525
Inventories	(272,092)	(373,262)
Prepayments	(64,024)	(41,419)
Other current assets	(5,800)	519
Other financial assets	(199,469)	-
Right to recover products	33,778	40,547
Contract liabilities	(16,355)	(144,897)
Accounts payable	(310,386)	(1,287,258)
Accounts payable to related parties	16,599	(9,118)
Other payables	(483,923)	(492,221)
Provisions	(1,113)	(519)
Other current liabilities	285,087	106,177
Net defined benefit plans	(55)	(59)
Refund liabilities	(35,537)	(44,562)
Cash generated from operations	3,865,833	2,001,118
Interest received	121	102
Income tax paid	(954,017)	(843,807)
Net cash generated from operating activities	<u>2,911,937</u>	<u>1,157,413</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
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	(868,061)	(712,226)
Disposal of property, plant and equipment	554	750

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momo.com Inc. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
Increase in refundable deposits	\$ (46,232)	\$ (71,190)
Decrease in refundable deposits	48,229	82,185
Acquisition of intangible assets	(34,229)	(9,420)
Increase in other financial assets	(272,749)	(120,510)
Decrease in other financial assets	97,113	89,010
Increase in prepayments for equipment	(371,070)	(80,205)
Interest received	89,738	73,327
Other dividends received	833	-
Net cash outflow on acquisition of e-book business	<u>(28,400)</u>	<u>(43,000)</u>
Net cash used in investing activities	<u>(1,590,274)</u>	<u>(787,251)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in guarantee deposits received	31,690	48,246
Decrease in guarantee deposits received	(34,783)	(32,280)
Repayment of the principal portion of lease liabilities	(675,543)	(562,321)
Cash dividends paid (including paid to non-controlling interests)	(3,558,944)	(3,278,331)
Acquisition of additional interests in subsidiary	(3,798)	(8,085)
Interest paid	<u>(25,867)</u>	<u>(11,306)</u>
Net cash used in financing activities	<u>(4,267,245)</u>	<u>(3,844,077)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	<u>147</u>	<u>(10)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,945,435)	(3,473,925)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>6,277,880</u>	<u>8,044,437</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 3,332,445</u>	<u>\$ 4,570,512</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 NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 November 1, 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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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 discounted 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, Tables 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

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand and revolving funds	\$ 3	\$ 3	\$ 3
Cash in banks	1,403,260	1,517,217	1,330,182
Time deposits	<u>1,929,182</u>	<u>4,760,660</u>	<u>3,240,327</u>
	<u>\$ 3,332,445</u>	<u>\$ 6,277,880</u>	<u>\$ 4,570,512</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2024	December 31, 2023	September 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>\$ 252,131</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 September 30, 2024, December 31 and September 30, 2023, the financial assets were not pledged.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity Instrument Investments

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Foreign listed stock	\$ <u>142</u>	\$ <u>623</u>	\$ <u>615</u>
<u>Non-current</u>			
Domestic listed stock	\$ 142,302	\$ -	\$ -
Domestic unlisted stock	<u>289,023</u>	<u>405,306</u>	<u>376,430</u>
	<u>\$ 431,325</u>	<u>\$ 405,306</u>	<u>\$ 376,430</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 September 30, 2024, December 31 and September 30, 2023, the financial assets were not pledged.

9. NOTES AND ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Notes and accounts receivable</u>			
Measured at amortized cost			
Gross carrying amount	\$ 259,540	\$ 200,717	\$ 174,903
Less: Allowance for impairment loss	<u>(556)</u>	<u>(1,087)</u>	<u>(1,120)</u>
	<u>\$ 258,984</u>	<u>\$ 199,630</u>	<u>\$ 173,783</u>

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Other receivables</u>			
Measured at amortized cost			
Gross carrying amount	\$ 1,800,237	\$ 2,713,782	\$ 1,946,962
Less: Allowance for impairment loss	<u>(4,035)</u>	<u>(2,951)</u>	<u>(2,708)</u>
	<u>\$ 1,796,202</u>	<u>\$ 2,710,831</u>	<u>\$ 1,944,254</u>
			(Concluded)

Notes and 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 notes and accounts receivable and other receivables at an amount equal to lifetime ECLs. The ECLs on notes and 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 notes and accounts receivable and other receivables.

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

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

September 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	\$ 2,028,130	\$ 25,233	\$ 3,988	\$ 2,426	\$ 2,059,777
Loss allowance (Lifetime ECLs)	<u>(38)</u>	<u>(64)</u>	<u>(2,063)</u>	<u>(2,426)</u>	<u>(4,591)</u>
Amortized cost	<u>\$ 2,028,092</u>	<u>\$ 25,169</u>	<u>\$ 1,925</u>	<u>\$ -</u>	<u>\$ 2,055,186</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>

September 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	\$ 1,997,441	\$ 119,744	\$ 2,211	\$ 2,469	\$ 2,121,865
Loss allowance (Lifetime ECLs)	<u>(7)</u>	<u>(540)</u>	<u>(812)</u>	<u>(2,469)</u>	<u>(3,828)</u>
Amortized cost	<u>\$ 1,997,434</u>	<u>\$ 119,204</u>	<u>\$ 1,399</u>	<u>\$ -</u>	<u>\$ 2,118,037</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 3.49%-100% when the aging period past due over 121 days.

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

	For the Nine Months Ended September 30	
	2024	2023
Beginning balance	\$ 4,038	\$ 6,955
Add: Provision	1,759	1,597
Recovery	-	2
Less: Write-off	<u>(1,206)</u>	<u>(4,726)</u>
Ending balance	<u>\$ 4,591</u>	<u>\$ 3,828</u>

10. INVENTORIES

	September 30, 2024	December 31, 2023	September 30, 2023
Merchandise	<u>\$ 4,893,906</u>	<u>\$ 4,621,814</u>	<u>\$ 4,852,670</u>

The cost of inventories recognized as cost of goods sold for the three months and the nine months ended September 30, 2024 were \$22,078,083 thousand and \$68,397,821 thousand, respectively, which included reversal of inventory write-downs of \$1,151 thousand and inventory write-downs of \$5,254 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the three months and the nine months ended September 30, 2023 were \$21,549,410 thousand and \$65,457,567 thousand, respectively, which included inventory write-downs of \$6,983 thousand and \$2,501 thousand, respectively.

11. OTHER FINANCIAL ASSETS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Pledged time deposits and restricted deposits	\$ 65,200	\$ 65,195	\$ 65,200
Time deposits with original maturities of more than 3 months	303,854	134,656	62,201
Trust account	<u>199,469</u>	<u>-</u>	<u>-</u>
	<u>\$ 568,523</u>	<u>\$ 199,851</u>	<u>\$ 127,401</u>

Non-current

Pledged time deposits and restricted deposits	<u>\$ 282,998</u>	<u>\$ 272,995</u>	<u>\$ 272,906</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
			September 30, 2024	December 31, 2023	September 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	96.10	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 to August 2024 and March to 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	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	% of Owner-ship	Amount	% of Owner-ship	Amount	% of Owner-ship
Global Home Shopping Co., Ltd. (GHS)	\$ 414,504	20.00	\$ 391,900	20.00	\$ 488,263	20.00
SK Biomedical INC. (SK Biomedical)	5,838	20.00	-	-	-	-
Fubon Green Power Co., Ltd. (Fubon Green Power)	<u>199,643</u>	5.00	<u>-</u>	-	<u>-</u>	-
	<u>\$ 619,985</u>		<u>\$ 391,900</u>		<u>\$ 488,263</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	-	-	57,847	20,121	12,777	15,738	564,690	671,173
Disposals	-	-	(95,780)	(4,764)	(2,162)	(2,597)	-	(105,303)
Reclassifications	-	-	<u>23,665</u>	-	-	<u>17,780</u>	-	<u>41,445</u>
Balance at September 30, 2023	<u>\$ 3,659,184</u>	<u>\$ 1,777,404</u>	<u>\$ 1,901,561</u>	<u>\$ 204,952</u>	<u>\$ 406,098</u>	<u>\$ 205,014</u>	<u>\$ 1,962,791</u>	<u>\$ 10,117,004</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	-	38,670	166,257	20,801	42,443	23,520	-	291,691
Disposals	-	-	(95,053)	(4,722)	(1,879)	(1,921)	-	(103,575)
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ 447,761</u>	<u>\$ 1,337,697</u>	<u>\$ 155,455</u>	<u>\$ 346,548</u>	<u>\$ 87,761</u>	<u>\$ -</u>	<u>\$ 2,375,222</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 September 30, 2023	<u>\$ 3,659,184</u>	<u>\$ 1,329,643</u>	<u>\$ 563,864</u>	<u>\$ 49,497</u>	<u>\$ 59,550</u>	<u>\$ 117,253</u>	<u>\$ 1,962,791</u>	<u>\$ 7,741,782</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	-	24,764	298,648	17,099	22,103	10,567	466,040	839,221
Disposals	-	-	(76,956)	(3,562)	(2,796)	(2,962)	-	(86,276)
Reclassifications	-	-	35,843	-	-	-	-	35,843
Balance at September 30, 2024	<u>\$ 3,659,184</u>	<u>\$ 1,802,168</u>	<u>\$ 2,211,406</u>	<u>\$ 227,290</u>	<u>\$ 437,789</u>	<u>\$ 226,105</u>	<u>\$ 2,870,943</u>	<u>\$ 11,434,885</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	-	39,265	162,848	22,401	22,780	28,641	-	275,935
Disposals	-	-	(76,956)	(3,562)	(2,790)	(2,457)	-	(85,765)
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ 499,915</u>	<u>\$ 1,473,867</u>	<u>\$ 180,120</u>	<u>\$ 377,817</u>	<u>\$ 123,177</u>	<u>\$ -</u>	<u>\$ 2,654,896</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 September 30, 2024	<u>\$ 3,659,184</u>	<u>\$ 1,302,253</u>	<u>\$ 737,539</u>	<u>\$ 47,170</u>	<u>\$ 59,972</u>	<u>\$ 102,928</u>	<u>\$ 2,870,943</u>	<u>\$ 8,779,989</u>

(Concluded)

No impairment loss or reversal of impairment loss was recognized for the nine months ended September 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 September 30, 2024, December 31 and September 30, 2023, the property, plant and equipment were not pledged as collateral.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amount</u>			
Land	\$ 1,984	\$ 3,077	\$ 3,442
Buildings	3,470,702	3,597,128	2,644,221
Office equipment	-	78	162
Transportation equipment	<u>2,635</u>	<u>3,467</u>	<u>3,744</u>
	<u>\$ 3,475,321</u>	<u>\$ 3,603,750</u>	<u>\$ 2,651,569</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Additions to right-of-use assets			\$ 581,152	\$ 1,627,063
Depreciation charge for right-of-use assets				
Land	\$ 364	\$ 364	\$ 1,093	\$ 1,075
Buildings	231,430	198,712	705,685	556,223
Office equipment	-	112	78	415
Transportation equipment	277	278	832	635
	<u>\$ 232,071</u>	<u>\$ 199,466</u>	<u>\$ 707,688</u>	<u>\$ 558,348</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 nine months ended September 30, 2024 and 2023.

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amount</u>			
Current	\$ 857,673	\$ 796,384	\$ 717,960
Non-current	\$ 2,666,685	\$ 2,826,367	\$ 1,961,603

The range of discount rate for lease liabilities was 0.61%-1.59%, 0.61%-1.4% and 0.61%-1.32% per annum as of September 30, 2024, December 31 and September 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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	\$ 8,538	\$ 8,357	\$ 24,926	\$ 24,914
Expenses relating to low-value asset leases	\$ 4,751	\$ 6,441	\$ 15,839	\$ 20,008
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 15,551	\$ 14,469	\$ 50,045	\$ 47,688
Total cash outflow for leases			<u>\$ (792,220)</u>	<u>\$ (666,237)</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 \$30,800 thousand, \$20,514 thousand and \$28,437 thousand as of September 30, 2024, December 31 and September 30, 2023, respectively.

16. ACCOUNTS PAYABLE

	September 30, 2024	December 31, 2023	September 30, 2023
Suppliers	<u>\$ 9,822,919</u>	<u>\$ 10,133,305</u>	<u>\$ 9,372,699</u>

17. OTHER PAYABLES

	September 30, 2024	December 31, 2023	September 30, 2023
Payables for salaries and bonus	\$ 462,777	\$ 600,353	\$ 419,449
Payables for pension	36,965	36,642	33,814
Payables for equipment and construction	26,728	53,396	27,188
Payables for business tax	2,578	128,597	4,855
Others	<u>559,236</u>	<u>807,245</u>	<u>587,797</u>
	<u>\$ 1,088,284</u>	<u>\$ 1,626,233</u>	<u>\$ 1,073,103</u>

18. OTHER CURRENT LIABILITIES

	September 30, 2024	December 31, 2023	September 30, 2023
Collection about travelling merchandise	\$ 163,277	\$ 168,314	\$ 138,338
Other financial liabilities	950,353	905,211	751,807
Others	<u>415,987</u>	<u>171,005</u>	<u>206,421</u>
	<u>\$ 1,529,617</u>	<u>\$ 1,244,530</u>	<u>\$ 1,096,566</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 nine months ended September 30, 2024 and 2023, the pension expenses of defined contribution plans were \$35,558 thousand, \$32,508 thousand, \$105,886 thousand and \$99,693 thousand, respectively.

b. Defined benefit plans

For the three months and nine months ended September 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, respectively.

20. EQUITY

a. Common stock

As of September 30, 2024, December 31 and September 30, 2023, momo's authorized shares were 300,000 thousand shares, and issued and paid shares were 252,357 thousand shares, 240,340 thousand shares and 240,340 thousand shares, respectively, at par value \$10 per share.

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.

b. Capital surplus

	September 30, 2024	December 31, 2023	September 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 transferred to capital as stock dividends (limited to a certain percentage of momo's paid in capital and to once a year). The capital surplus arising from changes in percentage of ownership interests in subsidiaries and expired employee share options may only 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).

In consideration of the current status and development stage of the company, the company intends to adopt a dividend policy that seeks to best balance the operating requirements and shareholder interests. A suitable dividend distribution plans shall be drafted upon the board meeting based on the future capital budget plan of the company to assess future fund requirement, profitability, financial structure, and earnings dilution impact. The dividend distribution plan shall be submitted to be resolved by the shareholders' meeting.

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 deficits. If momo has no deficit and the legal reserve has exceeded 25% of momo's paid-in capital, the excess may be transferred to capital or distributed in cash.

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:

	For the Year Ended December 31	
	2023	2022
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

	For the Nine Months Ended September 30	
	2024	2023
Beginning balance	\$ (81,917)	\$ (69,576)
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	27,647	1,053
Share from associates accounted for using equity method	291	(1,348)
Other comprehensive income (loss) recognized for the period	27,938	(295)
Ending balance	\$ (53,979)	\$ (69,871)

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

	For the Nine Months Ended September 30	
	2024	2023
Beginning balance	\$ (44,585)	\$ (140,809)
Recognized for the period		
Unrealized gain (loss) - equity instruments	25,538	(26,574)
Income tax effect	96	15,056
Other comprehensive income (loss) recognized for the period	<u>25,634</u>	<u>(11,518)</u>
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	<u>-</u>	<u>78,860</u>
Ending balance	<u>\$ (18,951)</u>	<u>\$ (73,467)</u>

e. Non-controlling interests

	For the Nine Months Ended September 30	
	2024	2023
Beginning balance	\$ 86,387	\$ 88,221
Share in profit (loss) for the period	739	(239)
Other comprehensive income (loss) during the period		
Exchange differences on the translation of the financial statements of foreign entities	35	(2)
Acquisition of non-controlling interests in subsidiaries (Note 25)	(767)	(1,579)
Cash dividends for non-controlling interests of subsidiaries	<u>(1,906)</u>	<u>(962)</u>
Ending balance	<u>\$ 84,488</u>	<u>\$ 85,439</u>

21. OPERATING REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
E-commerce division	\$ 24,730,215	\$ 24,102,992	\$ 76,321,714	\$ 73,409,411
Multimedia business division	809,766	961,513	2,731,483	2,969,465
Others	<u>12,956</u>	<u>10,170</u>	<u>34,555</u>	<u>28,254</u>
	<u>\$ 25,552,937</u>	<u>\$ 25,074,675</u>	<u>\$ 79,087,752</u>	<u>\$ 76,407,130</u>

Please refer to Note 4(m) to the consolidated financial statements for the year ended December 31, 2023 and Note 35 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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Gain on financial assets at FVTPL	\$ -	\$ 4,934	\$ -	\$ 14,585
Net foreign exchange gains	715	2,503	5,421	971
Gain (loss) on disposal of property, plant and equipment	3	-	43	(978)
Others	<u>153</u>	<u>1</u>	<u>(296)</u>	<u>150</u>
	<u>\$ 871</u>	<u>\$ 7,438</u>	<u>\$ 5,168</u>	<u>\$ 14,728</u>

b. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest on lease liabilities	\$ 9,289	\$ 5,616	\$ 25,873	\$ 11,893
Others	<u>24</u>	<u>23</u>	<u>83</u>	<u>67</u>
	<u>\$ 9,313</u>	<u>\$ 5,639</u>	<u>\$ 25,956</u>	<u>\$ 11,960</u>

c. Employee benefits expense, depreciation and amortization

Function Nature	For the Three Months Ended September 30, 2024			For the Three Months Ended September 30, 2023		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salary	\$ 302,482	\$ 420,125	\$ 722,607	\$ 301,579	\$ 368,565	\$ 670,144
Insurance expense	34,372	41,813	76,185	33,200	37,451	70,651
Pension	15,861	19,697	35,558	15,059	17,449	32,508
Other employee benefits	21,558	26,580	48,138	18,525	23,466	41,991
Depreciation expenses	262,443	60,751	323,194	241,512	56,769	298,281
Amortization expenses	1,769	6,588	8,357	2,414	6,729	9,143

Function Nature	For the Nine Months Ended September 30, 2024			For the Nine Months Ended September 30, 2023		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salary	\$ 902,595	\$ 1,236,148	\$ 2,138,743	\$ 890,389	\$ 1,115,928	\$ 2,006,317
Insurance expense	103,142	124,828	227,970	100,630	115,604	216,234
Pension	47,755	58,076	105,831	46,004	53,630	99,634
Other employee benefits	62,370	74,676	137,046	56,005	72,564	128,569
Depreciation expenses	810,736	172,887	983,623	684,786	165,253	850,039
Amortization expenses	6,088	16,752	22,840	7,269	24,701	31,970

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 nine months ended September 30, 2024 and 2023, the estimated compensation of employees and the remuneration of directors were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Compensation of employees	<u>\$ 830</u>	<u>\$ 933</u>	<u>\$ 2,912</u>	<u>\$ 3,075</u>
Remuneration of directors	<u>\$ 1,245</u>	<u>\$ 1,399</u>	<u>\$ 4,368</u>	<u>\$ 4,612</u>

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

The appropriations of compensation of employees and remuneration of directors for 2023 and 2022 that were resolved by the Board of Directors on February 16, 2024 and February 17, 2023, respectively, were as follows:

	For the Year Ended December 31	
	2023	2022
	Cash	Cash
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:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current tax				
In respect of the current period	\$ 167,885	\$ 200,306	\$ 586,386	\$ 632,784
Adjustments for prior years	<u>855</u>	<u>-</u>	<u>2,733</u>	<u>(9,860)</u>
	<u>168,740</u>	<u>200,306</u>	<u>589,119</u>	<u>622,924</u>
Deferred tax				
In respect of the current period	<u>(674)</u>	<u>(14,042)</u>	<u>(2,517)</u>	<u>(16,734)</u>
Income tax expense recognized in profit or loss	<u>\$ 168,066</u>	<u>\$ 186,264</u>	<u>\$ 586,602</u>	<u>\$ 606,190</u>

b. Income tax recognized directly in equity

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,997)</u>
Income tax benefit (expense) recognized directly in equity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

c. Income tax recognized in other comprehensive income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Deferred tax				
Unrealized valuation loss on financial assets at FVTOCI	<u>\$ 6</u>	<u>\$ 39</u>	<u>\$ 96</u>	<u>\$ 15,056</u>
Income tax benefit recognized in other comprehensive income	<u>\$ 6</u>	<u>\$ 39</u>	<u>\$ 96</u>	<u>\$ 15,056</u>

d. Income tax assessments

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

<u>Company</u>	<u>Year</u>
momo	2022
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

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Basic earnings per share	\$ <u>2.64</u>	\$ <u>2.97</u>	\$ <u>9.29</u>	\$ <u>9.83</u>
Diluted earnings per share	\$ <u>2.64</u>	\$ <u>2.97</u>	\$ <u>9.29</u>	\$ <u>9.83</u>

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares on August 25, 2024. The basic and diluted earnings per share adjusted retrospectively for the three months and nine months ended September 30, 2023 were as follows:

Unit: NT\$ Per Share

	<u>Before Retrospective Adjustment</u>		<u>After Retrospective Adjustment</u>	
	<u>For the Three Months Ended September 30, 2023</u>	<u>For the Nine Months Ended September 30, 2023</u>	<u>For the Three Months Ended September 30, 2023</u>	<u>For the Nine Months Ended September 30, 2023</u>
Basic earnings per share	\$ <u>3.12</u>	\$ <u>10.32</u>	\$ <u>2.97</u>	\$ <u>9.83</u>
Diluted earnings per share	\$ <u>3.12</u>	\$ <u>10.32</u>	\$ <u>2.97</u>	\$ <u>9.83</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

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Earnings used in the computation of basic and diluted earnings per share	\$ <u>666,148</u>	\$ <u>749,984</u>	\$ <u>2,343,358</u>	\$ <u>2,481,304</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Weighted average number of common shares used in the computation of basic earnings per share	252,357	252,357	252,357	252,357
Effect of potentially dilutive common shares:				
Compensation of employees	<u>2</u>	<u>2</u>	<u>9</u>	<u>7</u>
Weighted average number of common shares used in the computation of diluted earnings per share	<u>252,359</u>	<u>252,359</u>	<u>252,366</u>	<u>252,364</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 to August 2024, March to 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 did not cease to have control over its subsidiary.

Bebe Poshe

	For the Nine Months Ended September 30	
	2024	2023
Consideration paid	\$ (3,798)	\$ (8,085)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	<u>767</u>	<u>1,579</u>
Differences recognized from equity transactions	<u>\$ (3,031)</u>	<u>\$ (6,506)</u>
<u>Line items adjusted for equity transactions</u>		
Unappropriated Earnings	<u>\$ (3,031)</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 its ultimate parent company, TWM, in March 2023. The above transaction is accounted for using the book-value method since it meets reorganization under common control.

	E-Book Business
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 nine months ended September 30, 2024

	Beginning Balance	Cash Flows	Non-cash Changes		Ending Balance
			New Leases	Others	
Lease liabilities	<u>\$ 3,622,751</u>	<u>\$ (701,410)</u>	<u>\$ 579,118</u>	<u>\$ 23,899</u>	<u>\$ 3,524,358</u>

For the nine months ended September 30, 2023

	Beginning Balance	Cash Flows	Non-cash Changes		Ending Balance
			New Leases	Others	
Lease liabilities	<u>\$ 1,625,299</u>	<u>\$ (573,627)</u>	<u>\$ 1,621,475</u>	<u>\$ 6,416</u>	<u>\$ 2,679,563</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

September 30, 2024

	Level 1	Level 2	Level 3	Total
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	\$ 142	\$ -	\$ -	\$ 142
Listed stock - domestic	142,302	-	-	142,302
Unlisted stock - domestic	<u>-</u>	<u>-</u>	<u>289,023</u>	<u>289,023</u>
	<u>\$ 142,444</u>	<u>\$ -</u>	<u>\$ 289,023</u>	<u>\$ 431,467</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
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>

September 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Unlisted stock - domestic	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 252,131</u>	<u>\$ 252,131</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed stock - foreign	\$ 615	\$ -	\$ -	\$ 615
Unlisted stock - domestic	<u>-</u>	<u>-</u>	<u>376,430</u>	<u>376,430</u>
	<u>\$ 615</u>	<u>\$ -</u>	<u>\$ 376,430</u>	<u>\$ 377,045</u>

There were no transfers between the fair value measurements of Levels 1 and 2 for the nine months ended September 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 and 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 September 30, 2023, the ranges of liquidity discount rates were 24.08% and 30%, and the ranges of stock price volatilities were 25.42% and 37.6%.

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

- a) Financial assets at FVTPL - equity instruments:

	For the Nine Months Ended September 30	
	2024	2023
Beginning balance	\$ 287,500	\$ 237,546
Recognized in profit or loss (gain on financial assets at FVTPL)	<u>-</u>	<u>14,585</u>
Ending balance	<u>\$ 287,500</u>	<u>\$ 252,131</u>

- b) Financial assets at FVTOCI - equity instruments:

	For the Nine Months Ended September 30	
	2024	2023
Beginning balance	\$ 405,306	\$ 407,704
Recognized in other comprehensive loss (unrealized valuation loss on financial assets at FVTOCI)	(19,468)	(26,281)
Disposal	-	(4,993)
Transfers out of Level 3 (Note)	<u>(96,815)</u>	<u>-</u>
Ending balance	<u>\$ 289,023</u>	<u>\$ 376,430</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

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 287,500	\$ 287,500	\$ 252,131
Financial assets at FVTOCI			
Investments in equity instruments	431,467	405,929	377,045
Financial assets at amortized cost (Note 1)	<u>6,663,387</u>	<u>10,278,827</u>	<u>7,562,630</u>
	<u>\$ 7,382,354</u>	<u>\$ 10,972,256</u>	<u>\$ 8,191,806</u>
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	<u>\$ 12,546,976</u>	<u>\$ 13,336,663</u>	<u>\$ 11,908,441</u>

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

Note 2: The balances include financial liabilities at amortized cost, which comprise accounts payable, other payables, other financial liabilities and guarantee deposits 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 September 30, 2024, December 31 and September 30, 2023, the Group had unused bank facilities of \$30,000 thousand, \$50,000 thousand and \$0 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.

September 30, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Lease liabilities	\$ 77,728	\$ 153,520	\$ 656,978	\$ 2,019,224	\$ 709,834

December 31, 2023

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

September 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Lease liabilities	\$ 54,953	\$ 136,097	\$ 544,946	\$ 1,584,186	\$ 423,348

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 revenue 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 33.

Sensitivity analysis

The Group was mainly exposed to the USD and RMB.

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

	For the Nine Months Ended September 30	
	2024	2023
Appreciated 5%	\$ (4,516)	\$ (5,354)
Depreciated 5%	\$ 4,516	\$ 5,354

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:

	September 30, 2024	December 31, 2023	September 30, 2023
Fair value interest rate risk			
Financial assets	\$ 2,517,371	\$ 5,008,243	\$ 3,109,851
Financial liabilities	3,524,358	3,622,751	2,679,563
Cash flow interest rate risk			
Financial assets	1,878,685	1,949,442	2,069,740

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 nine months ended September 30, 2024 and 2023 would have increased or decreased by \$7,045 thousand and \$7,762 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 nine months ended September 30, 2024 and 2023 would have increased or decreased by \$14,375 thousand and \$12,607 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income for the nine months ended September 30, 2024 and 2023 would have increased or decreased by \$21,573 thousand and \$18,852 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 September 30, 2024, December 31 and September 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
Uspace Tech Co., Ltd.	Other related party
NADA Holdings Corp.	Other related party
Mistake Entertainment Co., Ltd.	Other related party
Tropics Entertainment Co., Ltd.	Other related party
Systex Corporation	Other related party
AppWorks School Co., Ltd.	Other related party
Shoei Contents Corporation	Other related party
More Sounds Film Production Co., Ltd.	Other related party
Mepay Co., Ltd.	Other related party
EnVision Concept Co., Ltd.	Other related party
Concord System Management Corporation	Other related party
Systex Software & Service Corporation	Other related party
Systex Solutions Corporation	Other related party
Systex Fintech Corporation	Other related party
Caresys Information, Inc.	Other related party
Dawning Technology Inc.	Other related party
Fansta Co., Ltd.	Other related party (Note 1)
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

(Continued)

Related Party Name	Related Party Categories
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
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
Harvard Health Inc.	Other related party (formerly known as Fu Yi Health Management Co., Ltd.)
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)
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 revenue

Line Items	Related Party Categories	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Sales	Ultimate parent entity	\$ 75,502	\$ 59,007	\$ 211,836	\$ 185,346
	Other related parties	<u>8,065</u>	<u>4,228</u>	<u>21,907</u>	<u>4,231</u>
		<u>\$ 83,567</u>	<u>\$ 63,235</u>	<u>\$ 233,743</u>	<u>\$ 189,577</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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Ultimate parent entity	\$ 635,611	\$ 588,198	\$ 2,097,520	\$ 1,985,860
Other related parties	<u>129,010</u>	<u>84,911</u>	<u>257,068</u>	<u>214,227</u>
	<u>\$ 764,621</u>	<u>\$ 673,109</u>	<u>\$ 2,354,588</u>	<u>\$ 2,200,087</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	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable	Ultimate parent entity	<u>\$ 32,654</u>	<u>\$ 146,732</u>	<u>\$ 56,563</u>
	Other related parties			
	TFCB	145,272	239,796	178,328
	Others	<u>22,163</u>	<u>4,778</u>	<u>14,900</u>
		<u>167,435</u>	<u>244,574</u>	<u>193,228</u>
		<u>\$ 200,089</u>	<u>\$ 391,306</u>	<u>\$ 249,791</u>
Other receivables	Ultimate parent entity	\$ 49,140	\$ 52,680	\$ 43,020
	Other related parties			
	TFCB	<u>240,991</u>	<u>450,459</u>	<u>336,560</u>
		<u>\$ 290,131</u>	<u>\$ 503,139</u>	<u>\$ 379,580</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	September 30, 2024	December 31, 2023	September 30, 2023
Accounts payable	Ultimate parent entity	\$ 246,587	\$ 285,939	\$ 218,520
	Other related parties	<u>56,738</u>	<u>787</u>	<u>116,576</u>
		<u>\$ 303,325</u>	<u>\$ 286,726</u>	<u>\$ 335,096</u>
Other payables	Ultimate parent entity	<u>\$ 94,301</u>	<u>\$ 81,928</u>	<u>\$ 78,142</u>

The outstanding trade payables to related parties are unsecured.

f. Bank deposits

Line Items	Related Party Categories/Name	September 30, 2024	December 31, 2023	September 30, 2023
Cash and cash equivalents	Other related parties TFCB	<u>\$ 772,130</u>	<u>\$ 3,360,824</u>	<u>\$ 1,054,249</u>
Other financial assets	Other related parties TFCB	<u>\$ 226,605</u>	<u>\$ 15,728</u>	<u>\$ 16,337</u>

g. Prepayments

Related Party Categories/Name	September 30, 2024	December 31, 2023	September 30, 2023
Other related parties			
Fubon Ins.	\$ 25,078	\$ 5,625	\$ 18,402
FSE	<u>10,950</u>	<u>-</u>	<u>10,664</u>
	<u>\$ 36,028</u>	<u>\$ 5,625</u>	<u>\$ 29,066</u>

h. Acquisition of investments accounted for using equity method

For the nine months ended September 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

	Related Party Categories/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Acquisitions of right-of-use assets	Ultimate parent entity	\$ 22,084	\$ -	\$ 22,084	\$ -
	Other related parties				
	Fubon Life	<u>125,747</u>	<u>704,594</u>	<u>125,747</u>	<u>704,594</u>
		<u>\$ 147,831</u>	<u>\$ 704,594</u>	<u>\$ 147,831</u>	<u>\$ 704,594</u>
Line Items	Related Party Categories/Name	September 30, 2024	December 31, 2023	September 30, 2023	
Lease liabilities	Ultimate parent entity	\$ 20,987	\$ 1,873	\$ 2,995	
	Other related parties				
	Fubon Life	<u>675,918</u>	<u>695,471</u>	<u>737,829</u>	
		<u>\$ 696,905</u>	<u>\$ 697,344</u>	<u>\$ 740,824</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 September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
E-Book of business	Ultimate parent entity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,400</u>
Prepayments for equipment	Other related parties	<u>\$ 23,219</u>	<u>\$ -</u>	<u>\$ 23,219</u>	<u>\$ -</u>

k. Others

1) Refundable deposits

Related Party Categories/Name	September 30, 2024	December 31, 2023	September 30, 2023
Other related parties			
Fubon Life	<u>\$ 60,136</u>	<u>\$ 59,906</u>	<u>\$ 54,054</u>

2) Operating expenses

Related Party Categories/ Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Ultimate parent entity	\$ 5,876	\$ 10,632	\$ 21,640	\$ 43,037
Other related parties				
TFCB	193,995	199,721	605,536	586,748
Others	26,687	28,044	40,487	41,559
	<u>220,682</u>	<u>227,765</u>	<u>646,023</u>	<u>628,307</u>
	<u>\$ 226,558</u>	<u>\$ 238,397</u>	<u>\$ 667,663</u>	<u>\$ 671,344</u>

3) Other income and expenses

Related Party Categories/ Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Other related parties				
TFCB	\$ 11,692	\$ 14,330	\$ 35,552	\$ 44,534

4) Interest income

Related Party Categories/ Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Other related parties				
TFCB	\$ 1,753	\$ 683	\$ 19,785	\$ 4,619

5) mo-coins transactions

The Group sales mo-coins to related parties amounting to \$1,451,654 thousand for the nine months ended September 30, 2024.

1. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 17,257	\$ 15,664	\$ 56,697	\$ 50,168
Post-employment benefits	<u>502</u>	<u>424</u>	<u>1,573</u>	<u>1,272</u>
	<u>\$ 17,759</u>	<u>\$ 16,088</u>	<u>\$ 58,270</u>	<u>\$ 51,440</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:

	September 30, 2024	December 31, 2023	September 30, 2023
Other financial assets - current	\$ 65,200	\$ 65,195	\$ 65,200
Other financial assets - non-current	<u>282,998</u>	<u>272,995</u>	<u>272,906</u>
	<u>\$ 348,198</u>	<u>\$ 338,190</u>	<u>\$ 338,106</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:

- a. 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 \$47,209 thousand, mo coins of \$69,766 thousand, electronic tickets of \$121,182 thousand, and physical tickets of \$4,256 thousand as of September 30, 2024, respectively.
- b. As of September 30, 2024, December 31 and September 30, 2023, the amounts of lease commitments commencing after the balance sheet date were \$232,459 thousand, \$310,885 thousand and \$1,296,886 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 September 30, 2024, contract amount not yet paid for the logistics warehouse construction and equipment were \$121,165 thousand and \$114,022 thousand, respectively. In addition, momo's Board of Directors resolved the logistics warehouse construction in Central District in January 2023. As of September 30, 2024, contract amount not yet paid for the logistics warehouse construction was \$4,787,907 thousand.
- d. The Group provided collection and payment services to contracted stores guaranteed through an escrow arrangement. As of September 30, 2024, the balance of the trust account held with financial institution was \$199,469 thousand.

32. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

In November 2024, momo's Board of Directors resolved to sign the warehouse lease agreement with Fubon Life, with lease terms of 20 years from the third quarter of 2027. The anticipated amount of acquired right-of-use assets would be \$10,775,298 thousand. The agreement would be signed upon resolution at the shareholders' meeting.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

September 30, 2024

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 16,145	4.531 (RMB:NTD)	\$ 73,152
USD	542	31.69 (USD:NTD)	<u>17,169</u>
			<u>\$ 90,321</u>
Non-monetary items			
Financial assets at FVTOCI			
HKD	35	4.073 (HKD:NTD)	\$ 142
Investments accounted for using equity method			
RMB	91,482	4.531 (RMB:NTD)	<u>414,504</u>
			<u>\$ 414,646</u>

December 31, 2023

	Foreign Currencies	Exchange Rate	Carrying Amount
<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>

September 30, 2023

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 17,087	4.409 (RMB:NTD)	\$ 75,337
USD	1,175	32.245 (USD:NTD)	<u>37,872</u>
			<u>\$ 113,209</u>
Non-monetary items			
Financial assets at FVTOCI			
HKD	149	4.123 (HKD:NTD)	\$ 615
Investments accounted for using equity method			
RMB	110,742	4.409 (RMB:NTD)	<u>488,263</u>
			<u>\$ 488,878</u>
<u>Foreign currency liabilities</u>			
Monetary items			
USD	190	32.245 (USD:NTD)	<u>\$ 6,127</u>

For the three months and nine months ended September 30, 2024 and 2023, realized and unrealized net foreign exchange gains were \$715 thousand, \$2,503 thousand, \$5,421 thousand and \$971 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of foreign currencies transactions and functional currencies of the entities in the Group.

34. 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)

35. 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 nine months ended September 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:

	E-commerce	Multimedia Business	Others	Adjustments and Eliminations	Total
<u>For the nine months ended September 30, 2024</u>					
Revenue					
Non-inter-company revenue	<u>\$ 76,323,900</u>	<u>\$ 2,731,545</u>	<u>\$ 1,171,010</u>	<u>\$ (1,138,703)</u>	<u>\$ 79,087,752</u>
Segment profits	<u>\$ 2,720,432</u>	<u>\$ 115,759</u>	<u>\$ 25,465</u>	<u>\$ 2,507</u>	<u>\$ 2,864,163</u>
<u>For the nine months ended September 30, 2023</u>					
Revenue					
Non-inter-company revenue	<u>\$ 73,411,448</u>	<u>\$ 2,969,502</u>	<u>\$ 1,039,830</u>	<u>\$ (1,013,650)</u>	<u>\$ 76,407,130</u>
Segment profits	<u>\$ 2,799,567</u>	<u>\$ 128,896</u>	<u>\$ 75,662</u>	<u>\$ 1,673</u>	<u>\$ 3,005,798</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
SEPTEMBER 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	September 30, 2024				Note
				Shares (Thousands)	Carrying Amount	% of Ownership	Fair Value	
momo	<u>Foreign listed stock</u> eSun	-	Financial assets at FVTOCI - current	728	\$ 142	0.04	\$ 142	
	<u>Domestic listed stock</u> We Can Medicines Co., Ltd.	-	Financial assets at FVTOCI - non-current	3,073	142,302	6.94	142,302	
	<u>Domestic unlisted stock</u> LINE Bank Taiwan Limited	-	Financial assets at FVTOCI - non-current	37,500	289,023	2.50	289,023	
	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 NINE MONTHS ENDED SEPTEMBER 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	\$ 210,690	-	Based on contract terms	\$ -	-	\$ 32,426	7	
			Purchase	2,096,085	3	Based on contract terms	-	-	(246,587)	(2)	
	FSL	Subsidiary	Purchase	925,714	1	Based on contract terms	-	-	(214,894)	(2)	
	MFS	Subsidiary	Purchase	126,833	-	Based on contract terms	-	-	(17,305)	-	

TABLE 3

momo.com Inc. AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
SEPTEMBER 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	TFCB	Other related party	Accounts receivable	\$ 145,272	Note	\$ -	-	\$ 143,551	\$ -
			Other receivables	240,966	-	-	-	240,966	-
FSL	momo	Parent entity	Accounts receivable	215,407	5.00	-	-	111,712	-

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 NINE MONTHS ENDED SEPTEMBER 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	\$ 21,505	The terms of transaction are determined in accordance with mutual agreements or general business practices	0.03
		FSL	1	Accounts payable	214,894		0.82
				Operating costs	925,714		1.17
		MFS	1	Accounts payable	17,305		0.07
				Operating costs	126,833		0.16
		Prosperous Living	1	Operating costs	19,380		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 NINE MONTHS ENDED SEPTEMBER 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 September 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2024	December 31, 2023	Shares (Thousands)	%	Carrying Amount			
momo	FST	Taiwan	Travel agent	\$ 6,000	\$ 6,000	3,000	100.00	\$ 51,230	\$ 8,496	\$ 8,496	Note 3
	FI	Taiwan	Comprehensive insurance agent	8,000	3,000	1,000	100.00	15,614	786	786	
	Asian Crown (BVI)	British Virgin Islands	Investment	885,285	885,285	9,735	81.99	13,468	520	426	
	Honest Development	Samoa	Investment	670,448	670,448	21,778	100.00	426,026	(7,442)	(7,442)	Note 4
	Bebe Poshe	Taiwan	Wholesale of cosmetics	102,763	98,965	9,610	96.10	31,067	769	721	
	FSL	Taiwan	Logistics industry	250,000	250,000	25,000	100.00	335,398	58,108	58,095	
	MFS	Taiwan	Wholesaling	100,000	100,000	10,000	100.00	114,042	12,612	12,612	
	Prosperous Living	Taiwan	Wholesale and retail sales	220,850	220,850	22,085	73.62	223,411	2,271	1,672	Note 5
	SK Biomedical	Taiwan	Wholesale and retail sales	6,000	-	600	20.00	5,838	(941)	(162)	
	Fubon Green Power	Taiwan	Energy technical services	200,000	-	20,000	5.00	199,643	(7,155)	(357)	Note 6
Asian Crown (BVI)	Fortune Kingdom	Samoa	Investment	1,132,789	1,132,789	11,594	100.00	11,819	366	Note 2	
Fortune Kingdom	HK Fubon Multimedia	Hong Kong	Investment	1,132,789	1,132,789	11,594	100.00	11,819	366	Note 2	
Honest Development	HK Yue Numerous	Hong Kong	Investment	670,448	670,448	16,600	100.00	426,024	(7,052)	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 to August 2024, momo’s percentage of ownership interest in Bebe Poshe increased to 96.10% 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 NINE MONTHS ENDED SEPTEMBER 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 September 30, 2024	Net Income (Loss) of Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of September 30, 2024	Accumulated Repatriation of Investment Income as of September 30, 2024	Note
					Outward	Inward							
FGE	Wholesaling	\$ 351,155 (RMB 77,500)	b.	\$ 848,131 (USD 14,000) (RMB 89,267)	\$ -	\$ -	\$ 848,131 (USD 14,000) (RMB 89,267)	\$ (14)	76.70	\$ (11)	\$ 2,392	\$ -	Note 2
Haobo	Investment	49,841 (RMB 11,000)	b.	-	-	-	-	(4,796)	100.00	(4,796)	417,447	-	Note 3
GHS	Wholesaling	226,551 (RMB 50,000)	b.	-	-	-	-	(20,392)	20.00	(5,222)	414,504	61,182 (RMB 13,503)	Note 3

Accumulated Outward Remittance for Investments in Mainland China as of September 30, 2024	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$1,534,591 (USD14,000, RMB89,267 and HKD168,539)	\$1,534,591 (USD14,000, RMB89,267 and HKD168,539)	\$5,408,959

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 September 30, 2024 are USD1=NT\$31.69, RMB1=NT\$4.531, and HKD1=NT\$4.073.

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

Name of Major Shareholder	Shares	
	Number of Shares	% of Ownership
WMT	113,598,452	45.01
TECO CAPITAL INVESTMENT Co., Ltd.	26,575,164	10.53
WOORI HOMESHOPPING Co., Ltd.	19,983,625	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.