Ticker:8454

momo.com Inc.

2021 Annual Report

Publication Date: February 18, 2022
Company Website: https://corp.momo.com.tw/
Mark Observation Post System: http://mops.twse.com.tw

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None

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Disclaimer

Please note that this English annual report is not a word-for-word translation of the Chinese version.
In the event of any variance, the Chinese text shall prevail

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I. Letter to Shareholders

The comeback of COVID-19 pandemic in 2021 reshaped consumption habits, and the retail industry seemed to be facing an emergency pop quiz, testing enterprise's risk management and adaptability under the pandemic. momo.com Inc. (8454-TW) is a leading brand of virtual channels in Taiwan. In response to the impact of the pandemic, we adhered to the values and beliefs of "integrity, friendliness, professionalism and innovation", and were committed to implementing the mission of "providing high-quality and inexpensive products and decent services to improve people's lives". We actively went beyond customers' imagination of on-line virtual channel services, and provided high-quality products and services that met the needs of all matters in life; coupled with a forward-looking operational layout, we were able to have a leading position in the industry and achieved an annual revenue of approximately 884 hundred million NTD, an annual increase of 31.5%, and the operation had reached a new peak.

momo's steady growth on the track comes from implementing corporate governance, adhering to professionalism, innovation and fulfillment of social responsibilities, and being committed to improving customer satisfaction and creating shareholder interests, working together, we move toward the vision of making momo the preferred virtual shopping platform for consumers and suppliers.

The key actions of the Company in 2021 are summarized as follows:

1. **Shopping services that meet the needs of consumers of all ages**

   The pandemic has accelerated the shift of consumer behavior to online. In order to meet the needs of consumers of all ages and deepen the adhesion with consumers, momo's efforts made in products and services are fully committed to expanding toward "everything in life, everything in momo". So far, more than 3.4 million products have been assembled on the site, and the number of brands collaborating with us has exceeded 20,000. The category continues to develop towards a balanced development strategy, and categories such as 3C household electric appliance, home and lifestyle, fashion boutiques, beauty and health care, and health and leisure all maintain high-growth sales performance.

   In the face of the pandemic, the home eating business opportunities surge. momo actively expands fresh food services, strengthens the development of the three indicators of "the most brands, the most items, and the best quality", and at the same time, momo launches the foodies' tasty mark to control the quality for consumers. In order to provide consumers with anti-pandemic protection solutions during the pandemic, Fuli Life Insurance Agent Co., Ltd. / Fuli Property Insurance Agent Co., Ltd., subsidiaries of momo, have launched pandemic insurance and vaccine insurance. Through "zero-contact" online insuring, we help consumers to upgrade their backup energy for pandemic prevention and control.

2. **Building a new generation of logistics network across Taiwan**

   The operational energy of warehousing and logistics is the key gear driving the growth of the online retail industry. In 2021, the number of orders surged in an instant when the pandemic worsened, diluting the carrying capacity of logistics and distribution, and testing how e-commerce companies can obtain the flexibility

to mitigate logistics congestion in the shortest possible time. The planning of short-chain logistics has been momo's long-term key development strategy. In recent years, we have been actively invested in the construction of warehousing infrastructure throughout Taiwan to improve the overall logistics efficiency. Under the pandemic, momo used its own warehousing in Taiwan along with the injection of the logistics capacity of Fu Sheng Logistics Co., Ltd. to achieve the diversion of goods, accelerate the elimination of congestion, and quickly restore the level of distribution.

This year, momo has continued to invest in the construction of its logistics network throughout Taiwan. So far, the number of logistics centers, main warehouses and satellite warehouses in operation has reached 42. In order to strengthen the logistics network in southern Taiwan, following the opening of the Yongkang Logistics Center in Tainan as an outpost, the "Southern District Warehousing, Distribution, Transportation and Logistics Center" also officially broke ground; the "Central District Logistics Center" has also found suitable objects and is now in intensive planning. It is expected that after the addition of service lineup in the warehousing infrastructure in various locations, it will provide assistance to the momo e-commerce logistics domain and lead the entire e-commerce industry in Taiwan to a new milestone.

3. Cross-field exchange of mo coins, focusing on the segment of optimizing member service

The digital wave is booming. In order to provide members with a variety of mo coin exchange option, momo actively develops usage scenarios. momo coins can not only be redeemed in momoshop, used in cross-industry marketing activities, and accumulated by momo co-branded credit cards, etc.; in Q3, momo initiated a brand new service for members to enjoy the "myVideo rental/purchase discount"; and later on, extended its reach to the service of "online discount on telecom bills", and successfully branched out into the two major redemption service fields of telecommunications and audio-video.

momo highly values the shopping experience of consumers, and constantly focuses on optimizing every subtle service link. In order to allow consumers to have a smoother and more convenient checkout service, momo has launched an "advanced function of checkout service", which not only allows consumers to freely select the items in the shopping cart for checkout, but also provides select-all checkout service. In response to the Ministry of Finance's promotion of cloud invoices, momo launched the "winning invoices printing in convenience stores"; through automatic winning notification, convenience store invoice printing and other services, making it more convenient and real-time for consumers to redeem prizes.

4. Shifting resources into the international market with core specialties

The global retail market has been affected by the pandemic, and momo has expanded its overseas layout with its professional core capabilities, including investing in "Thailand TV Direct Public Company Limited". In response to the trend of consumers shifting from brick-and-mortar shopping to online shopping as a result of lockdowns, momo assisted it in strengthening its mobile shopping App functions, providing its e-commerce business and technical development support to deepen the layout of virtual channels in Southeast Asia. In the Chinese market,

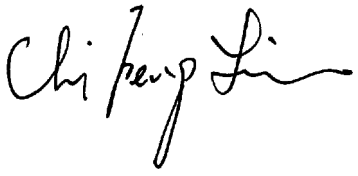
the subsidiary "Fubon Gehua (Beijing) Enterprise Ltd." and its affiliated company "Beijing Global Guoguang Media Technology Co.", in addition to the stable operation of the original TV shopping, the layout of social commerce has also been launched this year.

5. Dedication to sustainable development of ESG enterprise

While expanding the core competitiveness of the enterprise, momo spares no effort to promote the sustainable development of the enterprise. In line with the Sustainable Development Goals (SDGs) of the United Nations, momo has drawn up the "momo blueprint for sustainable living", and together with all employees, the five key strategies of "mutually beneficial partnership for a better life", "a new lifestyle of sustainable consumption", "sustainable green life", "healthy and equal life", and "mutually beneficial society for a happy life" were implemented; working on ESG and other issues through concrete actions.

momo's all-round sustainable management and efforts have been deeply recognized, including standing ahead of other industry players by ranking in the top 5% of TWSE's Corporate Governance Evaluation for 5 consecutive years. We also ranked top 10% in the evaluation results of the Non-Finance, Non-Electronics TWSE/TPEx-Listed Companies with a Market Value of Over 10 Billion. Awarded the "BSI Sustainability Resistance Leading Award" for two consecutive years; and the "TCSA Taiwan Corporate Sustainability Awards" awarded by the Taiwan Institute for Sustainable Energy. This year, it also won the "Top 50 Taiwanese Corporate Sustainability Award", the "Gold Award (for Wholesale and Retail Industry) under Taiwan Corporate Sustainability Report", the "Sustainable Individual Performance Category - Gender Equality Leadership Award" and "Creative Communication Leadership Award" at one fell swoop. Moreover, momo won the Excellence in Corporate Social Responsibility Award presented by the CommonWealth Magazine once again. momo shoulders corporate social responsibility and spares no effort, and can be described as an industry benchmarking enterprise.

In 2022, momo will continue to cultivate the Company's core competitiveness and expand its services as an online retail leader to create a better ecosystem in order to establish the Company's long-term investment value and start new industry trends.

Chairman 

II. Company Profile

Date of Incorporation: Sep. 27, 2004

Company History

Year	Milestones
Sep. 2004	Company incorporated. Named Howard Lin as Chairman and C.F. Lin as President.
Nov. 2004	Officially named home shopping channel "Fubon momo TV". The digital filming studios, with initial investment of ~NT$100mn were officially opened. Chairman Wan-Tsai Tsai, Founder of the Fubon Group, presided over the opening ceremony.
Dec. 2004	Set up subsidiary Fu Sheng Travel Service Co., Ltd. In order to promote travel products.
Jan. 2005	"Fubon momo TV" started broadcasting 24-hour home shopping programs to ~3.9 million households.
May 2005	Launched momoshop. First shopping catalog distributed.
Dec. 2005	Reached single-month break-even. Set up subsidiary Fuli Life Insurance Agent Co., Ltd. in order to promote life insurance products.
Jan. 2006	Set up subsidiary Fuli Property Insurance Agent Co., Ltd. in order to promote property insurance products. Established the physical channel—momo opened its first drug store in Ximending, Taipei.
July 2008	Launched momo TV2 and TV3. Capital increased of NT$ 180,000,000, from earnings to NT$ 630,000,000.
Oct. 2008	Board of Director approved the issuance of employee stock option certificates of 2,020,000 shares.
Jun. 2009	Capital increased of NT$ 189,000,000, from earnings to NT$ 819,000,000.
Nov. 2009	momoshop became one of the top 3 shopping websites.
Dec. 2009	Passed the ISO 27001 certification audit, the first virtual retailer to pass Cybersecurity audit.
Jan. 2010	Opened momo Department Store.
Apr. 2010	momo catalogue shopping' circulation reached 1 million became the leading catalogue shopping company in Taiwan.
Jun. 2010	Capital increased of NT$ 327,600,000, from earnings to NT$ 1,146,600,000.
Sep. 2010	In order to invest business in China, set up holding company ASIAN CROWN INTERNATIONAL CO., LTD. in the British Virgin Islands, invested and established FORTUNE KINGDOM CORPORATION in American Samoa, and then invested and established HONG KONG FUBON MULTIMEDIA TECHNOLOGY CO., LIMITED in Hong Kong.
Dec. 2010	Capital increased of NT$ 7,450,000, from Employee Stock Options.
May. 2011	Set up subsidiary Fubon Gehua (Beijing) Enterprise Ltd.
July. 2011	Major shareholder Fubon Financial Holding Venture Capital Corp. sold its 58,857,000 shares to Wealth Media Technology Co., Ltd., with the ultimate controlling parent company of momo is now Taiwan Mobile.
Dec. 2011	Capital increased of NT$ 830,000, from Employee Stock Options.
July. 2012	Ranked in the top 5 by CommonWealth Magazine's Golden Service Award–online

Year	Milestones
	Shopping.
	Capital increased of NT$ 116,235,000, from earnings to NT$ 1,278,585,000.
Aug. 2012	Acquired 20% stake in Taiwan Pelican Express Co., Ltd.
Dec. 2012	momoshop's single-month sales reached NT$ 1 billion.
Jun. 2013	Awarded 1st Place "Digital Service Benchmark Enterprise–Media and Entertainment" by Business Next.
	Awarded "Technological Innovative Awards of E-Commerce Enterprises" by MOEA.
July. 2013	Awarded "Excellent enterprise of improving E-invoice" by Ministry of Finance for the third consecutive year.
	Launched momoshop's official Line account.
Sep. 2013	Management of momo Department Store transferred.
Nov. 2013	Awarded "Gold Award in Online Shopping Platforms" by MOEA.
Dec. 2013	momo TV's digital HD filming studio officially opened.
	The Financial Supervisory Commission approved the public offering of shares of the company.
Feb. 2014	TPEx approved the company's stock to start trading on the Emerging Market Board.
Mar. 2014	Founded a joint venture "TVD SHOPPING CO., LTD." with TV Direct in Thailand.
Apr. 2014	Awarded 4th Place "Golden Service Award–online Shopping Center" by CommonWealth Magazine.
May 2014	Renamed company's English to momo.com Inc., approved in shareholders' meeting.
	Launched official app for momoshop.com.
Jun. 2014	Awarded 1st place in "Media and Entertainment Category, Digital Service Investigation" by Business Next.
	Awarded the Silver Prize "Taiwanese Services Evaluation" by Commercial Times.
	Launched TVD SHOP home shopping in Thailand.
July. 2014	Launched momomall.com.(B2B2C)
	Management of momo Drug Store transferred.
Aug. 2014	Launched momomall's (B2B2C) official Line account.
Sep. 2014	10th year anniversary of momo.
Oct. 2014	Awarded 5th place "Best Reputation Benchmarking Enterprise–E-commerce" by CommonWealth Magazine.
	Launched official app for momo TV Shopping.
Dec. 2014	momo's shares were listed on TWSE.
May. 2015	Awarded 1st place "Taiwan Top 2000: Service Industry Survey–E-Commerce" by CommonWealth Magazine.
	Awarded 4th place "Golden Service Award online Shopping Center" by CommonWealth Magazine.
Jun. 2015	Acquired 20% stake in "Global Home Shopping", a Chinese home shopping company.
	Presented with Distinguished Award in Future Commerce Award–Best Integrated Communication by Business Next.
	Awarded E-Commerce Information Security Contribution Award.
Dec. 2015	Groundbreaking ceremony of the Northern Logistics Center in Taoyuan.
May. 2016	Awarded 1st place "Taiwan Top 2000: Service Industry Survey–E-Commerce" by CommonWealth Magazine.
	Awarded 4th place "Golden Service Award–online Shopping Center" by CommonWealth

Year	Milestones
	Magazine.
Jul. 2016	Groundbreaking ceremony of momo Northern Logistics Center.
Sep. 2016	2015 Corporate Social Responsibility Report was verified by the British Standards Association.
Dec. 2016	Passed the ISO14064 greenhouse gas certification Awarded Taipei healthy workplace achievement award
Apr. 2017	Ranked top 5% in the 3rd corporate governance evaluation Passed the ISO14064 greenhouse gas certification Received Taxation Bureau's usage of electronic invoice performance manager award Awarded 4th place "Gold medal service industry survey - combined shopping website category" by Commonwealth Magazine.
Jun. 2017	The 2016 corporate social responsibility report passed the British Standard Institute certification.
Jul. 2017	Awarded 1st place "the non-brick and mortar shop retail category" by China Credit Information Service Ltd.'s 2017 Taiwan region large enterprise TOP 5000 ranking.
Aug. 2017	Received certification from the Ministry of Economic affairs in the 4th Taiwan Mittelstand Award.
Oct. 2017	Official completion and opening ceremony of the momo northern region logistics center, Awarded 3rd place "2017 Service NextAward in the category - online shopping" by Next Magazine.
Nov. 2017	Launched moBooks in order to promote book products.
Dec. 2017	Awarded 1st place in the outstanding workplace for cancer prevention award by Taipei healthy workplace cancer screening program. Awarded in the best workplace partner for cancer prevention by Taipei healthy workplace cancer screening program.
May. 2018	Ranked top 5% in the 4th Corporate Governance Evaluation. 2017 Corporate Social Responsibility Report was verified by the British Standards Association. Passed the ISO14064 greenhouse gas certification.
Jul. 2018	Mr. C.F. Lin, Chairman, received the Corporate Spokesperson Award of the "2018 Distinguished Public Relations Awards".
Sep. 2018	Cash capital increase of NT$85,000,000 to acquire 85% of the shares in BEBE POSHE INTERNATIONAL CO., LTD. Awarded "Excellent Breastfeeding Room Certification" by the Department of Health of Taipei City Government.
Oct. 2018	Awarded 3th place "2018 Top Service Awards - Online Shopping" by Next Magazine.
Nov. 2018	Awarded Gold Prize "Taiwan Corporate Sustainability Awards - Corporate Sustainability Report of the Service Industry Group" by the Taiwan Institute for Sustainable Energy. Awarded Sustainability Excellence Award "2018 BSI AWARD" by British Standards Institution (BSI) Taiwan branch. Passed the 2018 ISO 27001 Information Security Management System Mark. Passed the third-party verification of the BS 10012 Personal Information Management System.
Dec. 2018	Mr. Howard Lin resigned from his post as the Chairman of the momo.com Inc. and was appointed as a senior consultant.

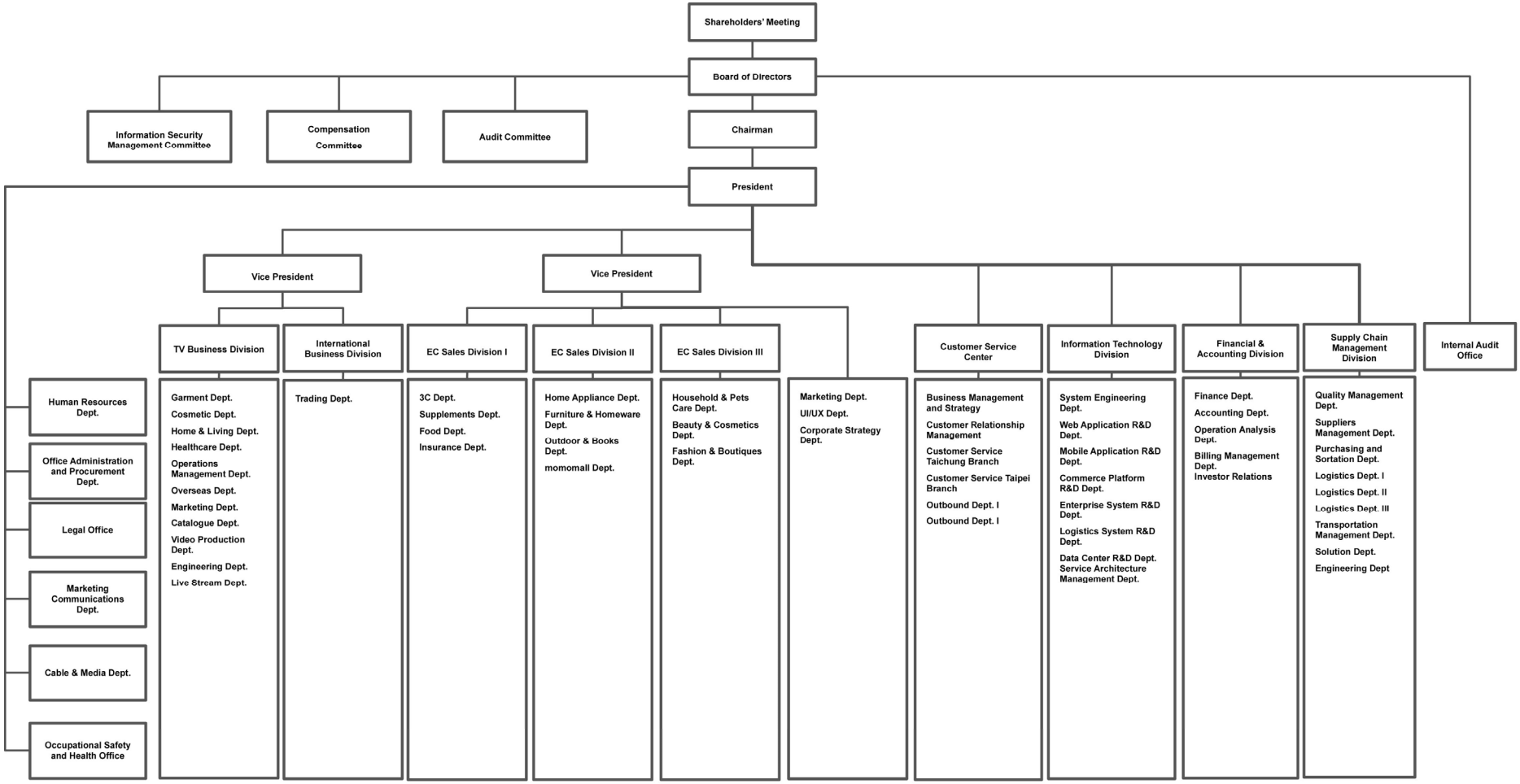
Year	Milestones
	Mr. C.F. Lin took office as the Chairman of the momo.com Inc. and held a concurrent post as the President.
	EC division of momo was selected as the "2018 Taiwan MVP Managers" of Manager Today.
Apr. 2019	Passed ISO14064 greenhouse gas certification.
May. 2019	Ranked top 5% in the 5th Corporate Governance Evaluation.
	Awarded 1st place "Taiwan Top 2000: Service Industry Survey–E-Commerce" by CommonWealth Magazine.
Jun. 2019	Mr. Jeff Ku took office as the President of momo.com Inc.
	2018 Corporate Social Responsibility Report was verified by the British Standards Association.
	Awarded Taiwan top 25 "Facebook's 2018 most influential brands in the mobile generation".
Jul. 2019	Awarded Silver Prize "2019 Taiwanese Services Evaluation - Large Shopping Site" by Commercial Times.
Sep. 2019	Passed the verification of ISO 14001:2015 Environmental Management System.
Oct. 2019	Passed 2019 ISO/IEC 27001:2013 Information Security Management System Mark.
	Passed third party verification of the BS 10012 Personal Information Management System.
	Awarded 3th place "2019 Top Service Awards - Online Shopping" by Next Magazine.
	Awarded energy saving full champion "2019 Energy-Saving Products Promotion - momoshop" by Taipei City Government.
Nov. 2019	Awarded Silver Prize "Taiwan Corporate Sustainability Awards - Corporate Sustainability Report of the Service Industry Group" by the Taiwan Institute for Sustainable Energy.
	Awarded Sustainability Excellence Award "2019 BSI AWARD" by British Standards Institution (BSI) Taiwan branch.
	Awarded 4th place "Taipei Outstanding Healthy Workplaces" by the Department of Health of Taipei City Government.
	Passed the "Badge of Accredited Healthy Workplace" by the Ministry of Health and Welfare.
Dec. 2019	Awarded "CG6012 (2019) Corporate Governance System Assessment Excellent Certification" by the Taiwan Corporate Governance Association.
Apr. 2020	Passed ISO14064 greenhouse gas certification.
May 2020	Set up Fu Sheng Logistics Co., Ltd.
	Ranked top 5% in the 6th Corporate Governance Evaluation.
Jun. 2020	2019 Corporate Social Responsibility Report was verified by the British Standards Association.
Jul. 2020	Passed the verification of ISO 14001:2015 Environmental Management System.
Aug. 2020	Won the "Excellence in Corporate Social Responsibility Award" presented by the CommonWealth Magazine.
Sep. 2020	Passed the verification of ISO 45001:2018 Occupational Health and Safety Management System.
	Passed the verification of ISO/IEC 27001:2013 Information Security Management System.
	Passed the verification of BS 10012: 2017 Personal Information Management System.
	Awarded "Energy-saving and Contribution Award" by the Taipei City Government.
Nov. 2020	Awarded "13th Taiwan Corporate Sustainability Awards of year 2020" by the committee of Taiwan Corporate Sustainability Awards.
	"Top 50 Taiwanese Corporate Sustainability Award" under corporate sustainability composite performance.

Year	Milestones
	"Gold Award for Wholesale and Retail Industry" under Taiwan corporate sustainability report. "Creative Communication Award" and "Climate Leader Award" under corporate excellence category.
Dec. 2020	Awarded British Standards Institution’s "BSI Sustainability Resistance Leading Award."
Jan. 2021	Certified as the "Badge of Accredited Healthy Workplace - Linkou Warehouse" by the Ministry of Health and Welfare. momoshop launched a "5h supermarket," offering a five-hour-delivery service for over 5,000 products. momo officially opened its Yongkang Logistics Center in Tainan.
Mar. 2021	Awarded the "Payment Card Industry Data Security Standards Field Audit Certificate" by the Payment Card Industry Security Standard Council.
Apr. 2021	Ranked top 5% in the 7th Corporate Governance Evaluation.
May 2021	Groundbreaking ceremony of the Sorthern Logistics Center. Awarded Annual Growth Top100 by the [2021 Top 2,000 Survey] of the CommonWealth Magazine.
Jun. 2021	2020 Corporate Social Responsibility Report was verified by the British Standards Association.
Aug. 2021	Passed the verification of ISO 45001:2018 Occupational Health and Safety Management System. Passed the verification of ISO 14001:2015 Environmental Management System. Passed the verification of ISO/IEC 27001:2013 Information Security Management System. Passed the verification of the ISO/IEC 27001:2019 Privacy Information Management System.
Sep. 2021	Won the "2021 Excellence in Corporate Social Responsibility Award" presented by the CommonWealth Magazine. momo spent 1.32 billion to build the "Central Logistics Center" in Hemei Township, Changhua County.
Oct. 2021	Awarded Gold Prize "2021 Taiwanese Services Evaluation - Large Shopping Site" by Commercial Times.
Nov. 2021	Set up subsidiary Prosperous Living Co., Ltd. Awarded the "14th TCSA Taiwan Corporate Sustainability Awards of 2021" presented by the Taiwan Academy of Corporate Sustainability. Awarded the "Top 50 Taiwanese Corporate Sustainability Award" under corporate sustainability composite performance presented by the Taiwan Academy of Corporate Sustainability. Awarded the "Gold Award (for Wholesale and Retail Industry)" under Taiwan Corporate Sustainability Report presented by the Taiwan Academy of Corporate Sustainability. Awarded the "Creative Communication Leadership Award" in the Sustainable Individual Performance Category presented by the Taiwan Academy of Corporate Sustainability. Awarded the "Gender Equality Leadership Award" in the Sustainable Individual Performance Category presented by the Taiwan Academy of Corporate Sustainability. Awarded British Standards Institution’s "2021BSI Sustainability Resistance Leading Award."
Dec. 2021	Awarded the "CG6013(2021) Corporate Governance System Assessment Excellent Certification" presented by the Taiwan Corporate Governance Association.

III. Organization and Corporate Governance

i. Organization

Organizational Chart



Divisional Scope of Responsibilities

Division		Scope of responsibilities
Internal Audit Office		1. Execution of the internal audit of momo and the respective subsidiary companies 2. Inspection and assessment of the execution of internal control in this company and the respective subsidiary companies 3. Supervision and review of the self-inspection procedures of internal control in this company and the respective subsidiary companies
EC Division	Marketing Dept.	1. Brand management of Internet channels 2. Operations of Internal and external promotions 3. Management of membership and customer relationship
	UI/UX Dept.	1. Planning of online UI/UX and innovative mechanisms 2. Production of EDM and design of respective graphic and website visual effects 3. Planning and maintenance of backend systems 4. Management of suppliers and supplier contracts 5. Cross-border e-commerce collaboration and expansion of new business models
EC Sales Division I	3C Dept.	1. Management of Internet channel suppliers and product development 2. Management of business performance and staff performance 3. Management of online products
	Supplements Dept.	
	Food Dept.	
	Insurance Dept.	1. Coordination of matters related to online insurance products 2. Online business marketing assistance 3. Preparation of unit execution plan 4. Management of website products
EC Sales Division II	Home Appliance Dept.	1. Management of Internet channel suppliers and product development 2. Management of business performance and staff performance 3. Management of online products
	Furniture & Homeware Dept.	
	Outdoor & Books Dept.	
	momomall Dept.	1. Supplier and product management for momomall.com 2. Management of business and staff performances 3. Supplier recruitment and assistance
EC Sales Division III	Household & Pets Care Dept.	1. Management of Internet channel suppliers and product development 2. Management of business performance and staff performance 3. Management of online products
	Beauty & Cosmetic Dept.	
	Fashion & Boutiques Dept.	
Supply Chain Management Division	Quality Management Dept.	1. Sample, commodity inspection (review), sampling inspection of supplier delivered commodities 2. Warehousing commodity inspection, inventory audit and management, returned commodity inspection 3. Price queries and market price research 4. Management of fully owned inventory
	Suppliers Management Dept.	1. Supplier contract management, system setting 2. Supplier service promotion, educational training and counseling 3. Supplier delivery/return progress tracking, counseling and complaint handling 4. Supplier audit execution optimization for supplier deliveries
	Purchasing and Sortation Dept.	1. Purchasing, warehousing coordination and performance of commodities in each channel 2. Commodity warehousing processing (assembly, packaging, refurbishment) 3. Purchasing ratio allocation and warehouse inventory replenishment scheduling 4. Incoming goods scheduling of logistics centers and suppliers 5. Implementation of logistics distribution and tally
	Logistics Dept. I～III	1. Performance of order procedures ranging from entry of goods, inspection and acceptance, release, shipment, to return 2. Analysis and management of inventory procurement, shipment, and return

Division		Scope of responsibilities
		3. Order reply, tracking, and management 4. Inventory management 5. Data analysis and optimization of inventories
	Transportation Management Dept.	1. Commodity warehouse distribution/supplier distribution supervision, adjustment and placement 2. Management of major logistics providers/project ion development 3. Introduction of all transportation process and cost control 4. Large appliance installation tracking, warehousing delivery, negotiation/supplier complaint handling
	Solution Dept.	1. Establishment of regulations and measures of the operations center 2. Application system integration and enhancement 3. Project management 4. New business launch 5. Operational accounting (budgeting) and analysis, accounting control, and strategic planning and assessment 6. Logistics data analysis and optimization proposals 7. Formulation, advancement, and integration of application system specifications of supply chain
	Engineering Dept.	1. Evaluation, planning, and introduction of warehousing automated equipment 2. Development of warehouse and factory objects. 3. Maintenance and management of buildings/handing equipment
Financial &Accounting Division	Finance Dept.	1. Evaluation and execution of investment 2. Financial and cash management 3. Accounts Receivable/Payment operations
	Accounting Dept.	1. Preparation of financial statements 2. Accounting treatments 3. Management of financial accounts Tax filing
	Operation Analysis Dept.	1. Preparation and analysis of management accounting reports 2. Preparation of annual budget
	Billing Management Dept.	1. Management of supplier accounts 2. Accounting services to clients 3. Cost accounting
	Investor Relations	1. Establish and maintenance of communication protocols with domestic and foreign institutional investors 2. Planning and organization of institutional investor visits and conferences
Information Technology Division	System Engineering Dept.	1. OA environment management 2. Operations and management of telecommunications system 3. Operations and management of database 4. Operations and management of cloud services
	Web Application R&D Dept.	1. Planning and design of momoshop and momo shopping platform website functions and framework 2. Planning and design of content management system and shared services framework 3. Planning and design of cloud marketing campaign system framework
	Mobile Application R&D Dept.	1. Development and maintenance of the Company's externally operated apps, including ec app/tv app/mall app/scm app 2. Development and maintenance of apps used internally by the Company, including combat information app/tms app/on-site inspection app/audit and write off app/fmtpush app 3. Development and maintenance of app live stream system
	Commerce Platform R&D Dept.	1. Development and operations of business back end system functions and framework 2. Development and operations of system search functions and framework 3. Development and operations of referral marketing system functions and framework 4. Development and operations of data analysis and intelligent system functions and framework 5. Management and maintenance of office information system
	Service Architecture Management Dept.	1. Planning and operations of the operational system, network system, and operating host resources 2. Program testing operations, system (software and hardware)

Division		Scope of responsibilities
		integration testing, system performance testing, and online operations 3. Continuous operating service indicators monitoring and IT front-line operations 4. Obstacle reporting, tracking, and analysis
	Logistics System R&D Dept.	1. Design, development, and operations of the warehouse management system (WMS) 2. Design, development, and operations of the logistics platform system (LGM) 3. Design, development, and operations of the transportation management system (TMS) 4. Design, development, and operations of the transport system (TS)
	Data Center R&D Dept.	1. Design, development, and operations of data application related systems 2. Design, development, and operations of data services API 3. Design, development, and operations of data platforms
	Enterprise System R&D Dept.	1. Design, development, and operations of financial and accounting related systems 2. Design, development, and operations of customer service related systems 3. Design, development, and operations of cash flow services
Customer Service Center	Business Management and Strategy Operation & Management Dept.	1. Educational training and monitoring of SOP 2. Supervision on program broadcast and management of product knowledge 3. Projection and scheduling of tele-traffic 4. System planning and operation 5. Preparation of management reports 6. Education, training, and planning of internal personnel
	Customer Relationship Management	1. Contact with external parties and operations 2. Contact with suppliers 3. Outbound calls for operation support 4. Management of major customer complaints (including personal visits) 5. Attending negotiation at the consumer dispute mediation meetings of the competent authority
	Customer Service Taichung Branch	1. Order confirmation services 2. Transaction process inquiry services 3. Product return or exchange 4. Management of customer complaints 5. Outbound calls 6. Customer service for online momoshop
	Customer Service Taipei Branch	
TV Merchandise Division	Garment Dept.	1. Introduction of TV channel suppliers 2. Development and product planning for various product categories 3. Product launches and sales management of TV Shopping channels
	Cosmetic Dept.	
	Home & Living Dept.	
	Healthcare Dept.	
	Overseas Dept.	Introducing direct import products
	Operations Management Dept.	1. Management of pre-recorded programming 2. Management of administration, marketing, and sales targets of TV shopping channel
	Marketing Dept.	1. Planning and implementation of TV marketing campaigns 2. Launching and sales management of the TV APP products
	Catalogue Dept.	1. Management of listing of TV / EC products in catalogue mailings 2. Cost-control for the catalogue business 3. Management of the catalogue business's performance and staff productivity
	Video Production Dept.	1. Production of videos for various products as resources of selling activities 2. Production of videos for "hot-selling" products and management of video library 3. Production of videos for enhancement of momo's corporate branding 4. Production of videos for shopping spree and various promotional campaigns for each business units 5. Production of videos for special promotional campaigns in each business unit 6. Production and placement of videos in various social media

Division		Scope of responsibilities
	Engineering Dept.	1. The production, engineering planning, and management of live programming 2. Planning, management, and execution of the enhancement of equipment technology and resources 3. Execution and management of program broadcast and transmission 4. Providing supports to program engineering technology and the execution of program post-production technology
	Live Stream Dept.	1. Scheduling and execution of live programs 2. APP live streaming function optimization 3. Live streaming traffic and sales performance management
International Business Division	Trading Dept.	1. Development and exploitation of International business 2. Provide operational' support and joint product procurement with joint venture 3. International commercial trading and import/export of products 4. Self-owned product sales and agency brand introduction, mainly through momo's channels 5. Promotion of sales in other external channels and B2B channels 6. Brand marketing activities
Marketing Communications Dept.		1. Media relationship management 2. Maintenance and brand management for media relations 3. Crisis management and handling of major customer complaints 4. Maintenance Fubon Group relations
Human Resources Dept.		1. Utilization and integration of human resources 2. Plans and execution of wages and benefits 3. Educational training and employee development 4. Labor relations and negotiations
Office Administration and Procurement Dept.		1. Asset procurement and management 2. Procurement, repair and management of equipment/appliances 3. Seal management 4. Receipt and dispatch management of official documents and mails 5. Environmental maintenance and related operations
Occupational Safety and Health Office		1. Labor safety and health management 2. Labor health management 3. Environmental promotion and maintenance management
Legal Office		1. Draft and review contracts 2. Provide legal opinion and explanation of applicable laws and regulations 3. Mitigate consumer complaints and litigation cases 4. Clarification of training regulation for employees and suppliers
Cable & Media Dept.		Contracts for broadcasting on advertising channels of cable TVs (system operators); planning and management of signal transmission contract

ii. Board of Directors and Executive Management

Board of Directors

The Board of Directors consists of nine members, all of whom have a great breadth of experience. Average age of Directors is 59 years old. Including, the three independent directors possess professional qualifications in the areas of legal, finance, business, and the necessary knowledge and skill for performing the duties. And, all Independent Directors of the Company form the Audit Committee.

As of Feb. 18, 2022

Title	Nationality/ Country of Origin	Name	Gender (age range)	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives or Directors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	% (Note1)	Shares	%	Title	Title			Title	Name	Relation	
Chairman	ROC	Wealth Media Technology Co. Ltd.	-	2020.5.15	3	2011.7.29	63,047,205	45.01%	81,961,366	45.01%	-	-	-	-	-	-	-	-	-	-
	ROC	Wealth Media Technology Co. Ltd. Representative: C.F. Lin	Male (60-69)	2020.5.15	3	2011.7.29	624,588	0.44%	400,664	0.22%	-	-	-	-	1. Master's degree of Science, Baker University 2. President, Fubon Direct Marketing Consulting Co., Ltd. 3. Executive Vice President, Taipei Fubon Commercial Bank Co., Ltd. 4. President, Fubon Direct Marketing Consulting Co., Ltd 5. Supervisor, Fuli Life Insurance Agent Co., Ltd. 6. President, momo.com Inc.	1. Chairman and President, Fubon Gehua (Beijing) Enterprise Ltd. 2. Chairman, Fu Sheng Travel Service Co., Ltd. 3. Chairman and President, Fuli Life Insurance Agent Co., Ltd. 4. Chairman, BEBE POSHE International Co., Ltd. 5. Director, Hong Kong Fubon Multimedia Technology Co., Limited 6. Director, Hong Kong Yue Numerous Investment Co. Limited 7. Chairman, Haobo Information Consulting (Shenzhen) Co., Ltd. 8. Director, Beijing Global Guoguang Media Technology Co., Ltd. 9. Director, TVD SHOPPING CO., LTD.	-	-	-	-
Director	ROC	Wealth Media Technology Co. Ltd.	-	2020.5.15	3	2011.7.29	63,047,205	45.01%	81,961,366	45.01%	-	-	-	-	-	-	-	-	-	-
	ROC	Wealth Media Technology Co. Ltd. Representative: Jeff Ku	Male (50-59)	2020.5.15	3	2019.6.1	2,000	0.00% (Note 2)	4,242	0.00% (Note 2)	-	-	-	-	1. MBA, University of Wollongong, Australia 2. EMBA, National Taiwan University 3. Senior Vice President and Chief Business Officer, Taiwan Mobile Co., Ltd. 4. Vice President, Taiwan High Speed Rail Corp.	1. Director & President & Information Security Management Committee Member, momo.com Inc. 2. Director, BEBE POSHE International Co., Ltd. 3. Director, Fuli Life Insurance Agent Co., Ltd. 4. Director, Fuli Property Insurance Agent Co., Ltd. 5. Director, Fu Sheng Travel Service Co., Ltd. 6. Chairman, Fu Sheng Logistics Co., Ltd. 7. Chairman, MFS Co., Ltd. 8. Director, Fubon Gehua (Beijing) Enterprise Ltd. 9. Supervisor, Haobo Information Consulting (Shenzhen) Co., Ltd. 10. Director, TV Direct Public Company Limited 11 Chairman, Prosperous Living Co., Ltd.	-	-	-	-

Title	Nationality/ Country of Origin	Name	Gender (age range)	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives or Directors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	% (Note1)	Shares	%	Title	Title			Title	Name	Relation	
Director	ROC	Wealth Media Technology Co. Ltd. Representative: Jamie Lin	Male (40-49)	2020.5.15	3	2019.4.1	5,000	0.00% (Note 2)	35,900	0.01%	-	-	-		1. MBA, NYU Stern School of Business 2. Bachelor's degree of Chemical Engineering and minor in Economic, National Taiwan University 3. Co-founder and Chief Product Officer, Sosauce.com 4. General Manager of Greater China, Intumit Inc.	1. Chairman, AppWorks Ventures Co., Ltd. 2. Chairman, AppWorks Fund I Co., Ltd. 3. Chairman, AppWorks Fund II Co., Ltd. 4. Chairman, AppWorks Fund III Co., Ltd. 5. Chairman, Chen Feng Investment Ltd. 6. Chairman, Chen Yun Co., Ltd. 7. Chairman, Chen Men Investment Ltd. 8. Director, AppWorks Ventures II Limited 9. Director, AppWorks Ventures III Limited 10. Director, Winbond Electronics Corp. 11. Director, 91APP, Inc. 12. Director, Dcard Holdings Ltd 13. Director, EZTable, Ltd. 14. Director, VIV3 Inc. 15. Chairman, APPWORKS SCHOOL Co., LTD. 16. Director, Line Bank Taiwan Ltd., 17. Director and President, Taiwan Mobile Co., Ltd. 18. Director, Bridge Mobile Pte Ltd. 19. Director and President, Taiwan Cellular Co., Ltd. 20. President, TWM Venture Co., Ltd. 21. Chairman, TWM Film Co., Ltd. 22. Director and President, Wealth Media Technology Co., Ltd. 23. Director, Taipei New Horizon Co., Ltd. 24. President, Taiwan Fixed Network Co., Ltd. 25. Chairman, Taiwan Teleservices & Technologies Co., Ltd. 26. President, TCC Investment Co., Ltd. 27. Chairman, Taiwan Digital Service Co., Ltd. 28. Director, Taihsin Property Insurance Agent Co., Ltd. 29. Director and President, TFN Media Co., Ltd. 30. Chairman and President, Global Forest Media technology Co., Ltd. 31. Chairman and President, Global Wealth Media technology Co., Ltd. 32. Chairman, Win TV Broadcasting Co., Ltd. 33. President, TFN Union Investment Co., Ltd. 34. President, TCCI Investment and Development Co., Ltd. 35. Chairman, Taiwan Kuro Times Co., Ltd. 36. Chairman, Yeong Jia Leh Cable TV Co., Ltd. 37. Chairman, Phoenix Cable TV Co., Ltd. 38. Chairman, Union Cable TV Co., Ltd. 39. Chairman, Globalview CATV Co., Ltd.	-	-	-	-

Title	Nationality/ Country of Origin	Name	Gender (age range)	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives or Directors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	% (Note1)	Shares	%	Title	Title			Title	Name	Relation	
Director	ROC	Wealth Media Technology Co. Ltd. Representative: Rosie Yu	Female (60-69)	2020.5.15	3	2020.5.15	-	-	-	-	-	-	-	-	1.BS in Business Administration, National Taiwan University 2. Senior Vice President and Chief Financial Officer, Taiwan Mobile Co., Ltd. 3. Chairman, Global Investment Advisory (HK) Ltd. 4. President, Global Investment Holdings Co., Ltd. 5.General Manager, Credit Lyonnais Securities (Asia) Ltd., Taipei Branch 6. .General Manager, Citicorp International Securities Ltd., Taipei Branch 7.Executive Vice President, China Securities Co., Ltd.	1. Executive Vice President and Chief Financial Officer, Taiwan Mobile Co., Ltd. 2. Supervisor, Taiwan Kuro Times Co., Ltd. 3. Director, Yeong Jia Leh Cable TV Co., Ltd. 4. Director, Phoenix Cable TV Co., Ltd. 5. Director, Union Cable TV Co., Ltd. 6. Director, Globalview CATV Co., Ltd 7. Supervisor, Taiwan Cellular Co., Ltd. 8. Supervisor, TWM Venture Co., Ltd. 9. Supervisor, Wealth Media Technology Co., Ltd. 10. Supervisor, Taiwan Fixed Network Co., Ltd. 11. Supervisor, Taiwan Teleservices & Technologies Co., Ltd. 12. Supervisor, TCC Investment Co., Ltd. 13. Supervisor, Taiwan Digital Service Co., Ltd. 14. Supervisor, TFN Media Co., Ltd. 15. Director, Global Forest Media technology Co., Ltd. 16. Director, Global Wealth Media technology Co., Ltd. 17. Supervisor, Win TV Broadcasting Co., Ltd. 18. Supervisor, TFN Union Investment Co., Ltd. 19. Supervisor, TWM Communications (Beijing) Co., Ltd 20. Supervisor, TCCI Investment and Development Co., Ltd 21. Director, TWM Holding Co., Ltd.	-	-	-	-
Director	ROC	Wealth Media Technology Co. Ltd. Representative: Chris Tsai	Male (30-39)	2020.5.15	3	2018.12.14	-	-	-	-	-	-	-	-	1. Bachelor of Economics, Wharton School of the University of Pennsylvania 2. General Manager special Assistant, Fubon Life Insurance Co Ltd. 3. President, Fubon Sports & Entertainment Co., Ltd. 4. Convener, Fubon Financial Holding Venture Capital Corp	1. Vice Director of Investment Office and Vice President, Fubon Financial Holding Co., Ltd. 2. Chairman, Fubon Sports & Entertainment Co., Ltd. 3. Vice Chairman, Shenzhen Tengfu Investment Co., Ltd. 4. Chairman, Fubon Stadium Co., Ltd. 5. Director and President, Fubon Financial Holding Venture Capital Corp. 6.Director, Taiwan Mobile Co., Ltd 7.Owner, Emmanuel Industrial Corporation Ltd. 8.Director, Eternal Hope Ltd 9. Director, One Hope Ltd. 10. Supervisor, Mo Xi Industrial Co., Ltd. 11. Supervisor, Levi Industrial Co., Ltd. 12. Director, P. Lea/gue 13. Director, Diamond BioFund Inc. 14. Director, Xin-Yao Bioventure Co., Ltd. 15. Director, Jing Ying Investment Co., Ltd.	-	-	-	-
Director	ROC	TECO CAPITAL INVESTMENT Co., Ltd.	-	2020.5.15	3	2006.6.30	15,050,000	10.74%	19,174,000	10.53%	-	-	-	-	-	-	-	-	-	-

Title	Nationality/ Country of Origin	Name	Gender (age range)	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives or Directors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	% (Note1)	Shares	%	Title	Title			Title	Name	Relation	
	ROC	TECO CAPITAL INVESTMENT Co., Ltd. Representative: Mao-Hsiung Huang	Male (80-89)	2020.5.15	3	2009.5.20	-	-	-	-	-	-	-	-	1. MBA, Wharton School, University of Pennsylvania 2. Chairman, TECO Electric and Machinery Co., Ltd.	1. Supervisor, Tung Pei Industrial Co., Ltd. 2. Chairman, Royal Host Taiwan, Co., Ltd. 3. Chairman, E-Joy Electronics International Co., Ltd. 4. Chairman, TECO Tour Travel Service Co., Ltd. 5. Director, An-Shin Food Services Co., Ltd. 6. Chairman, Century Biotech Development Co. 7. Chairman, TECO International Investment Co., Ltd. 8. Chairman, TECO CAPITAL INVESTMENT Co., Ltd. 9. Chairman, Tong-An Asset Development Management Co., Ltd. 10. Director, TECNOS International Consultant Co., Ltd. 11. Chairman, An Tai International Investment Co., Ltd. 12. Chairman, Century Development Corporation 13. Chairman, Shi Hua Development Co., Ltd. 14. Director, Taiwan Pelican Express Co., Ltd. 15. Director, Taiwan High Speed Rail Corporation 16. Director, Ericsson Taiwan Ltd. 17. Director, Inotec Taiwan Co., Ltd. 18. Director, Mos Food Industry Corp. 19. President, Sankyo Co.,Ltd. 20. Director, An Tai Innovative Technology (Xiamen) Co., Ltd. 21. Director, TECO-Westinghouse Motor Company (TWMC) 22. Director, TECO Australia Pty Limited (TAC) 23. Director, TECMA INFORMATION SYSTEMS SDN. BHD. 24. Chairman, TECO ELEKTRIK TURKEY A.S. 25. Director, Xiamen MOS Restaurant Management Co., Ltd. 26. Chairman, Royal Park Restaurant Co. Ltd. 27. Chairman, Maowang Technologies Co. Ltd. 28. Director, Fujio Food System Taiwan Co. Ltd. 29. Supervisor, Jinlaomang Co. Ltd., 30. Director, TECO Technology & Marketing Center Co., Ltd. 31. Director, TEMICO International 32. Director, TEMICO India Private Limited 33. Director, MOS Burger Australia Pty.Ltd. 34. Supervisor, AN-HUI INFORMATION TECHNOLOGY, LTD. 35. President, YUBAN INTERNATIONAL INVESTMENT Co., LTD. 36. President, E-JOY ASTRALIA PTY LIMITED 37. Director, YUBANTEC INDIA PVT LTD. 38. Director, YUBANTEC PHILIPPINES INC. 39. Supervisor, Innovation to Industry Co., Ltd. 40. Chairman, KUANG YUAN CO., LTD.	-	-	-	-

Title	Nationality/ Country of Origin	Name	Gender (age range)	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives or Directors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	% (Note1)	Shares	%	Title	Title			Title	Name	Relation	
Independent Director	ROC	Hong-So, Chen	Male (60-69)	2020.5.15	3	2014.2.14	-	-	-	-	-	-	-	-	1. Bachelor's degree of Department of Transportation Engineering and Management, National Chiao Tung University 2. CEO and President, BACO International., Ltd./Systex Corporation 3. President in China region/Vice President of Sales in North Asia region, Yahoo 4. Chief Operation Officer, Yahoo Kimo 5. Business Marketing Skills Support Manager and President, IBM, Microsoft, Motorola, Oracle, Novell 6. Director, E-Life Mall Corporation 7. Independent Director, Sercomm Corporation 8. Independent director, Spirox Corporation 9. Independent Director, Genetics Generation Advancement Corp. (GGA Corp.)	1. Audit Committee & Remuneration Committee & Information Security Management Committee Member, momo.com Inc. 2. Chairman, Guoshi Partners Co., Ltd. 3. Independent Director, Yageo Corporation 4. Independent Directorr, Giant Manufacturing Co., Ltd. 5. Independent Director, China Chemical & Pharmaceutical Co., Ltd.	-	-	-	-
Independent Director	ROC	Brian Y. Hsieh	Male (60-69)	2020.5.15	3	2014.2.14	-	-	-	-	-	-	-	-	1. J.S.D., School of Law, Stanford University 2. Bachelor of Laws, College of Law, National Taiwan University 3. Institute Professor, School of Law, Soochow University	1. Remuneration Committee Convener and Audit Committee Member, momo.com Inc. 2. Adjunct Professor in College of Management, National Taiwan University 3. Independent Director, Yulon Motor Co., Ltd. 4.Independent Director, Taiwan Acceptance Corporation 5.Adjunct Professor, EMBA- National Central University	-	-	-	-
Independent Director	ROC	Chieh Wang	Male (50-59)	2020.5.15	3	2019.5.16	-	-	-	-	-	-	-	-	1. Bachelor's degree of Department of Finance and Taxation, National Chengchi University 2. Vice President of The Financial Department and CIO, Fubon Life Insurance Co., Ltd. 3. Vice President of The Financial Investment Department and CIO, Fubon Financial Holding Co., Ltd. 4. Chairman, Holiday Entertainment Co., Ltd. 5. Vice Chairman and CEO, Cashbox Partyworld Co., Ltd.	1. Information Security Management Committee & Audit Committee & Remuneration Committee Member, momo.com Inc. 2. Independent Director, ZhongAn Online P&C Insurance Co Ltd 3. Independent Director, China United Insurance Holding Company 4. Chairman, KuKu Marketing Production Co., Ltd. 5. Chairman, Conti Invest Co., Ltd 6. Chairman, PAI Enterprise Co., Ltd. 7. Chairman, Guang International Cultural Creative Co., Ltd. 8. Chairman, Digiflow Company Limited 9. Independent Director, Fuli Property Insurance Agent Co., Ltd.	-	-	-	-

Note 1: Shareholding ratio = number of shares ÷ actual number of issued shares (182,076,050 shares).
Note 2: Three decimal places are rounded off, and no shareholding is expressed with "-".

1. Major shareholders of the institutional shareholders

As of Feb. 18, 2022

Name of Institutional Shareholders	Major Shareholders
Wealth Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd. (100.00%)
TECO CAPITAL INVESTMENT Co., Ltd.	TECO Electric & Machinery Co., Ltd. (99.60%) TECO International Investment Co., Ltd. (0.2%) An Tai International Investment Co., Ltd (0.2%)

2. Major shareholders of the Company's major institutional shareholders

As of Feb. 18, 2022

Name of Institutional Shareholders	Major Shareholders
Taiwan Mobile Co., Ltd. (Note1)	Tai Lian Wang Investment Co., Ltd. (11.69%) Shin Kong Life Insurance Co., Ltd. (7.96%) Cathay Life Insurance Co. Ltd. (5.96%) TCC Investment Co., Ltd. (5.71%) Ming Tung Co., Ltd. (5.26%) Fubon Life Insurance Co., Ltd. (4.30%) Dao Ying Co., Ltd. (3.23%) Richard M. Tsai (2.66%) TCCI Investment and Development Co., Ltd. (2.49%) Daniel M. Tsai (1.86%)
TECO Electric & Machinery Co., Ltd. (Note 2)	PJ Asset Management Co., Ltd. (17.45%) Walsin Lihwa Corporation (9.70%) Land Union Investment Limited (6.34%) Creative Sensor Inc. (3.62%) Bank of Taiwan, the custodian of investment account of Hilkester International Investor International Value Stock Trust (2.28%) Standard Chartered Bank (Taiwan) Limited, the custodian trustee of investment account of WGI Emerging Markets Fund, LLC. (1.76%) Tung Kuang Investment Co., Ltd. (1.50%) Bank of Taiwan, the custodian trustee of investment account of Hilkester International Investor International Value Stock Taxable Trust (1.27%) Citi Bank (Taiwan), the custodian trustee of investment account of Norges Bank (1.26%) Kuang Yuan Industrial Co., Ltd. (1.25%)
TECO International Investment Co., Ltd.	TECO Electric & Machinery Co., Ltd. (100%)
An Tai International Investment Co., Ltd.	TECO Electric & Machinery Co., Ltd. (100%)

Note 1: The information is in accordance with the company's shareholders list dated Aug. 29, 2021.
Note 2: The information is in accordance with the company's 2021 annual report.

3. Professional qualifications and independence analysis of directors

As of Feb. 18, 2022

◎Wealth Media Technology Co. Ltd. Representative: C.F. Lin

CV (Qualification & Experience)	C.F. Lin has been the President since momo launched in 2004 and took over as Chairman in 2018. Before his current position, he served in Citibank and its affiliated companies for 14 years. He had served as the head of information department, deputy chief financial officer, and director of marketing, while serving concurrently as the head of service department and spokesperson in Citibank. He has complete financial industry work experience and qualifications. Since 1993, he had served as the Vice President of Cigna Life Insurance Company Limited for nearly five years, responsible for the development of the company's life insurance business. After joining Fubon Group in 1997, he was responsible for founding Fubon Direct Marketing Consulting Co., Ltd. and served as the President. During his seven years in office, Fubon Direct Marketing Consulting Co., Ltd.'s performance grew by more than 60% every year. C.F. Lin also

	served as the director of the marketing department of Fubon Financial Holding Co., Ltd., responsible for the integrated marketing of Fubon Group, enabling Fubon Financial Holding to keep leading the industry in the field of integrated marketing and achieving outstanding results. In 2004, Fubon Group stepped into the TV shopping industry, and C.F. Lin was once again entrusted with the important responsibility as the President of momo.com Inc. It was hoped that by taking advantage of his rich experience in finance and marketing, a solid and stable foundation in the field of TV shopping can be built. In 2012, in line with the expansion of business in China, C.F. Lin also served as the Chairman and President of Fubon Gehua (Beijing) Enterprise Ltd.
Independence Analysis	Serving as the representative of the juristic-person director of the Company's major corporate shareholder - Wealth Media Technology Co. Ltd. and concurrently serving as the Chairman or President of the Company's subsidiary.
No. of independent directors of other public offering companies	0

◎Wealth Media Technology Co. Ltd. Representative: Jeff Ku

CV (Qualification & Experience)	Jeff Ku currently serves as momo's President. Mr. Ku has extensive experience in both the telecommunications and IT industries. Before joining the Taiwan Mobile team, he had served as the vice president of IT in Taiwan High Speed Rail and worked in Far Eas Tone Telecommunications. After joining the Taiwan Mobile team in 2005, he promoted the commercial operation of 3G services, and then took over the new services, responsible for product development and maintenance. During his tenure as the Deputy Chief Operating Officer, he was responsible for the development and operation of mobile Internet and fixed network products. In 2014, he served as the Chief Business Officer, being in charge of marketing, business, product and customer service. He has served in Taiwan Mobile for 14 years, and has achieved outstanding performance in mobile communication services, and developed many new services during this period, such as myVideo, myMusic, and myBook. In the future, he will promote diversified marketing strategies, use new technologies, actively set foot in "new retail", expand the scope of products and services, and improve customer satisfaction.
Independence Analysis	1. Serving as the President of the Company. 2. Serving as the representative of the juristic-person director of the Company's major corporate shareholder - Wealth Media Technology Co. Ltd. and concurrently serving as the director or supervisor of the Company's subsidiary.
No. of independent directors of other public offering companies	0

◎Wealth Media Technology Co. Ltd. Representative: Jamie Lin

CV (Qualification & Experience)	Jamie Lin currently serves as the President of Taiwan Mobile, and serves as the Chairman and partner of AppWorks, which he founded in 2009. AppWorks is the largest startup accelerator and one of the most active venture capital institutions in Southeast Asia. It formed a strategic alliance with Taiwan Mobile in January 2019. Before AppWorks, Jamie Lin was an entrepreneur. Since 1999, he has successively co-founded e-commerce startup Hotcool, AI enterprise software startup Intumit, and travel community startup Sosauce.com. 3D game production startup Muse Games in Taipei and New York. Jamie Lin graduated from Department of Chemical Engineering of National Taiwan University with a minor in Economics, and obtained an MBA from New York University's Leonard N. Stern School of Business. Since 2009, he has regularly published articles on the MR JAMIE blog, providing inspiration to millions of readers interested in starting a business around

	the world every year. In his spare time, Jamie Lin also actively contributes to the society. Currently, he serves as the managing director of Taiwan Internet and E-Commerce Association (TiEA), the co-convener of the Asia Silicon Valley Civil Advisory Committee, and a member of the Executive Yuan's Digital Innovation & Governance Initiative Committee.
Independence Analysis	1. Serving as the director and President of the parent company, Taiwan Mobile Co., Ltd. 2. Serving as the director of the Company's major corporate shareholder - Wealth Media Technology Co. Ltd. and the representative of the juristic-person director of the Company.
No. of independent directors of other public offering companies	0

◎Wealth Media Technology Co. Ltd. Representative: Rosie Yu

CV (Qualification & Experience)	Before Rosie Yu joined Taiwan Mobile as the Vice President, she had more than 20 years of complete experience in foreign banking and domestic and foreign securities investment business, and had an in-depth understanding of industrial development and the operation of the securities market. While working in Taiwan Mobile, she was in charge of finance and led the IR team and accounting management. With excellent decision-making, risk management, and team leadership skills, she improved the company's capital management efficiency and shareholders' interests. In 2009, she was awarded the Outstanding Financial Manager of the 27th "National Management Excellence Award" by the Chinese Professional Management Association. She was the only professional manager in the telecommunications industry to receive this honor that year. In 2010, she was awarded the "Best Investor Relations Manager" in the IR Global Rankings, her outstanding performance was well recognized. From 2016 to 2018, she won the "Best Chief Financial Officer" selected by "Corporate Governance Asia" magazine for three consecutive years.
Independence Analysis	1. Serving as the Executive Vice President and Chief Financial Officer of the parent company, Taiwan Mobile Co., Ltd. 2. Serving as the company supervisor of the Company's major corporate shareholder - Wealth Media Technology Co. Ltd. and the representative of the juristic-person director of the Company.
No. of independent directors of other public offering companies	0

◎Wealth Media Technology Co. Ltd. Representative: Chris Tsai

CV (Qualification & Experience)	Chris Tsai graduated from the Wharton School of the University of Pennsylvania in the United States. He was a securities researcher at JPMorgan Chase in New York, and obtained the highest certification in the global financial industry - the Chartered Financial Analyst (CFA) License. After returning to Taiwan at the end of 2013, he joined Fubon Life Insurance Co., Ltd. and successively served as the Chief Investment Officer, Vice Chairman and executive assistant to the President. At the same time, he shouldered the responsibility of developing Fubon's sports and new businesses. In 2014, he served as the President of Fubon Sports & Entertainment Co., Ltd., managing the Fubon Braves basketball team and the Fubon Guardians baseball team, bringing the concept of sports science into the teams, and leading Fubon Braves to win the championship for the first time in 2019. In 2015, he founded Fubon Financial Holding's Innovation and Technology Department and served as the general convener. He led the team from the perspective of financial technology, combined with the internal digital capabilities of the group, to establish a benchmark image in the FinTech field. From 2019 to 2020, he successively took over as the President of Fubon Financial Holding Venture Capital Corporation and the deputy director of the investment management office of Fubon

	Financial Holding Co., Ltd., responsible for related investment business.
Independence Analysis	1. Serving as the director of the parent company, Taiwan Mobile Co., Ltd. 2. Serving as the representative of the juristic-person director of the Company's major corporate shareholder - Wealth Media Technology Co. Ltd.
No. of independent directors of other public offering companies	0

◎TECO CAPITAL INVESTMENT Co., Ltd Representative: Mao-Hsiung Huang

CV (Qualification & Experience)	Mao-Hsiung Huang joined TECO in 1971. After serving as Chairman in 1990, he has been engaged in motor production since the beginning, and has furthermore been committed to diversified areas of development such as home appliances, information, communications, electronics, key components, infrastructure construction, financial investment and catering, and had actively participated in the construction of major national projects. After years of hard work, TECO has moved from the traditional heavy electrical and home appliance industries to a global high-tech enterprise. At present, its business scope spans five continents and more than 30 countries worldwide. Its cooperating partners include General Electric in the United States, Yasukawa in Japan, Westinghouse in the United States, Ericsson in Sweden, Mitsubishi in Japan, NEC, Eastman Kodak in the United States and G&D in Germany. After retiring in 2007, as the chairman of TECO Group, he actively suggested that TECO should continue to cultivate its core business, actively develop in the direction of high added value such as intelligent products, and focus on the expansion of high-tech businesses, and focus on the development of international emerging markets to build a macro, high-quality, technological world-class brand with diversified operations.
Independence Analysis	Serving as the Chairman of the Company's major corporate shareholder - TECO Capital Investment Co., Ltd. and the representative of the juristic-person director of the Company.
No. of independent directors of other public offering companies	0

◎Independent Director Hong-So, Chen

CV (Qualification & Experience)	Hong-So, Chen once served as CEO of SYSTEX, President of Yahoo China and Vice President of Marketing in North Asia, Chief Operating Officer of Kimo, and positions such as President, sales, marketing, technical support supervisor of IBM, Microsoft, Motorola, Oracle, Novell, etc. After leaving SYSTEX in 2009, he founded OneAD and invested in the emerging industry of Internet advertising. Hong-So, Chen has been involved in the technology industry for more than 30 years. With his keen observation and amazing insight into technology trends, and his experience in international mergers and acquisitions and marketing, etc., he has always maintained forward-looking strategic thinking. He is also one of the very few business leaders who spans complete fields such as online media, software technology, information services and systems integration.
Independence Analysis	· Neither the director himself / herself nor his / her spouse holds the Company's shares, nor do they hold the Company's shares under the names of other parties. · Except for the director himself / herself serving as an independent director of the Company, none of the director himself / herself, his / her spouse and close relatives are employed by the Company or its affiliated companies, nor serve as their directors or supervisors. · The director himself / herself is not employed by the Company's major corporate shareholders, nor does he / she serve as their director or supervisor. · The director himself / herself is not employed by another company, whose Chairman, President, or equivalent position is assumed by the same person or spouse as that of the Company, nor does he / she

	serve as a director or supervisor of such company. · The director himself / herself does not serve as a director, supervisor or manager of a specific company or institution that has financial or business dealings with the Company, and does not hold the shares of such company. · The director himself / herself merely provides professional advice and receives independent director's remuneration as an independent director and does not provide other professional services to the companies of the group. · The director himself / herself is not a spouse or relative of second degree or closer to any other directors. · The director is elected as a natural person and does not meet any of the conditions stated in Article 30 of the Company Act. **Upon inspection, the director himself / herself has no direct or indirect interest in the Company, and meets the independence qualification stipulated in Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".**
No. of independent directors of other public offering companies	3

◎Independent Director Brian Y. Hsieh

CV (Qualification & Experience)	Brian Y. Hsieh has served in domestic and foreign law firms and actively participated in the business launching and investment strategy planning of small and medium-sized enterprises. Over the years, he has served as a director, independent director and legal and strategic consultant of listed, OTC and public companies in industries such as financial, automobile manufacturing, biotechnology and general merchandise retail trade. He has been invited to give lectures on "financial and economic law" at the Taipei Bar Association, the Training Institute for Judges and Prosecutors of the Ministry of Justice, and the Judges Academy. He was also invited to be a visiting professor in the City University of Hong Kong and the Faculty of Law of Chinese University of Hong Kong. He has also been appointed by the President to successively worked in Taiwan's independent agencies (Fair Trade "Antitrust and Competition Law" Committee and Financial Supervisory Commission) to assist in policy planning. He is currently an adjunct professor at the College of Management of National Taiwan University and the School of Management at National Central University (EMBA). Brian Y. Hsieh holds a Bachelor of Laws from National Taiwan University and a Juris Doctor from Stanford University.
Independence Analysis	· Neither the director himself / herself nor his / her spouse holds the Company's shares, nor do they hold the Company's shares under the names of other parties. · Except for the director himself / herself serving as an independent director of the Company, none of the director himself / herself, his / her spouse and close relatives are employed by the Company or its affiliated companies, nor serve as their directors or supervisors. · The director himself / herself is not employed by the Company's major corporate shareholders, nor does he / she serve as their director or supervisor. · The director himself / herself is not employed by another company, whose Chairman, President, or equivalent position is assumed by the same person or spouse as that of the Company, nor does he / she serve as a director or supervisor of such company. · The director himself / herself does not serve as a director, supervisor or manager of a specific company or institution that has financial or business dealings with the Company, and does not hold the shares of such company. · The director himself / herself merely provides professional advice and receives independent director's remuneration as an independent director and does not provide other professional services to the companies of the group. · The director himself / herself is not a spouse or relative of second

	degree or closer to any other directors. · The director is elected as a natural person and does not meet any of the conditions stated in Article 30 of the Company Act. **Upon inspection, the director himself / herself has no direct or indirect interest in the Company, and meets the independence qualification stipulated in Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".**
No. of independent directors of other public offering companies	2

◎Independent Director Chieh Wang

CV (Qualification & Experience)	Chieh Wang has served in Fubon Group since July 1989, and has worked in relevant industry research and investment departments such as Fubon Insurance, Fubon Securities, Fubon Investment Services, and Fubon Asset Management; in May 2001, he took over as the chief investment officer of Fubon Life and the chief investment officer of Fubon Financial Holding. He has a long history of complete and rich experience in industrial research and investment, and has achieved outstanding performance. In March 2004, he left Fubon Group and transferred to the position of chairman of Holiday Co., Ltd., and then to the position of vice chairman and chief executive officer of Cashbox Partyworld Co., Ltd. During this period, he assisted related companies to move forward in the direction of corporate governance. During his tenure, Cashbox's business has grown significantly, and the profit has increased greatly, creating a win-win-win situation for shareholders, employees and consumers. In June 2007, he completed his tenure at Cashbox, and then successively served as the chairman of Kand Ti Investment, Enjoy Records, and Digiflow. During this period, he established ipie2 and kept being engaged in investment-related work; music-wise, he continued his passion for music, actively cultivated artists and successfully completed all of Chiang Hui's concerts; in terms of information, he took over the Taipei City Government's Pay Taipei system integration case, turning Taipei City into a smart city. In the future, he will continue to lead the team to contribute to the integration of the Paycity smart city digital system.
Independence Analysis	· Neither the director himself / herself nor his / her spouse holds the Company's shares, nor do they hold the Company's shares under the names of other parties. · Except for the director himself / herself serving as an independent director of the Company, none of the director himself / herself, his / her spouse and close relatives are employed by the Company or its affiliated companies, nor serve as their directors or supervisors. · The director himself / herself is not employed by the Company's major corporate shareholders, nor does he / she serve as their director or supervisor. · The director himself / herself is not employed by another company, whose Chairman, President, or equivalent position is assumed by the same person or spouse as that of the Company, nor does he / she serve as a director or supervisor of such company. · The director himself / herself does not serve as a director, supervisor or manager of a specific company or institution that has financial or business dealings with the Company, and does not hold the shares of such company. · The director himself / herself merely provides professional advice and receives independent director's remuneration as an independent director and does not provide other professional services to the companies of the group. · The director himself / herself is not a spouse or relative of second degree or closer to any other directors. · The director is elected as a natural person and does not meet any of the conditions stated in Article 30 of the Company Act. **Upon inspection, the director himself / herself has no direct or**

	indirect interest in the Company, and meets the independence qualification stipulated in Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".
No. of independent directors of other public offering companies	0

4. Board diversity and independence

(1) Board diversity:

a. Diversity policy:

To strengthen corporate governance and improve board structure, in the "Practical Guidelines for Corporate Governance" and the "Procedures for Elections of Directors", the Company has expressly stipulated that the composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as Company's managers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the Company's operations, business dynamics, and development requirements be formulated and include, without being limited to, the two general aspects of basic conditions and values (gender, age, nationality and culture, etc.) and professional knowledge and skills (such as law, accounting, industry, finance, marketing or technology, etc.).

b. Specific management goals:

The board of directors of the Company shall guide the company's strategy, supervise the management, and be accountable to the Company and its shareholders. The various procedures and arrangements of the corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, the Articles of Incorporation, and the resolutions adopted by the shareholder meetings. All directors of the Company have the necessary knowledge, skills, literacy and industry decision-making and management capabilities to carry out business. The Company continues to arrange various continuing education courses for directors to improve their decision-making quality, better their supervisory capabilities, and further strengthen the functions of the board of directors. In addition, the Company also pays attention to gender equality in the composition of the board of directors. At this stage, the goal is to have at least one female director.

c. The current implementation of diversity among board members is as follows:

The current board of directors of the Company consists of 9 directors, including 3 independent directors and 6 juristic-person directors, of which 2 are executive directors (accounting for 22%; in line with the goal: no more than 1/3), there are 3 independent directors (accounting for 33%); and in 2020, through the re-election of directors, the goal of having one female director was achieved. Please refer to the "implementation of board members diversification policy by individual directors" on page 27 for relevant diversification implementation.

(2) Board independence:

The Company has 3 independent directors, accounting for 33% of all directors. In order to ensure that independent directors can exercise their powers objectively and avoid reducing their independence due to long tenure, the consecutive terms of the independent directors elected by the Company have not exceed 9 years. The three independent directors have expertise in law, finance and business respectively. For the professional qualifications and independence of individual directors, please refer to "Information Disclosure of Directors' Professional Qualifications and Independent Directors' Independence" on page 19; The three independent directors have signed the relevant declarations of meeting the qualifications of independent directors before nomination and after their appointment. The Company regularly reviews the independence of directors every year. It has been confirmed that all independent directors meet the qualifications for independence, and there is no spousal relationship nor relationship within the second degree of kinship among the directors of the Company. In conclusion, the board of directors of the Company is independent, diversified and professional.

The implementation of Board members diversification policy by individual Directors

○30-49 / ● over 50

Diversified core projects Name of Directors	Director	age	gender	Nationa-lity	Term(Years)			Diversified core projects (top 5)									
					<3	3-6	>6	Accounting	Finance	Law	Business	Merger and Acquisition	Fin Tech	Information Technology	Risk Management	Operation Management	E-Commerce /Marketing
C.F. Lin	Executive Director	●	male	Master of Science, Baker University			■		V				V	V		V	V
Jeff Ku	Executive Director	●	male	EMBA, National Taiwan University	■						V		V	V		V	V
Jamie Lin	Non-Executive Director	○	male	MBA, NYU Stern School of Business	■				V		V	V		V			V
Rosie Yu	Non-Executive Director	●	Female	BA in Business Administration, National Taiwan University	■			V	V			V			V	V	
Chris Tsai	Non-Executive Director	○	male	Bachelor of Economics, Wharton School of the University of Pennsylvania		■			V		V		V			V	V
Mao-Hsiung Huang	Non-Executive Director	●	male	MBA, Wharton School, University of Pennsylvania			■		V		V	V			V	V	
Hong-So, Chen	Independent Director	●	male	Bachelor of Department of Transportation Engineering and Management, National Chiao Tung University			■			V	V			V		V	V
Brian Y. Hsieh	Independent Director	●	male	J.S.D., School of Law, Stanford University			■			V	V	V	V		V		
Chieh Wang	Independent Director	●	male	Bachelor of Department of Finance and Taxation, National Chengchi University	■				V		V	V	V				V
Percentage of core items of diversity								11%	67%	22%	78%	56%	56%	44%	33%	67%	67%

* % of Board :

a. category: 22% of Executive Director, 44% of Non-Executive Director, and 33% of Independent Director.

b. age: 22% of 30~49 years old, 78% of above 50 years old.

c. gender: 89% of Male, 11% of Female.

Management Team

As of Feb. 18, 2022

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	ROC	C.F. Lin	Male	2018.12	400,664	0.22%	-	-	-	-	1. Master's degree of Science, Baker University 2. President, Fubon Direct Marketing Consulting Co., Ltd. 3. Executive Vice President, Taipei Fubon Commercial Bank Co., Ltd. 4. President, Fubon Direct Marketing Consulting Co., Ltd 5. Supervisor, Fuli Property Insurance Agent Co., Ltd. 6. President, momo.com Inc.	1. Chairman and President, Fubon Gehua (Beijing) Enterprise Ltd. 2. Chairman, Fu Sheng Travel Service Co., Ltd. 3. Chairman and President, Fuli Life Insurance Agent Co., Ltd. 4. Chairman, BEBE POSHE International Co., Ltd. 5. Director, Hong Kong Fubon Multimedia Technology Co., Limited 6. Director, Hong Kong Yue Numerous Investment Co. Limited 7. Chairman, Haobo Information Consulting (Shenzhen) Co., Ltd. 8. Director, Beijing Global Guoguang Media Technology Co., Ltd. 9. Director, TV Direct Public Company Limited.	-	-	-	-
President	ROC	Jeff Ku	Male	2019.06	4,242	0.00% (Note 3)	-	-	-	-	1. MBA, University of Wollongong, Australia 2. EMBA, National Taiwan University 3. Senior Vice President and Chief Business Officer, Taiwan Mobile Co., Ltd. 4. Vice President, Taiwan High Speed Rail Corp.	1. Director, BEBE POSHE International Co., Ltd. 2. Director, Fuli Life Insurance Agent Co., Ltd. 3. Director, Fuli Property Insurance Agent Co., Ltd. 4. Director, Fu Sheng Travel Service Co., Ltd. 5. Chairman, Fu Sheng Logistics Co., Ltd. 6. Chairman, MFS Co., Ltd. 7. Director, Fubon Gehua (Beijing) Enterprise Ltd. 8. Supervisor, Haobo Information Consulting (Shenzhen) Co., Ltd. 9. Director, TV Direct Public Company Limited 10 Chairman, Prosperous Living Co., Ltd.	-	-	-	-
Consultant	ROC	Roxanne Chiu (Note 4)	Female	2021.07	-	-	-	-	-	-	1. Bachelor, Department of Communication, Fu Jen Catholic University 2.Exchange student of University of Ca., Berkeley 3. Managing Director of China, Pure Group 4.Advisory Committee, Royal FrieslandCampina NV 5.Founder and President of Strategic Consulting, Incubrand 6. President of Shanghai Greater China, Chanel Inc. 7. President of Shanghai East China of Greater China, Nike Inc.	1. Chairman and President, Prosperous Living Co., Ltd.	-	-	-	-
Vice President	ROC	Summer Hsieh	Female	2018.05	41672	0.02%	-	-	-	-	1. PHD candidate of EMBA, National Taipei University 2. MA in Communication Administration, Min Chuan University 3. BBA, National Chung Cheng University 4. Merchandise Development, Eastern Home Shopping & Leisure Co., Ltd. 5. Director of E-Commerce & Catalogue Division, momo.com Inc.	1. Supervisor, Fubon Gehua (Beijing) Enterprise Ltd. 2. Director and President, BEBE POSHE International Co., Ltd. 3. President, Haobo Information Consulting (Shenzhen) Co., Ltd. 4. Director, MFS Co., Ltd. 5. Supervisor, Fuli Life Insurance Agent Co., Ltd.	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Vice President	ROC	Jeremy Hong	Male	2018.05	-	-	-	-	-	-	1. Graduate Institute of Business Management, Tunghai University 2. Manager, Unified and Integrated Marketing Team 3. Director of E-Commerce Vice President, momo.com Inc.	1. Director, Fuli Property Insurance Agent Co., Ltd. 2. Supervisor, Fu Sheng Travel Service Co., Ltd. 3. Director, Fubon Gehua (Beijing) Enterprise Ltd. 4. Supervisor, MFS Co., Ltd. 5. Director, BEBE POSHE International Co., Ltd. 6. Director, Prosperous Living Co., Ltd	-	-	-	-
Senior Director	ROC	Irene Lin (Note 4)	Female	2021.11	-	-	-	-	-	-	1. MBA, National Taiwan University 2. Deputy Director of Mobile Commerce, Taiwan Mobile Co., Ltd. 3.VP of General manger office, Kgi Securities 4.Chief Marketing Office and spokesman, Taobao Taiwan	-	-	-	-	-
Supply Chain Management Division Vice President	ROC	Leanne Wang	Female	2018.05	-	-	1,300	0.00% (Note 3)	-	-	1. Master's degree of Traffic and Transportation, National Chiao Tung University 2. Director (Officer) of Operation Dept., DHL Taiwan 3. Director of Supporting Service Division, momo.com Inc.	1. Director and President, Fu Sheng Logistics Co., Ltd.	-	-	-	-
Financial & Accounting Division Vice President	ROC	Gina Lu	Female	2021.05	90,792	0.04%	-	-	-	-	1. MBA, National Taipei University 2. Assistant Manager of Administration Department, Fubon Direct Marketing Consulting Co., Ltd. 3. Senior Director of Financial & Accounting Division. of momo.com Inc.	1. Chairman and President, Fuli Property Insurance Agent Co., Ltd. 2. Supervisor, Fubon Gehua (Beijing) Enterprise Ltd. 3. Director, BEBE POSHE International Co., Ltd. 4. Director, Fu Sheng Travel Service Co., Ltd. 5. Supervisor, Fu Sheng Logistics Co., Ltd. 6. Supervisor, Prosperous Living Co., Ltd	-	-	-	-
Information Technology Division Senior Director	ROC	Robinson Lin	Male	2019.05	-	-	-	-	-	-	1. Bachelor, Department of Business Administration, Feng Chia University 2. Engineer, Cathay Life Insurance Co. Ltd. 3. Director of Information Technology Division, momo.com Inc.	1. Director, Fu Sheng Logistics Co., Ltd.	-	-	-	-
TV Merchandise Division Senior Director	ROC	Sabrina Huang	Female	2019.05	1,300	0.00% (Note 3)	-	-	-	-	1. Master of Business Administration in Executive Management, ROYAL ROADS UNIVERSITY 2. Branch manager, Orise T-ZONE Heping branch 3. PM Product project manager, Fortress 4. Director of TV Merchandise Division, momo.com Inc.	-	-	-	-	-
Customer Service Center Director	ROC	Rebecca Wu	Female	2019.05	54,709	0.03%	-	-	-	-	1. Ming Hsin Institute of Technology and Commerce 2. Ground handing, Eva Air 3. Project Manager, Taiwan Mobile Co., Ltd. 4. Assistant Manager, Taiwan Teleservices & Technologies Co., Ltd. 5. Senior Manager of Customer Service Center, momo.com Inc.	-	-	-	-	-
EC Sales Division I Director	ROC	Terry Lee	Male	2020.01	-	-	-	-	-	-	1. Bachelor, Department of Business Management, National Taipei University of Technology 2. Department of Industrial Engineering, Provincial Taipei Institute of Technology 3. Sales/Procurement, Hi-Life International Co., Ltd. 4. Product Manager, PChome Online Inc. 5. EC Sales, PRESCO 6. EC Division 3C Dept. Director, momo.com Inc.	-	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
EC Sales Division II Director	ROC	Kevin Lin (Note 4)	Male	2021.05	-	-	-	-	-	-	1. Bachelor, Department of Information and Communication, Tamkang University 2. Business Associate, Orangebear International Co., Ltd. 3. EC Sales Division II senior manager, momo.com Inc	-	-	-	-	-
EC Sales Division III Director	ROC	Louie Chuang (Note 4)	Male	2021.05	-	-	107	0.00% (Note 3)	-	-	1. Bachelor, Department of Information and Communication, Tamkang 2.Sales management specialist, The Eslite Corporations 3. EC Sales Division III senior manager, momo.com Inc.	-	-	-	-	-
International Business Division Trading Dept. Director	ROC	Ally Yu	Female	2020.07	-	-	-	-	-	-	1.Master of EMBA, National Chengchi University 2. Bachelor, Department of English, Providence University 3. Deputy Purser, Eva Air 4. product development & purchase chief officer , HOLA 5. HOLA brand agency chief officer	1. Director and President, MFS Co., Ltd. 2. Director, Taoyuan Private Yung Ping Technological Senior High School	-	-	-	-
Internal Audit Office Manager	ROC	Liang Dung Nan	Male	2017.07	-	-	-	-	-	-	1. MBA, Min Chuan University 2.Completion of the Manager Class, Taiwan AI Academy 3. Certified Internal Auditor (CIA) 4. Internal Audit Manager, Surecom Technology Corp 5. Assistant Manager of Internal Audit Office, momo.com Inc.	-	-	-	-	-

Note1: Date assumed current position.
Note2: Shareholding ratio = number of shares ÷ actual number of issued shares (182,076,050 shares)
Note 3: Three decimal places are rounded off, and no shareholding is expressed with "-.".
Note 4: C0nsultant Roxanne Chiu took office on July 1, 2021; Senior Director Irene Lin took office on Nov. 16, 2021; Director Kevin Lin and Louie Chuang took office on May 1, 2021.

Remuneration of Directors, Supervisors, President, and Vice President

1. Remuneration of Directors

2021; Unit: NT$ dollars

Title	Name	Remuneration								Total Remuneration (A+B+C+D)/ Ratio of Total Remuneration to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Total Compensation (A+B+C+D+E+F+G)/ Ratio of Total Compensation (to Net Income (%)		Remuneration received from the parent company and all investee companies
		Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit Sharing- Employee Bonus (G)						
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Chairman	Wealth Media Technology Co. Ltd. Representative: C.F. Lin.	1,440,000	1,440,000	0	0	4,285,434	4,285,434	0	0	5,725,434 0.18%	5,725,434 0.18%	18,243,645	18,244,933	108,000	108,000	36,874	0	36,874	0	24,113,953 0.74%	24,115,241 0.74%	43,805,598
Director	Wealth Media Technology Co. Ltd. Representative: Jeff Ku Jamie Lin Rosie Yu Chris Tsai																					
Director	TECO CAPITAL INVESTMENT Co., Ltd. Representative: Mao-Hsiung Huang																					
Independent Director	Hong-So, Chen	6,120,000	6,120,000	0	0	1,836,615	1,836,615	0	0	7,956,615 0.24%	7,956,615 0.24%	0	0	0	0	0	0	0	0	7,956,615 0.24%	7,956,615 0.24%	0
Independent Director	Brian Y. Hsieh																					
Independent Director	Chieh Wang																					

1. Please elaborate on the payment policy, system, standard, and structure of remuneration for Independent Directors, and the correlation between factors such as the responsibility and risk assumed, and time invested in thereby, and the amount paid thereto.
The remuneration and compensation of the Company's Independent Directors shall be handled in accordance with the Articles of Incorporation and the "Regulations Governing the Remuneration of Directors" approved by the Board of Directors. Such payments are granted by considering the degree of participation in and contribution to the Company's operations and taking into account the attendance at board meetings, serving in functional committees such as the Remuneration Committee and Audit Committee, and the risks assumed by them as the payment standard.

2.*Except as disclosed in the above table, the remuneration received by the directors of the Company for providing services (such as serving as a consultant with no employer-employee relationship in the parent company/all companies in the financial report/reinvested enterprises) in the most recent year is: 1,800,000

Range of Remuneration

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements (H)	The company	Companies in the consolidated financial statements and from the parent company and all investee companies (I)
Under NT$ 1,000,000	C.F. Lin Jeff Ku Jamie Lin Rosie Yu Chris Tsai TECO CAPITAL INVESTMENT Co., Ltd. Mao-Hsiung Huang	C.F. Lin Jeff Ku Jamie Lin Rosie Yu Chris Tsai TECO CAPITAL INVESTMENT Co., Ltd. Mao-Hsiung Huang	Jamie Lin Rosie Yu Chris Tsai TECO CAPITAL INVESTMENT Co., Ltd. Mao-Hsiung Huang	Chris Tsai TECO CAPITAL INVESTMENT Co., Ltd. Mao-Hsiung Huang
NT$1,000,000 ~ NT$1,999,999				
NT$2,000,000 ~ NT$3,499,999	Hong-So Chen Brian Y. Hsieh Chieh Wang	Hong-So Chen Brian Y. Hsieh Chieh Wang	Hong-So Chen Brian Y. Hsieh Chieh Wang	Hong-So Chen Brian Y. Hsieh Chieh Wang
NT$3,500,000 ~ NT$4,999,999	Wealth Media Technology Co. Ltd	Wealth Media Technology Co. Ltd	Wealth Media Technology Co. Ltd	Wealth Media Technology Co. Ltd
NT$5,000,000 ~ NT$9,999,999			C.F. Lin	C.F. Lin
NT$10,000,000 ~ NT$14,999,999			Jeff Ku	Jeff Ku
NT$15,000,000 ~ NT$29,999,999				Jamie Lin Rosie Yu
NT$30,000,000 ~ NT$49,999,999				
NT$50,000,000 ~ NT$99,999,999				
Over NT$100,000,000				
Total	11	11	11	11

2. Remuneration of the President and Vice President

2021; Unit: NT$ dollars

Title and name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Profit Sharing- Employee Bonus (D)				Total compensation (A+B+C+D)/ Ratio of total compensation to net income (%)		Remuneration received from all investee companies (other than subsidiaries) or the parent company
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
							Cash	Stock	Cash	Stock			
Chairman, C.F. Lin President, Jeff Ku Vice President, Summer Hsieh Vice President, Jeremy Hong Vice President, Leanne Wang Vice President, Gina Lu(Note 1) Consultant, Roxanne Chiu(Note 2)	22,315,200	22,315,200	587,808	587,808	14,544,913	14,544,913	75,036	0	75,036	0	37,522,957 1.14%	37,522,957 1.15%	146,900

Note 1: Gina Lu promoted from Senior Director to Vice President on May 1, 2021.
Note 2: C0nsultant Roxanne Chiu took office on July 1, 2021.

Range of Remuneration

Range of Remuneration	Name of President and Vice President	
	The company	Companies in the consolidated financial statements (E)
Under NT$1,000,000		
NT$1,000,000 ~ NT$1,999,999		
NT$2,000,000 ~ NT$3,499,999	Gina Lu Roxanne Chiu	Gina Lu Roxanne Chiu
NT$3,500,000 ~ NT$4,999,999	Summer Hsieh Leanne Wang	Summer Hsieh Leanne Wang
NT$5,000,000 ~ NT$9,999,999	C.F. Lin, Jeremy Hong	C.F. Lin, Jeremy Hong
NT$10,000,000 ~ NT$14,999,999	Jeff Ku,	Jeff Ku,
NT$15,000,000 ~ NT$29,999,999		
NT$30,000,000 ~ NT$49,999,999		
NT$50,000,000 ~ NT$99,999,999		
Over NT$100,000,000		
Total	7	7

3. Managers and employee bonuses

2021; Unit: NT$ dollars

Title and name of managers	Stock bonus	Cash bonus	Total	As a % of net Profit
Chairman, C.F. Lin President, Jeff Ku Vice President, Summer Hsieh Vice President, Jeremy Hong Vice President, Leanne Wang Vice President, Gina Lu(Note2) Consultant, Roxanne Chiu(Note 4) Senior Director, Robinson Lin Senior Director, Sabrina Huang Senior Director, Irene Lin(Note 5) Director, Rebecca Wu Director, Kevin Lin(Note 3) Director, Louie Chuang(Note 3) Director, Terry Lee(Note1) Director, Ally Yu Manager, Liang Dung Nan	0	120,286	120,286	0.00%

Note 1: Terry Lee promoted from Director to EC Sales Division I Director on Apr. 1, 2021.
Note 2: Gina Lu promoted from Senior Director to Vice President on May 1, 2021.
Note 3: Kevin Lin and Louie Chuang promoted from Senior manager to Director on May 1, 2021
Note 4: C0nsultant Roxanne Chiu took office on July 1, 2021
Note 5: Senior Director Irene Lin took office on Nov. 16, 2021;

Comparison of Remuneration for Directors, Supervisors, Presidents and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, Presidents and Vice Presidents

1. Total remuneration as a percentage of net income paid to directors, supervisors, presidents and vice presidents of the Company and all companies included in the consolidated financial statements for the most recent two fiscal years.

NT$ dollars, %

Title	2020				2021			
	Remuneration		As a % of net income		Remuneration		As a % of net income	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Directors	9,179,871	9,179,871	0.47%	0.47%	13,682,049	13,682,049	0.42%	0.42%
Presidents and Vice Presidents	29,608,381	29,609,665	1.52%	1.53%	37,522,957	37,522,957	1.14%	1.15%

Note: The compensation for directors does not include those for adjunct president and vice president.

2. The policies, standards, and portfolios of the payment of remuneration for the Directors, the procedures for determining remuneration, and the correlation with business performance.

(1) The policies, standards, and portfolios for the payment of remuneration: The remuneration and compensation of the Directors (including the Independent Directors) shall be handled in accordance with the Articles of Association and the "Regulations Governing the Remuneration of Directors" approved by the Board of Directors.

a. Remuneration of the Directors: Resolved by considering degree of participation in and contribution to the Company's operations and based on the normal remuneration standard of the industry; also, by taking into account the board members' attendance at board meetings, serving in functional committees such as the Remuneration Committee, Audit Committee and Information Security Committee, and the risks assumed by them as the payment standard, in addition, a certain amount of reimbursement for travel expenses or other allowances may also be provided.

b. Compensation of the Directors: A fixed ratio based on the Articles of Association, when the Company's operation is profitable.

(2) The procedures of remuneration distribution:

a. Compensation of the Directors shall be in accordance with the Articles of Association of the Company. If the Company is profitable, no more than 0.3 percent of the profit shall be appropriated for the Directors' compensation. A sum shall be set aside in advance to pay down any outstanding cumulative losses of the Company before Director's compensation can be appropriated according to such percentage.

b. The fixed remuneration of the Directors shall be handled in accordance with the "Regulations Governing the Remuneration of Directors" approved by the Board of Directors.

(3) The correlation with operation performance and future risks:

The remuneration of the Directors of the Company is in accordance with the Company's Articles of Incorporation and is paid subject to the Company's annual profit-earning status. As the result, it is closely related to the business performance. Also, with reference to the evaluation items of the Regulations Governing Performance Evaluation of the Board of Directors and Functional Committees, individual directors are given reasonable remuneration based on their contribution to the Company's operational performance. Furthermore, the Company's Remuneration Committee reviews the remuneration system regularly based on the contribution of individual directors to the Board and to the Company's operations (including the future business risks of the Company, strategic planning, and corporate social responsibility, etc.).

3. The policies, standards, and portfolios of the payment of remuneration for the Internal Managers, the procedures for determining remuneration, and the correlation with business performance.

(1) The policies, standards, and portfolios for the payment of remuneration:

The salary structure includes mainly the monthly salary, other bonus, year-end bonus, and employee compensation. Among which, the payment standard for the amount of year-end bonus and employee compensation

a. Salaries are determined by referring to the standards of other companies in the same industry, position titles, job grades, academic and work experience, professional capability, and responsibilities, while other bonuses take into account managers' performance evaluation, including financial indicators (consolidated consideration such as target achievement rate, operating effectiveness, and contribution) and non-financial indicators (such as assisting the Company in acquiring special certificates, whether an incident involving moral risk or having an adverse impact on the Company's image or goodwill, or a risk event derived from improper internal control and malpractice of personnel occurs).

b. The payment standard for the amount of year-end bonus and employee compensation is made considering the contribution to the Company's operations, the achievement rate and the annual performance appraisal based on the management indicators set in accordance with the employee performance management measures; such amount shall be proposed by the Remuneration

Committee and be paid upon approval by the Board of Directors.

(2) The procedures of remuneration distribution:

a. Employee compensation shall be handled in accordance with the Company's Articles of Incorporation. If the Company makes an annual profit, it shall allocate 0.1% to 1% as employee compensation (employees include internal managers). However, if the Company's accumulated losses, it should cover in advance.

b. For year-end bonus, the distribution amount shall be determined based on the annual business performance.

(3) The correlation with operation performance and future risks:

The employee compensation of the Company (employees including internal managers) is allocated in accordance with the Company's Articles of Incorporation and subject to the Company's profit-earning status. As a result, it is closely related to the business performance. Furthermore, the Company's Remuneration Committee, ex officio, performs inspection on the compensation on a yearly basis and regularly reviews the justifiability of the compensation and remuneration, and reports to the Board of Directors by the convener.

iii. Implementation of Corporate Governance

Board of Directors attendance

The Board of Directors convened 11 times (A) in 2021

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Chairman	Wealth Media Technology Co. Ltd. Representative: C.F. Lin	11	0	100%	None
Director	Wealth Media Technology Co. Ltd. Representative: Jeff Ku	11	0	100%	None
Director	Wealth Media Technology Co. Ltd. Representative: Jamie Lin	11	0	100%	None
Director	Wealth Media Technology Co. Ltd. Representative: Rosie Yu	11	0	100%	None
Director	Wealth Media Technology Co. Ltd. Representative: Chris Tsai	11	0	100%	None
Director	TECO CAPITAL INVESTMENT Co., Ltd. Representative: Mao-Hsiung Huang	11	0	100%	None
Independent director	Hong-So, Chen	11	0	100%	None
Independent director	Brian Y. Hsieh	11	0	100%	None
Independent director	Chieh Wang	11	0	100%	None

Note 1: For Board Meetings held in 2021, Independent Directors were present every time.

Other mentionable items:

1. Operation of the board of directors shall, if any of the following, specify date of meeting, period, contents of motions, the opinions of all independent directors and handlings concerning opinions of the independent directors:
   (1) The matters listed in Article 14-3 of the Securities Exchange Act: The Company has set up an audit committee and therefore the provisions of Article 14-3 do not apply.
   (2) In addition, any resolution matters of Board of Directors with records or statement in writing that independent director has a dissenting opinion or qualified opinion: None.
2. Recusal of directors from motions that may have concerns of conflict of interests

No.	Date	Directors recused	motion details	Reason for recusal	Details during voting
1	2021.01.19	Jeff Ku	Appointment of director served by corporate shareholder's representative of the Company's reinvested company in Thailand, TV Direct Public Company Limited	The recused director was the party of this appointment matter	Recusal during discussion and resolution of motion.
		Jeff Ku	Lifting of non-competition of the managers	The recused directors were the parties of this non-competition matter.	Recusal during discussion and resolution of motion.
		C.F. Lin Jeff Ku	The annual bonus allocation of 2020 for managers and other related parties.	The recused directors were beneficiaries of the bonus allocation.	Recusal during discussion and resolution of motion.
2	2021.02.18	C.F. Lin Mao-Hsiung Huang Rosie Yu	Proposed disposal of the Company's shares in the reinvested company, Taiwan Pelican Express	The recused directors were the directors of the company in this reinvestment disposal matter	Recusal during discussion and resolution of motion.
3	2021.04.28	Jamie Lin Rosie Yu Chris Tsai	Acquisition of Right of Use Asset for the Proposed Rental Renewal of Taiwan Mobile's Alpha Tech Building by the Company	The recused directors were the parties of this right of use asset rental renewal matter	Recusal during discussion and resolution of motion.
		C.F. Lin Jeff Ku	2021 salary review, salary adjustment and promotion of internal managers and other related parties	The recused directors were the parties of this salary review matter	Recusal during discussion and resolution of motion.
4	2021.07.28	C.F. Lin Jeff Ku	The 2021 salary review for internal managerial staff and other related party. And, the salary adjustment for the management team.	The recused directors were the parties of this salary matter	Recusal during discussion and resolution of motion.
		C.F. Lin Jeff Ku	The Company's proposed issuance of letter of commitment to support the operation of Bebe Poshe International Co., Ltd.	The recused directors were the directors of the company in this matter	Recusal during discussion and resolution of motion.
5	2021.09.03	C.F. Lin Jeff Ku	Appointment of director served by corporate shareholder's representative of the Company's reinvested subsidiary "Bebe Poshe International Co., Ltd."	The recused directors were the parties of this appointment matter	Recusal during discussion and resolution of motion.
6	2021.10.29	Jeff Ku	Proposed establishment of a subsidiary through reinvestment by the Company	The recused director was the director of the company in this reinvestment matter	Recusal during discussion and resolution of motion.

3. TWSE/TPEx listed companies shall disclose information such as evaluation cycle and period, evaluation scope, method and content of evaluation of the self-evaluation (or peer evaluation) of the Board of Directors:
   (1) Evaluation implementation status of the Board of Directors:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once per year	2021.1.1-2021.12.31	Performance evaluation of the overall board of directors, individual board members, and	A. Internal evaluation of the Board. B. Self-evaluation by individual	A. The criteria for Board performance evaluation cover the following six aspects: (A) The degree of participation in the Company's operations. (B) Improvement in the quality of

		functional committees (audit committee, remuneration committee and Information Security Management Committee)	Board members.	decision making by the board of directors. (C) The composition and structure of the board of directors. (D) The election of the directors and their continuing education. (E) Internal controls. (F) Participation in Environmental, Social, and Governance (ESG) aspects B. The criteria for (self-)evaluating the performance of the board members cover the following six aspects: (A) Understanding of the Company's goals and missions. (B) Knowledge about director's duties. (C) The degree of participation in the Company's operations. (D) Internal relation building and communication. (E) Directors' professionalism and continuing education. (F) Internal controls. C. The criteria for functional committees' performance evaluation cover the following five aspects: (A) The degree of participation in the Company's operations. (B) Recognition of duties of the functional committees. (C) Improvement of the decision-making quality of the functional committees. (D) Composition and appointment of members of the functional committees. (E) Internal controls.
One three years	2020.9.1-2021.8.31	Commissioning of an external professional institution to carry out the overall performance evaluation of the board of directors	Appointing Taiwan Corporate Governance Association for the evaluation	Evaluation items include board composition, guidance, authorization, supervision, communication, internal control and risk management, board self-discipline, and others (such as board meetings and support systems)

4.To strengthen competency of the Board of Directors in current and recent years (e.g. to set up an Audit Committee, to enhance transparency of information, etc.) and assessment of implementation:

(1) All Independent Directors of the Company form the Audit Committee and Remuneration Committee play the supervisory role to achieve the goal of governance the competency. The Chairman of each Committee reports the operation status to the Board of Directors regularly.

(2) In order to better enable the directors to understand the Company's operation overview and strategy implementation process. Since Sep., 2018, the Company has been providing relevant business performance reports to the directors for reference on a monthly basis.

(3) In order to urge the functional committees to perform their duties. Since 2019, the Company has arranged the functional committee convener to submit work results reports to the board of directors on a regular basis.

(4) The Company's Chairman does not concurrently serve as a manager, whose powers have been expressly designated to enhance the check and balance mechanism.

(5) In order to optimize the structure of the Board of Directors and keep promoting the variety of the Board members, the Company attained the goal of adding a female Director in 2021 (the 7th term).

(6) The members of the Company's Board of Directors actively participate in the operation of the board of directors, and the attendance rate of all directors reached 100% in 2021.

(7) In addition to pursuing trainings by themselves according to their own needs, the Company regularly arranges lecturers to provide Directors with at the office classes every year to continue to enrich their new

knowledge. In 2021, "Taiwan Corporate Governance Association" was appointed to hold a total of 3 training courses, including "How to Consider Intelligence Security Risks to Create a Triple Win Situation in Digital Transformation of Enterprises", "What Investors Are Thinking - A Talk About Corporate Sustainability Transformation From ESG Investment and Financing's Point of View", and "New Trend of Retail Power - From Digitalization to Zero Time Difference Consumption". The total number of training hours for all directors reached 66 hours (Schedule I).

(8) Increase Information Transparency: the Company supports operational transparency and emphasis the rights of shareholders. The Company website has pages dedicated to the investors. Up-to-date information are provided in Chinese and English, and after every Board of Directors meeting, important resolutions are immediately announced, and the Company shall (ir)regularly attend investors' conferences. The Company attended 36 investors' conferences in 2021.

(9) In order to insure against risks incurred by Directors and the Managers in carrying out their responsibilities, the Company shall purchase "Directors and Managers liability Insurance". The Company also reviews the insurance policy on a regular basis to ensure the claim amount and insurance coverage meet the demands, and reports to the Board of Directors.

(10) A strategy meeting is held regularly every year, and board members (including independent directors) and the management team are invited to participate to discuss medium and long-term development strategies. The members of the Board of Directors interact closely and communicate well with the management team, giving full play to the role of the Board of Directors in guiding and supervising.

(11) In order to enhance the control and supervision of information security risk and strengthen the function of the Board of Directors, the Board of Directors adopted a resolution on Oct. 29 2020 to establish an “Information Security Management Committee" under the Board of Directors. “Information Security Management Committee" shall examine information security management policies and mechanisms, as well as response measures for major incidents.

(12) The Company has established the “Regulations Governing Performance Evaluation of the Board of Directors and Functional Committees." After the performance evaluation each year, the results shall be submitted to the Remuneration Committee for analysis, and the Board of Directors shall be provided with evaluation reports and specific improvement plans. In 2021, the Taiwan Corporate Governance Association has been commissioned to complete the external performance evaluation of the board of directors.

(Schedule 1): 2021 total number of training hours of all Board members

Title	Name	Date	Organizer	Course name	hours	Training hours of current year
Representative of the juristic-person Director	C.F. Lin	2021.11.12	Taiwan Corporate Governance Association	New Trend of Retail Power - From Digitalization to Zero Time Difference Consumption	3	6.0
		2021.10.15	Taiwan Corporate Governance Association	What Investors Are Thinking - A Talk About Corporate Sustainability Transformation From ESG Investment and Financing's Point of View	3	
Representative of the juristic-person Director	Jeff Ku	2021.11.12	Taiwan Corporate Governance Association	New Trend of Retail Power - From Digitalization to Zero Time Difference Consumption	3	6.0
		2021.10.15	Taiwan Corporate Governance Association	What Investors Are Thinking - A Talk About Corporate Sustainability Transformation From ESG Investment and Financing's Point of View	3	
Representative of the juristic-person Director	Jamie Lin	2021.12.08	Independent Director Association Taiwan	ESG responsible investment - influence of sustainability in the financial industry	3	6.0
		2021.09.17	Taiwan Corporate Governance Association	Insider trading prevention and countermeasures	3	

Title	Name	Date	Organizer	Course name	hours	Training hours of current year
Representative of the juristic-person Director	Rosie Yu	2021.11.17	Taiwan Securities Association	Corporate Governance 3.0 - Sustainable Development Blueprint	3	12.0
		2021.10.08	Taiwan Securities Association	Wealth inheritance model – stock and real estate transfer case study	3	
		2021.09.07	Taiwan Securities Association	Legal liability and case analysis of false financial reports and insider trading	3	
		2021.03.24	Digital Governance Association	Digital governance enhances risk management and crisis handling	3	
Representative of the juristic-person Director	Chris Tsai	2021.12.08	Independent Director Association Taiwan	ESG responsible investment - influence of sustainability in the financial industry	3	6.0
		2021.11.26	Independent Director Association Taiwan	Cyber threat trends and information security defense strategies	3	
Representative of the juristic-person Director	Mao-Hsiung Huang	2021.08.04	Securities & futures Institute	Digital transformation of traditional industries	3	6.0
		2021.04.14	Securities & futures Institute	Corporate governance: green energy innovative business models and new trends in green finance	3	
Independent director	Hong-So, Chen	2021.11.12	Taiwan Corporate Governance Association	New Trend of Retail Power - From Digitalization to Zero Time Difference Consumption	3	9.0
		2021.10.15	Taiwan Corporate Governance Association	What Investors Are Thinking - A Talk About Corporate Sustainability Transformation From ESG Investment and Financing's Point of View	3	
		2021.09.24	Taiwan Corporate Governance Association	How to Consider Intelligence Security Risks to Create a Triple Win Situation in Digital Transformation of Enterprises	3	
Independent director	Brian Y. Hsieh	2021.08.18	Taiwan Corporate Governance Association	Looking at sustainable corporate governance from the perspective of risk--from corporate governance to ESG	3	6.0
		2021.08.18	Taiwan Corporate Governance Association	The only way to sustainable operation of enterprises--external innovation	3	
Independent director	Chieh Wang	2021.11.12	Taiwan Corporate Governance Association	New Trend of Retail Power - From Digitalization to Zero Time Difference Consumption	3	9.0
		2021.10.15	Taiwan Corporate Governance Association	What Investors Are Thinking - A Talk About Corporate Sustainability Transformation From ESG Investment and Financing's Point of View	3	
		2021.09.24	Taiwan Corporate Governance Association	How to Consider Intelligence Security Risks to Create a Triple Win Situation in Digital Transformation of Enterprises	3	

Note: The training hours, training scopes, training systems and training arrangements disclosed above are all in compliance with regulations of the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies"

Audit Committee attendance

1. Composition of the Audit Committee

Since Feb., 2014, in accordance with Article 14-4 of the Securities and Exchange Act, the Company has established an Audit Committee composed entirely of independent directors.

2. Scope of Duties of the Audit Committee

According to Article 6 of the Audit Committee Organizational Rules of the Company, the scope of duties of the Company's Audit Committee is as follows:

(1) Adoption of or amendment to the internal control system according to Article 14-1 of the Securities and Exchange Act.

(2) Assessment of the effectiveness of the internal control system.

(3) Adoption of or amendment to, pursuant to Articles 36-1 of the Securities and Exchange Act, the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.

(4) A matter bearing on the personal interest of a director.

(5) A material asset or derivatives transaction.

(6) A material monetary loan, endorsement, or provision of guarantee.

(7) The offering, issuance, or private placement of any equity-type securities.

(8) The hiring, discharge, or compensation of an attesting CPA.

(9) The appointment or discharge of a financial, accounting, or internal auditing officer.

(10) Review annual financial reports and second quarter financial reports that must be audited and attested by a CPA, which are signed or sealed by the Chairman, managerial officer, and accounting officer.

(11) Fairness and rationality of M&A plans and transactions.

(12) Other material matters as may be required by the Company or competent authorities.

The Audit Committee convened 10 times (A) in 2021

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Independent director	Hong-So Chen	10	0	100	None
Independent director	Brian Y. Hsieh	10	0	100	None
Independent director	Chieh Wang	10	0	100	None

Other mentionable items:

1. If the operation of the audit committee falls under any of the following circumstances, the meeting date of the audit committee, the number of the meeting, the content of the proposals, the independent directors' objections, reservations or major suggestions, the results of the audit committee's resolutions, and the Company's handling based on the audit committee's opinions shall be stated.
   (1)The matters listed in Article 14-5 of the Securities Exchange Act;
   (2) Unless otherwise provided the above, others were approved by Audit Committee, but approved with the consent of two-thirds or more of all Directors.

Date	Meeting/ session	Contents of Resolutions	Matters listed in Article 14-5 of the Securities and Exchange Act	Resolutions not approved by the audit committee, but which had the consent of more than two-thirds of all directors
2021.01.19	3th meeting of the 3th session	1. Lifting of non-competition of the managers.	✓	
		2. Issuing the 2020 "internal control statement" of the Company.	✓	
		Resolutions of the Audit Committee meeting : All the attending members approved, and submitting to the Board of Directors for resolution.		
		The Company's handling of the opinions of the Audit Committee: All the attending directors approved.		
2021.02.18	4th meeting of the 3th session	1. The Company's 2020 financial report.	✓	
		2. Proposed disposal of the Company's shares in the reinvested company, Taiwan Pelican Express.	✓	
		3. The acquisition of Right of Use Asset for the Proposed Rental of Fubon Life Insurance's Fubon Ruiguang Building by the Company.	✓	
		Resolutions of the Audit Committee meeting : All the attending members approved, and submitting to the Board of Directors for resolution.		
		The Company's handling of the opinions of the Audit Committee: All the attending directors approved.		
2021.03.31	5th meeting of the 3th session	1. The Company's 2020 earnings distribution	✓	
		2. The Company's transfer of capital reserve to capital increase and issuance of new stocks.	✓	
		3. Proposed extension of the Company's lease period of the right of use asset for the Yongkang plant of the Shee Kang Trading Co., Ltd.	✓	
		4. Amendment to the Company's Articles of Incorporation.	✓	
		5. The amendment to the "Ethical Corporate Management Best Practice Principles" and the formulation of the "Procedures for Ethical Management and Guidelines for Conduct" of the Company.	✓	
		6. Amendment to the "Code of Conduct for Reporting Illegal, Unethical or Dishonest Cases" of the Company.	✓	
		7. Removal of non-competition restrictions for Directors of the Company.	✓	
		Resolutions of the Audit Committee meeting : All the attending members approved, and submitting to the Board of Directors for resolution.		
		The Company's handling of the opinions of the Audit Committee: All the attending directors approved.		
2021.03.31	6th meeting of the 3th session	1. The Company's 2020 earnings distribution	✓	
		2. The Company's earnings distribution and capital surplus cash dividend issuance.	✓	
		Resolutions of the Audit Committee meeting : All the attending members approved, and submitting to the Board of Directors for resolution.		

		The Company's handling of the opinions of the Audit Committee: All the attending directors approved.		
2021.04.28	7th meeting of the 3th session	1. The appointment of the 2021 CPA of the Company.	✓	
		2. Acquisition of Right of Use Asset for the Proposed Rental Renewal of Taiwan Mobile's Alpha Tech Building by the Company.	✓	
		3. The acquisition of right-of-use asset for the proposed rental of Jong Hsing Trading Co., Ltd.'s Xitun factory by the Company.	✓	
		Resolutions of the Audit Committee meeting : All the attending members approved, and submitting to the Board of Directors for resolution.		
		The Company's handling of the opinions of the Audit Committee: All the attending directors approved.		
2021.07.09	8th meeting of the 3th session	1. The acquisition of right-of-use asset for the proposed rental of Yung Yu's factory in Yangmei City, Taoyuan County by the Company.	✓	
		Resolutions of the Audit Committee meeting : All the attending members approved, and submitting to the Board of Directors for resolution.		
		The Company's handling of the opinions of the Audit Committee: All the attending directors approved.		
2021.07.28	9th meeting of the 3th session	1. The appointment of the 2022 CPA of the Company.	✓	
		2. The Company's proposed issuance of letter of commitment to support the operation of Bebe Poshe International Co., Ltd.	✓	
		3. Amendment to the "Corporate Social Responsibility Best Practice Principles" of the Company.	✓	
		Resolutions of the Audit Committee meeting : All the attending members approved, and submitting to the Board of Directors for resolution.		
		The Company's handling of the opinions of the Audit Committee: All the attending directors approved.		
2021.09.03	10th meeting of the 3th session	1. Proposed land purchasing and self-construction of central logistics center by the Company.	✓	
		Resolutions of the Audit Committee meeting : All the attending members approved, and submitting to the Board of Directors for resolution.		
		The Company's handling of the opinions of the Audit Committee: All the attending directors approved.		
2021.10.29	11th meeting of the 3th session	1. Proposed establishment of a subsidiary through reinvestment by the Company.	✓	
		2. Acquisition of Right of Use Asset for the Proposed Rental of Fubon Life Insurance's Chengde Building by the Company.	✓	
		Resolutions of the Audit Committee meeting : All the attending members approved, and submitting to the Board of Directors for resolution.		
		The Company's handling of the opinions of the Audit Committee: All the attending directors approved.		
2021.11.30	12th meeting of the 3th session	1. The Company's participation in the equity auction of domestic companies.	✓	
		Resolutions of the Audit Committee meeting : All the attending members approved, and submitting to the Board of Directors for resolution.		
		The Company's handling of the opinions of the Audit Committee: All the attending directors approved.		

2. Any conflict of interest among independent directors: None

3. Communication among independent directors, internal audit officer and accountants (for example, any matters, methods and results of communication for the company's financial status and business operations)

(1) In addition to internal audit office that shall submit audit report to each independent director for review on a monthly basis, auditing officer also shall report audit implementation to independent directors in the Audit Committee on a quarterly basis.

(2) It is required to track the improvement on deficiencies and abnormal of events reported in each audit report, and submit follow up report to track the progress on a quarterly basis.

(3) When the Audit Committee meeting discusses financial statements and CPAs' audit and certification, CPAs is invited to attend as required.

(4) Independent Directors and CPA shall hold regular meetings at least four times each year. CPA shall report to Independent Directors the matters concerning the Company's financial situation, financial and overall operations of domestic and overseas subsidiaries, and internal control and audit. And, with which shall fully communicate any material adjustments of accounting entries, or whether amendment of laws and regulations may affect accounting/journal entry. In the event of major unusual matters, the audit committee may convene meeting at any time.

(5) Regular communication is as the Schedule below:

Date	Communication situation with the internal audit		Communication situation with the CPA	
	Communicated matters	Results of the communication	Communicated matters	Results of the communication
2021.01.19 3th meeting of the 3th session	1. Report on the 4Q20 internal audit progress 2. Issuing the 2020 "internal control statement " of the Company	1. Noted. 2. After deliberation, submitting to the Board of Directors for resolution	-	-
2021.02.18 4th meeting of the 3th session	-	-	1. 2020 CPA audit report 2. Explanation of 2020 audit results (including key audit matters and reinvestment businesses). 3. Other communicated matters: Reply to questions and update of laws and regulations.	Noted.
2021.04.28 7th meeting of the 3th session	Report on the 1Q21 internal audit progress.	Noted.	1.1Q21 CPA review report 2. Other communicated matters: answer the questions.	Noted.
2021.07.28 9th meeting of the 3th session	Report on the 2Q21 internal audit progresses.	Noted.	1.2Q21 CPA review report 2. Description of the future audit/review work plan of the reinvested companies. 3. Other communicated matters: answer the questions.	Noted.
2021.10.29 11th meeting of the 3th session	1. Report on the 3Q21 internal audit progress. 2. Establishment of the Company's 2022 audit plan	1. Noted. 2. After deliberation, submitting to the Board of Directors for resolution	1. 3Q21 CPA review report。 2. Explanations of 2021 audit plan and crucial audit matters 3. Description of the annual audit method of the reinvested companies. 4. Other communicated matters: answer the questions.	Noted.

Unless otherwise set forth above, audit officer and CPA shall directly contact with independent Directors as need and maintain a sound communication channels.

3. Other performance results of the Audit Committee

In 2021, 10 meetings were convened by the Audit Committee. For agendas deliberated by the Committee in accordance with Article 14-5 of the Securities and Exchange Act, please refer to Item 3. Other matters required to be recorded about Audit Committee's operations in the preceding Paragraph. The following are the performance results of other material agendas:

(1)2021.01.19

a. Ratification of the appointment of director served by corporate shareholder's representative of the Company's reinvested company in Thailand, TV Direct Public Company Limited.

b. 2020 performance and independence evaluation of CPAs engaged by the Company.

c. The Company’s 2021 budget.

d. Internal audit activities.

(2)2021.02.18

a. Major asset acquisition or disposal of the Company in 4Q 2020.

b. 2020 CPA audit report.

(3)2021.04.28

a. Major asset acquisition or disposal of the Company in 1Q 2021.

b. The Company’s 1Q 2021 financial statement.

c. Internal audit activities.

d. 1Q 2021 CPA audit report

(4)2021.07.28

a. Major asset acquisition or disposal of the Company in 2Q 2021.

b. The Company’s 2Q 2021 financial statement.

c. Internal audit activities.

d. 2Q 2021 CPA audit report

(5)2021.09.03

a. Review of the appointment of director served by corporate shareholder's representative of the Company's reinvested subsidiary "Bebe Poshe International Co., Ltd.".

(6)2021.10.29

a. Major asset acquisition or disposal of the Company in 3Q 2021.

b. The Company’s 3Q 2021 financial statement.

c. The Company’s 2022 Audit Committee meeting schedule.

d. Establishment of the Company’s 2022 audit plan.

e. Internal audit activities.

f. 3Q 2021 CPA audit report

(III) Composition and duties of the Information Security Management Committee

1. Composition of the Information Security Management Committee

The Company established the “Information Security Management Committee" in Oct., 2020. Such Committee consists of 3 Directors (including 2 Independent Directors), of whom, Director Jeff Ku and Independent Director Hong-So Chen have expertise in information technology and thus meet the professional capability required for such Committee. Such Committee functions in accordance with the Company's “Information Security Management Committee Charter."

2. Scope of Duties of the Information Security Management Committee

According to the “Information Security Management Committee Charter" of the Company, the scope of duties of the Company’s Information Management Security Committee is as follows:

(1) Review information security management policies, formulate an information security management framework and organizational functions, and periodically inspect the development, establishment, and implementation results of company-wide information security management system.

(2) Review information security management mechanisms of new services.

(3) Verify discussions and response measures for losses due to major information security incidents.

(4) Review other matters stipulated by the competent authority or the Board of Directors or in any information security policy, or matters that need to be reported to the Board of Directors.

3. Information Security Management Committee attendance

The term of the 1st Information Security Committee: 2020.10.29-2023.5.14. In the most recent year (2021), the Information Security Committee held 2 meetings (A), and the attendance of directors is as follows:

Title	Name	Professional Qualification Requirements & Work Experience	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Independent Director	Chieh Wang	please refer to "Information Disclosure of Directors' Professional Qualifications and Independent Directors' Independence" on page 19	2	0	100%	None
Director	Jeff Ku		2	0	100%	None
Independent Director	Hong-So, Chen		2	0	100%	None

4. Performance results of Information Security Management Committee

(1)2021.1.19

a. Personal Data Protection Act and report required by the competent authority.

b. Report on the Company's passing of the verification of information security management system ISMS (ISO/IEC 27001:2013) and personal information management system PIMS (BS 10012:2017) in 2020 and the 2021 management system inspection strategy planning.

c. Report on information security incidents.

(2)2021.7.28

a. Report on the Company's passing of the verification of information security management system ISMS(ISO 27001:2013) and personal information management system PIMS(ISO 27701:2019) in 2021 and the corrections found in external audits.

b. Report on the current status and planning of the IVR logistics distribution transfer service and delivery note code hiding.

Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	V		On 2015.10.29, the Board of Directors of the Company resolved to approve the Corporate Governance Best Practice Principles. In order to comply with the development trend of international corporate governance and to respond to the development of social and international issues of concern in recent years, on 2020.10.29, amendments to relevant content of the Principles were approved by the Board of Directors and disclosed on the Market Observation Post System (MOPS) and the Company’s official website.	None
2.Shareholding structure & shareholders’ rights (1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(1) The Corporate Governance Best Practice Principles has a “designated chapter for the protection of shareholders’ rights and interests" and was implemented. Accordingly, the stock registrar is commissioned by the company to handle shareholder-related issues. When shareholders are in a shareholders meeting, their inherent rights to attend, nominate, propose, elect, litigate, and so on are all handled in accordance with the content and exercise methods of the rights specified in the "Regulations and Procedures of Shareholders' Meeting", "Regulations Governing the Election of Directors" and relevant laws and regulations. The Company has a spokesperson and a deputy spokesperson. In order to deal with the relevant suggestions of shareholders in a timely manner, the communication channel has been disclosed on the Company's official website: stock affairs (shareholders) Information (https://corp.momo.com.tw/) to strengthen communication and contact with the shareholders.	None

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td>(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?</td><td>V</td><td></td><td>(2) The Company has declared the shareholding status of Directors, managers and major shareholders with more than 10% stake on a monthly basis.</td><td>None</td></tr>
<tr><td>(3) Does the company establish and execute the risk management and firewall system between the company and its affiliates?</td><td>V</td><td></td><td>(3) The internal control system of the Company has established the "Operational Procedures for Specific Company and Related Party Transactions of Group Companies “and "Regulations related to Financial and Business Matters among Affiliated Companies". The supervision and management of subsidiaries have been implemented and appropriate risk management mechanisms and firewalls have been established.</td><td>None</td></tr>
<tr><td>(4) Does the company establish internal rules against insiders trading with undisclosed information?</td><td>V</td><td></td><td>(4) The Company has established the "Management and Operational Procedures to prevent Insider Trading" to prohibit the Directors, managers and all employees of the Company, as well as anyone who becomes aware of the Company's information based on professional or control relationships from any conduct that may involve insider trading.
Regular internal educational training and advocacy.
Achievements of the 2021 insider trading prevention promotion:
<table>
<tr><th>Name</th><th>Date</th><th>Training hours</th><th>No. of People</th></tr>
<tr><td>Insider trading prevention promotion</td><td>10.15～11.03</td><td>2,625</td><td>2,625</td></tr>
</table>
* 100% of the in-service employees completed the online course and passed the test by Oct. 15.</td><td>None</td></tr>
<tr><td>3.Composition and Responsibilities of the Board of Directors
(1) Does the board of directors formulate diversity policies, specific management objectives and implement them?</td><td>V</td><td></td><td>(1) In order to improve the structure of the board of directors and actively implement the diversity of board members, the Company has specified a diversity policy in the "Practical Guidelines for Corporate Governance" and "Regulations Governing the Election of Directors". For the specific management objectives and implementation status, please refer to the description of the "Board diversity and</td><td>None</td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			independence" on page 25.	
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		(2) In addition to the establishment of the Remuneration Committee and the Audit Committee under the Board of Directors according to the laws, for the purpose of strengthening controls and monitoring information security risks, as well as enhancing the function of the Board of Directors, the Board of Directors adopted a resolution on Oct. 29, 2020 to established the “Information Security Management Committee." Such Committee consists of 3 Directors (including 2 Independent Directors), of whom, Director Jeff Ku and Independent Director Hong-So Chen have expertise in information technology and thus meet the professional capability required for such Committee. Such Committee functions in accordance with the Company's “Information Security Management Charter."	None
(3) Does the company establish a standard to measure the performance of the Board, implement it annually, report the results of the performance appraisal to the board of directors and apply the results for reference regarding individual directors’ remuneration and re-appointments?	V		(3) A. The Company has established the “Regulations Governing Performance Evaluation of the Board of Directors and Functional Committees," based on which relevant evaluations are carried out. B. While internal performance evaluations are conducted at year end, external evaluations are conducted by external professional independent institutions, teams of experts and scholars, or by other proper means, at least once every three years. C. Results of internal and external performance evaluations shall be completed by the end of the first quarter of the following year. Such results shall not only be submitted to the Remuneration Committee and the Board of Directors for review and improvement, but also serve as a reference for the remuneration and nomination of Directors. D. In 2021, the Taiwan Corporate Governance Association has been appointed to perform an external evaluation. The Association has issued a "Board of Directors' Performance	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company regularly evaluate the independence of CPAs?	V		Evaluation Report" on Dec. 3, 2021, and the relevant suggestions and the measures to be adopted by the Company have been submitted to be reported in the Board Meeting on Jan. 19, 2022. E. Relevant results of performance evaluation of the Board of Directors have been announced on the Company’s official website. (4) In accordance with the Company's Corporate Governance Best Practice Principles, the annual evaluation of the independent public certified accountant and the method of evaluation is as follows: A. Examination of the accountant's personal resume. B.Has not served on a board of directors, as a manager or is in position of major influence in a company which may generate conflicts of interest. C. Has not been appointed for accountant assurance service for seven years consecutively. D. Has obtained accountant certified declaration of independence every year. E. Service quality and efficiency on auditing and taxation work. F. If there is cases under litigation or correction from the competent authorities. G. The size and reputation of the accounting firm. H. The accountant suitability survey is used every year to summarize the result of evaluation on the independence of the accountant. Joint evaluation by the Company's accounting and auditing supervisors has determined the independence of the public certified accountant meets the standard. On Jan. 19, 2022, the Audit Committee and Board of Directors approved the 2021 public certified accountant performance and independence evaluation.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
4. Has the TWSE/TPEx listed company been equipped with competent and appropriate numbers of corporate governance personnel, and designated a CGO responsible for corporate governance-related affairs (including but not limited to providing directors and supervisors with the information required for business execution, assisting directors and supervisors with legal compliance, handling matters related to board meetings and shareholders meetings in accordance with the law, and producing meeting minutes for board of directors meetings and shareholders meetings)?	V		The Company’s “Corporate Governance Best Practice Principles" have explicitly stated that the Financial & Accounting Division is concurrently responsible for matters related to corporate governance, and shall be supervised by the general manager. According to the resolution adopted by the Board of Directors on Oct. 29, 2018, the Company appointed the Vice President Gina Lu, Director of the Financial & Accounting Division, to hold a concurrent post as Chief Governance Officer. She has more than 8 years of experience in managing financial, stock, and meeting affairs in public companies. There is stock affairs section set up under the financial and accounting division, which is responsible for corporate governance matters and assists in providing Directors with the information they need to conduct business and meetings, in order to safeguard shareholder rights and strengthen Board functions. Its main responsibilities are as follows: (1)Draft and set up effective corporate governance related covenants to properly comply with laws and regulations and to ensure healthy internal management (2)Carry out work related to the shareholders' meetings (3)Carry out work related to the Board of Directors and Auditing Committee (4)The production of meeting minutes for board of directors’ meetings and shareholders’ meetings. (5)Carry out changes in Company registration (6)Set up and maintain information on the Company's website in both Chinese and English, disclosing information and results related to the Company's financial, operational and corporate governance affairs. (7)Assisting in furnishing information required for the on boarding and business execution of directors and arranging directors’ continuing education. (8)Assisting directors with legal compliance.	None

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>The operations during 2021 were as follows:
(1)Assisting directors and independent directors in carrying out their respective roles, providing essential information, and organizing further studies for the directors:
(A) Providing regular notification to Board of Directors members on the amendment and development of the latest laws and regulations pertaining to the Company's scope of business as well as corporate governance
(B) Providing the directors with the necessary Company information, and maintaining a smooth channel of communication between the directors and the business management
(C) Arranging "at the office classes" for Directors
* Training courses for Directors held by the Company on its own in 2021:
<table>
<tr><th>Date</th><th>Organizer</th><th>Course name</th><th>Hours</th></tr>
<tr><td>2021.09.24</td><td>Taiwan Corporate Governance Association</td><td>How to Consider Intelligence Security Risks to Create a Triple Win Situation in Digital Transformation of Enterprises</td><td>3.0</td></tr>
<tr><td>2021.10.15</td><td>Taiwan Corporate Governance Association</td><td>What Investors Are Thinking －A Talk About Corporate Sustainability Transformation From ESG Investment and Financing's Point of View</td><td>3.0</td></tr>
<tr><td>2021.11.12</td><td>Taiwan Corporate Governance Association</td><td>New Trend of Retail Power - From Digitalization to Zero Time Difference Consumption</td><td>3.0</td></tr>
</table>
(2)Assist with the Board of Directors, Audit Committee, Annual Shareholder Meeting’s agenda and resolution to ensure compliance with the relevant laws and regulations.
(A) Ensure the convening of Company's Board of Directors, Audit Committee and shareholders' meeting is in</td><td></td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			accordance with the relevant laws and regulations as well as the specifications set out in the Company's Corporate governance guidelines. (B) Responsible for checking major announcements related to important decisions after each meeting, ensuring the content of said announcements are accurate and lawful so as to protect trading information for investors. (3)Draft the agenda for Board of Directors and Audit Committee meetings; notify the directors 7 days prior to meetings; convene the meetings and provide relevant information at the meetings; prior reminder of recusal if the motion leads to conflicts of interest, and complete the meeting minutes within 20 days after each meeting. (4)Carry out preregistration for shareholders' meeting; produce meeting notification, meeting proceeding manuals, memos etc., within the legally allowed time and when necessary, make the appropriate amendments after revising bylaws and re-election of Board of Directors members. (5) Handling the Company's change registrations according to the laws. (6)In order to implement corporate governance, the Company regularly conducts performance evaluations of the board of directors and individual directors in accordance with the Regulations Governing Performance Evaluation of the Board of Directors and Functional Committees formulated by the Company. Also, external evaluations are performed by external professional independent institutions at least once every three years. (7)In order to fully guarantee shareholders’ rights and interests, advance duties of the Board of Directors/functional committees, and enhance the corporate governance function, the Company has set up or amended corporate governance-related measures, such as the “Articles of Incorporation," “Regulations	

<table>
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<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>Governing Performance Evaluation of the Board of Directors and Functional Committees," “Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct", "Code of Conduct for Reporting Illegal, Unethical or Dishonest Cases," and "Corporate Social Responsibility Principles." And, "Corporate Social Responsibility Principles." Changed name to " Sustainable Development Best Practice Principles."
8.Continuing education situation of CGO in 2021

<table>
<tr><th>Date</th><th>Organizer</th><th>Course name</th><th>hours</th></tr>
<tr><td>2021.03.09</td><td>Taiwan Corporate Governance Association</td><td>Backstage driving force of corporate governance: the operational practice of corporate governance personnel</td><td>3.0</td></tr>
<tr><td>2021.04.23</td><td>Taiwan Corporate Governance Association</td><td>Talking about Taiwanese business operation and M&A strategy from the perspective of global political and economic situation</td><td>3.0</td></tr>
<tr><td>2021.08.03</td><td>Taiwan Corporate Governance Association</td><td>[Online course] Cyber attack incidents are frequently reported, information security issues that directors and supervisors shall face squarely</td><td>3.0</td></tr>
<tr><td>2021.09.15</td><td>Taiwan Corporate Governance Association</td><td>Directors and supervisors responsibility and risk management seminar</td><td>3.0</td></tr>
<tr><td>2021.09.24</td><td>Taiwan Corporate Governance Association</td><td>How to Consider Intelligence Security Risks to Create a Triple Win Situation in Digital Transformation of Enterprises</td><td>3.0</td></tr>
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</td><td></td></tr>
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<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
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<tr><td></td><td></td><td></td><td><table>
<tr><td>2021.10.15</td><td>Taiwan Corporate Governance Association</td><td>What Investors Are Thinking - A Talk About Corporate Sustainability Transformation From ESG Investment and Financing's Point of View</td><td>3.0</td></tr>
<tr><td>2021.11.12</td><td>Taiwan Corporate Governance Association</td><td>New Trend of Retail Power - From Digitalization to Zero Time Difference Consumption</td><td>3.0</td></tr>
<tr><td>2021.11.18</td><td>Taiwan Corporate Governance Association</td><td>Hostile mergers and acquisitions, case analysis of management rights takeover and company countermeasures</td><td>3.0</td></tr>
</table></td><td></td></tr>
<tr><td>5.Does the company establish a communication channel and build a designated section on its website for involved parties (including but not limited to shareholders, employees, customers and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?</td><td>V</td><td></td><td>The Company has a spokesperson and deputy spokesperson, and also has set up a stakeholder information page on the Company’s website to maintain an open communication channel with stakeholders. The Company has been convening physical stakeholder forums on a yearly basis since 2019 to communicate with stakeholders on the Company’s achievements in corporate social responsibility implementation and to collect stakeholders’ materiality issues of concern. The Company has maintained a healthy and functional communication with stakeholders.</td><td>None</td></tr>
<tr><td>6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?</td><td>V</td><td></td><td>The Company designates Fubon shareholder service agency to deal with shareholder affairs.</td><td>None</td></tr>
<tr><td>7.Information Disclosure
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?</td><td>V</td><td></td><td>(1) The Company has a website (https://corp.momo.com.tw/) with a dedicated person in charge of maintaining and updating important financial, business information and corporate governance information at all times for the reference of shareholders and stakeholders.</td><td>None</td></tr>
<tr><td>(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information</td><td>V</td><td></td><td>(2) An English website (https://corp.momo.com.tw/en/) has been built, and a spokesperson and deputy spokesperson system has been established to speak on behalf of the Company. A</td><td>None</td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
collection and disclosure, creating a spokesman system, webcasting investor conferences)?			dedicated staffer is responsible for information collection and immediate disclosure of the Company, including institutional investors' conference information, and the immediate disclosure of Company's material information in Chinese and English on the MOPS of TWSE.	
(3) Does the Company announce and report the annual financial report as early as possible within two months after the end of the fiscal year, and announce and report the first, second and third quarter financial reports and the operating status of each month as early as possible before the required deadlines?	V		(3) The Company announces and reports the annual financial report as early as possible within two months after the end of the fiscal year, and announces and reports the first, second and third quarter financial reports and the operating status of each month as early as possible before the required deadlines.	None
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?	V		(1) Employees' rights, interests, and care, this company established rules and scheme for human resource management based on the minimum standards stipulated in relevant governmental policies, such as Labor Standards Act, Act of Gender Equality in Employment, and Sexual Harassment Prevention Act, in protecting employees' rights and interests. (2) Improving employee relations: In order to improve employee relations, the Company regularly holds labor-management meetings and provides a complete communication channel to immediately hear employees' voices and suggestions, as a reference for the Company's welfare adjustment and system optimization. (3) Investor relations: The Company adheres to the principles of protecting shareholders' interests and treating shareholders equally. In addition to convening shareholders meetings in accordance with laws and regulations and actively participating in external institutional investors' conferences, all major company information is published in both Chinese and English on the MOPS, and the financial information is provided in both Chinese and English on a regular basis, so as to ensure the consistency of information disclosure. In	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			addition, in shareholders meetings, relevant documents are provided in both Chinese and English and electronic voting is adopted, so that domestic and foreign investors can obtain equal channels and participate in the Company’s major decision-making in a timely manner. (4) Supplier relations: The Company regards suppliers as long-term business partners, through cooperation on the subject matters and information-sharing, we establish a good interactive mode. In addition, the Company award prizes to suppliers with outstanding performance through regular supplier meetings. (5) In terms of stakeholders’ rights: In order to protect the rights and interests of stakeholders, the Company has set up various benign and smooth communication channels. It has been convening physical stakeholder forums on a yearly basis since 2019 to communicate with stakeholders on the Company’s achievements in corporate social responsibility implementation and to collect stakeholders’ materiality issues of concern. Based on opinions raised by stakeholders, the Company deals with relevant affairs properly by adhering to the integrity principle and adopting a responsible attitude, thus fulfilling its corporate social responsibility. (6) Directors’ Training records: The Company holds advanced studies in the form of “at the office classes" for Directors each year. The contents include corporate governance-related themes. As of the end of 2021, all training hours of in-service Directors (including Independent Directors) are in compliance with requirements prescribed in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies." (7) Execution of risk management policies and risk measurement standards: The Company has established different internal regulations according to laws and conducts various risk	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			management and assessment. (8) Execution of client policies: The Company is dedicated to improving quality and enhancing professional skills to provide clients with the best services and products. (9) Status of liability insurance for directors: In order to optimize the corporate governance mechanism and insure against risks incurred by Directors and the managers in carrying out their responsibilities, the Company purchases the "Directors and Managers Liability Insurance" for Directors and managers annually. The Company also reviews the insurance policy on a regular basis to ensure the claim amount and insurance coverage meets the demands, and reports to the Board of Directors. (10) Intellectual property management plan: Since 2020, the Company has gradually promoted intellectual property management measures, linked operational goals and internal resources, followed the TIPS system to standardize the content, established an overall intellectual property management plan system to strengthen the management and application of the Company's intellectual property rights and enhance the corporate brand value and market competitiveness, so that consumers can trust the Company for safe shopping experience, enhance the willingness of brand suppliers to cooperate with the Company, reduce the risk of operation infringement, and create a stable business growth target. (11) For personnel of the Company relevant to financial information transparency, their status of obtaining designated licenses from the competent authority are as follows: A Certification in Control Self-Assessment (CCSA): 1 person in the Financial & Accounting Division B Certified Internal Auditor (CIA): 1 person in the Internal	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			Audit Office and 1 person in the Financial & Accounting Division C CPA of R.O.C: 3 persons in the Financial & Accounting Division D Project Management Professional (PMP): 1 person in the Financial & Accounting Division E Certified Valuation Analyst (CVA): 1 person in the Financial & Accounting Division	
9. Please describe improvements in accordance with corporate governance assessment results issued by the Corporate Governance Center, TWSE in the most recent year, and provide priority emphasizes and action plans for items that have not yet improved. A. The Company has been participating in the "Corporate Governance Evaluation" jointly held by the Taiwan Stock Exchange and the Taipei Exchang, the Company has been ranked top 5% in the TWSE-listed companies for five consecutive years, and has continued to be chosen as one of constituents of "Taiwan Corporate Governance 100 Index". B. The Company continues to promote the enhancement of various corporate governance mechanisms to adapt to the "corporate governance blueprint 3.0" announced by the FSC, and responds to stakeholders' expectations through implementation of the five key strategies: maintaining shareholders' rights and interests, treating shareholders in a fair manner, increasing information transparency, strengthening the structure of the Board of Directors, and promoting sustainable development. It keeps creating values for stakeholders and anticipates setting an example for sustainable enterprises.				

Composition, Responsibilities and Operations of the Remuneration Committee

Since Feb., 2014, the Company has stipulated that the Remuneration Committee shall be composed of all Independent Directors in accordance with the provisions of the Securities and Exchange Act. In order to implement the spirit of corporate governance, the Company operates under the "Remuneration Committee Charter", with the main purpose of supervising the following matters:

(1) Formulating and reviewing regularly the performance evaluation and compensation policies, systems, standards and structures of the Directors and managers.

(2) Regularly reviewing and formulating Directors' and managers' remuneration.

1. Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title	Criteria / Name	Professional Qualification Requirements & Work Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Independent director	Brian Y. Hsieh	Please refer to "Information Disclosure of Directors' Professional Qualifications and Independent Directors' Independence" on page 19		2
Independent director	Hong-So Chen			4
Independent director	Chieh Wang			0

2. Compensation Committee attendance

(1) The Compensation Committee consists of 3 members.

(2) Terms of office for current members: May 17, 2017 to May 14, 2020 for the second session; May 15, 2020 to May 14, 2023 for the third session. The most recent (2021) Compensation Committee has already convened meetings 6 times.

Date	Meeting/ session	Contents of Resolutions	Resolution of the Remuneration Committee	The Company's process of the opinions of the Remuneration Committee
2021.1.19	3th meeting of the 3th session	2020 performance appraisal and year-end bonus of internal managers and other related parties	All attending members had no objection and the proposal was approved as proposed	None
2021.2.18	4th meeting of the 3th session	2020 employee salary and Director remuneration distribution	All attending members had no objection and the proposal was approved as proposed	None
2021.3.31	5th meeting of the 3th session	2020 performance evaluation of the Board of Directors and functional committees	All attending members had no objection and the proposal was approved as proposed	None
2021.4.28	6th meeting of the 3th session	1. 2021 salary review of internal managers and other related parties. 2. 2021 promotion and salary adjustment of internal managers	All attending members had no objection and the proposal was approved as proposed	None
2021.7.28	7th meeting of the 3th session	"Regulations Governing the Payment of Employee Salary in 2020" and distribution amount to the internal managers	All attending members had no objection and the proposal was approved as proposed	None
2021.10.29	8th meeting of the 3th session	Amendment to the Company's "Regulations Governing Performance Evaluation of the Board of Directors and Functional Committees "was approved.	All attending members had no objection and the proposal was approved as proposed	None

(3) The attendance record of the Compensation Committee members was as follows:

Title	Name	Attendance in Person(B)	By Proxy(A)	Attendance Rate (%) 【B/A】	Remarks
Convener	Brian Y. Hsieh	6	0	100%	-
Committee Member	Hong-So Chen	6	0	100%	-
Committee Member	Chieh Wang	6	0	100%	-

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
2. Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

Note:

(1) The resignation date for any members on the compensation committee before the fiscal end date shall be specified in the remarks column. The actual attendance rate (%) is calculated by the number of compensation committee meetings held during a member's employment period and the number of his/her actual attendance.

(2) In the event of any re-elected members on the compensation committee before the fiscal end date, both the succeeding and preceding committee members shall be recorded and specified as preceding, succeeding, or re-elected in the remarks column. The re-election date shall also be specified. The actual attendance rate (%) is calculated by the number of compensation meetings held during a member's employment period and the number of his/her actual attendance.

Implementation of the promotion of sustainable development and the differences and reasons regarding the code of practice for sustainable development of TWSE/TPEx-listed companies

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
1. Has the Company established a governance structure to promote sustainable development, and set up a full-time or part-time unit to promote sustainable development, which is authorized by the board of directors to be handled by senior management, and is supervised by the board of directors?	V		The Company has submitted and reported to the Board on Oct., 2016 and then set up the CSR committee. At Jan., 2022, the CSR committee changed the name to "Sustainable Development Committee". Since 2019, there have been dedicated persons under the Financial & Accounting Division and independent budget has been prepared; such persons are responsible for planning and implementing corporate social responsibility and coordinating with cross-departmental related business. Presidents to act as Chairman, and Director of finance and accounting Dept., Gina Lu, to act as Executive Director, of the committee. The Committee has six working groups: the Corporate Governance Team, the Commodity Responsibility Group, the Customer Commitment Group, Environmental Sustainability Group, the Employees Care Group, and the Social Care Group, which are responsible for the implementation and promotion related works, and the Executive Director reports to the Board at least twice a year about the promotion and implementation of CSR. To enable the board of directors to understand the implementation of the enterprise's promotion of sustainable development issues by sustainable development committee, and to supervise to ensure the achievement of sustainable development of the enterprise and the common prosperity of the society.	None
2. Does the Company conduct risk assessments of environmental, social, and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		Each year momo establishes a material theme list that covers all aspects of ESG through review and identification by 6 task forces under the CSR Committee, along with the consideration of the sustainable development trend, focuses of domestic and foreign enterprises in the TV shopping industry and the competent authority, and the Company's operating strategies. Through the identification of material themes, material topics are analyzed to generate material themes, based on which the Company lays down a crucial foundation to draw up its strategies and targets for corporate social responsibility.	None

<table>
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<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td>Given the ever-severe climate change and environmental impacts that are going to affect all operations of the Company, the CSR Committee promoted the “Task Force on Climate-related Financial Disclosures (TCFD)" project in late 2020 to identify the potential risks brought by various instances of climate change in connection with the interaction between the organization’s operating activities, services, and the environment, evaluated and determined whether the risks were acceptable, and then decided on the corresponding measures and adopted the appropriate management style.
The management policies and strategies for each aspect of material issues are summarized as follows:
<table>
<tr><th>Aspect</th><th>Material issues</th><th>Description</th></tr>
<tr><td>Environment</td><td>Green packaging and logistics</td><td>1. The environmental impact facing the e-commerce industry is mainly a problem of packaging disposables. In order to reduce the usage of packaging disposables, momo’s expert team studies the placement of products and inventories and analyzes shipping packages with the aid of data and system to reduce separate shipments from different warehouses and usage of cardboard boxes and packaging materials, thereby maximizing the loading rate of distribution vehicles.
2. At the end of 2020, following the online shopping packaging reduction guidelines, the project of using recycled bags for shipment will be introduced. It is estimated that the use of recycled bags in 2023 will reach 1% of the total shipments of each main warehouse.
3. To reduce the possibility of carbon emissions impacting the environment, momo promotes diversified green logistics action plans:
• Continues to offer the in-store pickup service in the four leading convenience stores nationwide
• Integrates in-store pickup service in the Taiwan Mobile's myfone stores
• Implements the logistics short-chain layout and builds satellite warehouses all over the country</td></tr>
</table></td><td></td></tr>
</table>

Evaluation Item	Implementation Status					Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation			
					• Shipment combination measures of orders • Diversified channels of forward logistics for shipping and reverse logistics for recycling	
				Environment and energy management	momo introduced the environmental management system at the end of 2018 and established the "Environmental Management Committee" to formulate environmental security and health management policy. From 2019 to 2020, it has obtained the ISO 14001:2015 environmental management system certificate and ISO 14064-1 greenhouse gas inventory verification statement. momo has also completed the 14064-1:2018 version conversion in the second quarter of 2021, adding indirect emissions such as emissions from employee commuting, business travel, and organizational procurement of goods (paper), etc. momo will continue to establish sustainable operation and green life through the ESG concept of sustainable operations.	
			Social	Quality security requirements and inspections	1. In the aspect of product management, momo states in its supplier contract that there should be no contradictions with the laws. It also formulates guidelines for various products and establishes a "Quality Control Department" to inspect product quality, composition, source, and whether the Chinese labels are correct and in compliance with various laws and regulations in Taiwan. 2. Commodity inspection is divided into three categories, and different inspections are performed for different types of commodities: • Corrective inspection • Preventive inspection • Scheduled inspection 3. momo's northern logistics center introduced the ISO 9001 Quality Management System. Senior supervisors guided the establishment of a task force to lay down the quality management policy of "Full Participation, Continuous Improvement, and Customer Satisfaction." Furthermore, three indicators including "Standard Operating Controls," "Implementation of Rectification and Prevention," and "Corporate Sustainable Development" are upheld to connect various operations over the course of logistics.	

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	Yes	No	Abstract Explanation			
				Customer privacy and information security	momo has established the "Information Security Committee" under the Board of Directors. The "Information Security and Personal Information Protection Management and Review Committee" originally established in response to ISO 27001 and BS 10012 has been renamed as "Information Security and Personal Information Protection Team", which reports the annual implementation result to the "Information Security Committee." In 2021, the management system was re-verified, and the personal information management was changed from the original BS 10012 to ISO 27701, which was built on the Company's original ISO 27001 information security management system, and the ISO 27701 personal information protection management system was introduced. After the integration of the two management systems of information security and personal information, the synergy was improved.	
				Occupational safety and health	momo is committed to providing a safe and healthy workplace. At the end of 2019, momo started planning to introduce the ISO 45001 occupational safety and health management system. Its scope of verification covers the headquarters building and the northern logistics center. The verification was passed in the third quarter of 2020. In 2021, momo continued to follow the ISO 45001 management guideline to integrate the Company's existing Occupational Safety and Health Committee framework to jointly discuss, coordinate and plan the rules related to safety, hygiene and health promotion.	
				Corporate Governance	Compliance with corporate governance	With its core value centered on “Integrity," momo keeps carrying out and strengthening compliance management, and creates a good compliance culture. It holds training sessions to help colleagues and partners understand laws and regulations; it also establishes a governing organization and implements the internal control mechanism to ensure all employees and operations in the Company are in compliance with relevant laws and regulations.	
			The boundaries disclosed in this data are based on momo, excluding its subsidiaries.			

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	Yes	No	Abstract Explanation	
3. Environmental issues				
(1).Does the company establishes proper environmental management systems based on the characteristics of their industries?	V		(1) ISO14064-1 greenhouse gas (GHG) inventory continued, and the verification was conducted in 2Q 2021. The ISO 14001 Environmental Management System was introduced into the head quarter building and northern logistics center, and a verification certificate was obtained in September 2019. It passed the re-verification in Aug., 2021. With the establishment of the Environmental Management Committee through the environmental management system, members of each group perform related environmental matters. The certificate of the ISO 14001 verification lasts from Sep. 24, 2019 to Sep. 23, 2022.	None
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		(2) The Company continuously improves resource efficiency of various resources, including paperless operations, encouraging and implementing copier paper recycling, establishing waste recycling management plans, reducing the use of packaging materials, using 100% recycled paper to make packaging carton, and using 30% recycled material to make the new self-seal bags. In 2021, we promoted the paper reduction action in the headquarters building office and used the printing volume management system to control and promote paper reduction. Due to the implementation of pandemic control and taking turns to work from home, online documents are mostly used, so the paper usage rate was reduced by about 20% compared with 2020.	None
(3) Does the Company assess the potential risks and opportunities climate change brings to the Company, now and in the future, and take measures to respond to climate-related issues?	V		(3) Based on the climate risk identification table, identify and evaluate the potential risks brought by various instances of climate change in connection with the interaction between the organization's operating activities, services, and the environment, determine whether the risks are acceptable, and then decide on the corresponding measures and adopt the appropriate management style.	None

Evaluation Item	Implementation Status					Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation			
			Climate risk factors	Impact on momo	momo's response measures and action plans	
			Increased cost of greenhouse gas emissions	The regulations of the competent authority have increased the control of greenhouse gas emissions year by year. Potential carbon risks such as total greenhouse gas emission amount control, carbon tax, and carbon trading plan will directly or indirectly affect the operating costs of enterprises. 1. momo's carbon tax liability results in increased operating costs. 2. momo needs to purchase renewable energy, resulting in increased electricity costs and related expenses.	1. Carbon-emission management: Continue and expand ISO 14064-1 greenhouse gas inventory to expose the data in scope 3. 2. Replacing energy-saving equipment at the site: Replace LED lamps in offices, and promote the use of LED lamps or power-saving equipment in warehouses to reduce electricity consumption. 3. In the newly established warehouses (for example: southern warehouse), the construction of rooftop solar panels is evaluated so as to increase the proportion of self-built renewable energy. 4. Continue to pay attention to the development of Taiwan's temperature management law and related policies such as carbon tax and carbon trading.	
			Increased extreme weather events - heavy rain, drought, typhoons	Physical assets are damaged and operating costs increase 1. Owned assets face flooding, fire, etc., and are directly damaged by impact, which increases maintenance and repair costs. 2. Natural disasters cause flooding, power outages, damage to inventory, and food spoilage, resulting in losses. 3. More capital needs to be invested in building resilience enhancement, UPS installation, and repair/rebuilding of damaged facilities, resulting in increased building improvement costs. 4. As the frequency and severity of natural disasters increase, related insurance costs thus increase.	1. Discuss with suppliers in advance to deal with extreme temperature changes, and jointly formulate action plans for when transportation or warehousing is impacted. 2. Products and services: Natural disasters (typhoons, torrential rains, fires) cause suppliers to be unable to supply as scheduled, and strengthen suppliers' cooperation in warehousing. 3. Check the vehicle condition of the self-operated fleet before departure, and record the weather conditions on the day of the car accident (record whether the weather will affect the probability of the accident, and find out ways to avoid it).	

<table>
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<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td>(4) Has the Company compiled statistics on greenhouse gas emissions, water consumption, and total weight of waste in the past two years, and does it formulate policies on energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction, or other waste management?</td><td>V</td><td></td><td>
<table>
<tr><td>Sea-level rise</td><td>Due to the rise of sea level, the operation base is restricted and related losses are caused.
1. momo's own operating base being submerged, resulting in property damage.
2. The construction site of the operation base is limited, and the related construction cost increases.</td><td>Warehouse construction and management: In the future, the geographical area and surrounding environmental factors will be taken into consideration when selecting new warehousing sites.
Operation management: The warehousing operates 24 hours a day, and in the event of an emergency warning, the operation of the local units will be connected horizontally.
Logistics and transportation management: Through data system calculation and concatenation, it can be configured in response to order transfer, and the cooperation with multiple distributors can supplement the transportation capacity affected by climate risks.</td></tr>
</table>
(4)
A. momo completed the 14064-1:2018 version conversion in 2021, and passes third-party verification every year. In order to strengthen the management of carbon emissions, the SBTi (Science-Based Targets Initiatives) setting was introduced in 2021, and the future carbon reduction targets and paths will be calculated with scientific methods, and target commitments will be submitted to SBTi to implement carbon reduction actions.
Inventory of organization level greenhouse gas (direct and indirect emissions). The greenhouse gas emissions in the past 3 years are as the Schedule below:
Unit: Metric ton CO2e
<table>
<tr><td>Year</td><td>2019</td><td>2020</td><td>2021</td></tr>
<tr><td>Direct emissions</td><td>234.99</td><td>357.31</td><td>337.92</td></tr>
<tr><td>Indirect emissions</td><td>6,092.73</td><td>5,939.59</td><td>9,017.51</td></tr>
<tr><td>Total emissions</td><td>6,327.72</td><td>6,296.90</td><td>9,355.43</td></tr>
<tr><td>Emission intensity</td><td>3.55</td><td>3.35</td><td>3.80</td></tr>
</table>
Note 1: Greenhouse gas emissions data had been verified by the British Standards Institution (BSI).</td><td>None</td></tr>
</table>

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<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td>Note 2: The emission intensity is calculated by dividing the total greenhouse gas emissions (metric ton CO2e) of the current year by the total number of persons hired by the headquarters and the actual number of stationed personnel in the north logistics center (including the personnel stationed in from the dispatch company) at the end of the current year.
Note 3: The base year for the inventory is 2020, according to the Global Warming Potential (GWP): 4th evaluation report in 2007 and 5th evaluation report in 2013 by the IPCC.
B. The operating water is mainly water for household use, and the wastewater is discharged into the sewage treatment plant for processing according to the effluent standards set by the government as the upper limit. In 2021, momo cooperated with the government's water rationing measures and taking turns to work from home in response to pandemic control. In addition to using sensor faucets, momo regularly announced measures to promote water-saving actions among employees and adopted measures such as maintaining indoor temperature and cooling efficiency. As a result, the per capita water consumption in 2021 decreased by 4% compared to 2020.
The water consumption is as follows:
<table>
<tr><td rowspan="2">Water usage amount</td><td>Unit</td><td>2019</td><td>2020</td><td>2021</td></tr>
<tr><td>Cubic meters</td><td>39,335.00</td><td>39,404.00</td><td>48,816.70</td></tr>
<tr><td>Employee water-consumption density</td><td>Consumed units/number of persons</td><td>20.95</td><td>18.69</td><td>17.78</td></tr>
</table>
C. Through the ISO 14001 environmental management system, we actively promote various waste reduction and carbon reduction projects. We are committed to protecting the earth, cherishing resources, and setting goals to create green sustainable operations:
(1) The set up of the printer control system led to the reduction of paper consumption by 20% compared to 2020.</td><td></td></tr>
</table>

<table>
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<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td>Paper usage in the headquarters building
<table><tr><td>Item</td><td>2020</td><td>2021</td></tr><tr><td>Total paper usage</td><td>1,094,485</td><td>852,053</td></tr><tr><td>Per capita usage</td><td>791.96</td><td>555.45</td></tr></table>Note 1: Paper size: A4,210mm x 297mm
Note 2: From January to March 2020, due to the introduction of the printing volume control system, it was not included in the statistics
Note 3: From May to July 2021, due to the working from home for pandemic control, it was not included in the statistics
(2) The amount of waste generated per capita in the momo building was reduced by 2.3% compared with 2020.
The amounts of waste is in the following table:
<table><tr><td>Amount of waste</td><td>Unit</td><td>2019</td><td>2020</td><td>2021</td></tr><tr><td>generated per capita</td><td>Kg/person</td><td>18.66</td><td>16.69</td><td>14.39</td></tr></table>Note: The amount of waste generated per capita is calculated by dividing the amount of waste generated in the headquarters building in the current year by the total number of employees employed by the headquarters in the current year.</td><td></td></tr>
<tr><td>4. Social issues
(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</td><td>V</td><td></td><td>(1) The Company complies with the relevant laws and regulations of the R.O.C., including the Labor Standards Act, the Employment Service Act, and the Act of Gender Equality in Employment, and has established the momo "Human Rights Policy" on May 18, 2017. There is no employment discrimination against local and aboriginal employees. The Company has built an environment where human rights are fully protected, and it ensures non-infringement of fundamental human rights, and enables both internal and external members of the Company to be treated with fairness and dignity. Moreover, work policies and performance evaluation criteria, etc. are provided to the employees within the company organizational systems, helping them gain understanding of labor regulations and basic rights.</td><td>None</td></tr>
</table>

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	Yes	No	Abstract Explanation	
(2) Does the Company formulate and implement reasonable employee benefits measures (including compensation, leaves and other benefits), and appropriately reflect operational performance or achievement in employee compensation?	V		momo continues to conduct new-employee trainings and on-the-job trainings, and strengthens the promotion of colleagues' awareness of gender equality. A total of 890 new employees received the training, and 2,705 employees received on-the-job training and test. The participation rate and achievement rate were both 100%. (2) A. Implementing reasonable measures for employee benefits: The Company gives due attention to labor rights. It strictly abides by the regulations of the Labor Standards Act, Act of Gender Equality in Employment, and Occupational Safety and Health Act, as well as other laws and acts. All employees' labor conditions and leave systems are in compliance with applicable laws and regulations, and employees enjoy statutory benefits and guarantees. In addition, outstanding and talented professionals are the foundation of momo. Our employees show considerable diversity according to different departments, such as customer service staff in the call center, distribution staff and tally staff in the logistics management division. We work to understand the market salary status on a regular basis and provide basic-level employees with a starting salary standard higher than the statutory minimum wage, regardless of gender, age, race, etc.; employees are given fair and reasonable compensation based on their education and experience, work and ability performance, expertise, skills, and other conditions, establishing a work environment that puts the right person in the right place. In order to enhance the competitiveness of the internal salary to attract and retain outstanding talent and to stabilize the quality of life for employees and the salary of basic-level employees, in 2021, the starting salary of new telemarketing business personnel was 1.14 times higher than the statutory minimum wage, and the starting salary of other full-time employees was 1.25 times higher than the statutory minimum wage. B. Business performance and results are appropriately reflected in	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		employee compensation: Employee salary structure includes mainly the monthly salary, year-end bonus, and employee compensation. Among which, the payment standard for the amount of year-end bonus and employee compensation is made considering the contribution to the Company’s operations, the achievement rate, and the annual performance appraisal based on employee performance management measures. Employee compensation shall be handled in accordance with the Company’s Articles of Incorporation. If the Company makes an annual profit, it shall allocate 0.1% to 1% as employee compensation, however, the Company’s accumulated losses, if any, shall have been covered in advance. For the year-end bonus, the distribution amount shall be determined based on the annual business performance. (3) A. The establishment of the Company’s dedicated occupational safety and health management unit or personnel: momo launched the introduction of ISO 45001 occupational health and safety management system into the operations of the headquarters building and the north logistics center at the end of 2019, and expected to pass verification in 3Q21. The period of certificate verification is 2020.9.15-2023.09.14. The Company has set up an Occupational Safety and Health Committee. Members of the Committee include occupational safety and health personnel, various department heads, registered nurses, and labor representatives. There are 27 members of the Committee, in which 40% are labor representatives. Meetings are held once a quarter to discuss, coordinate and plan together relevant regulations on safety, hygiene, and health promotion. The occupational safety and health management system covers full-time employees, contracted employees, temporary workers, and contractors to provide comprehensive care-taking and build solidarity for workplace	None

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	Yes	No	Abstract Explanation	
			safety. B. Operating environment check momo endeavors to establish a safe occupational environment. In cases where the workplace surrounding the quality control unit may have potential risks of danger involving ionizing radiation factor, the protection measures adopted for the operating environment and operators are as follows: (A)Within a defined range, personnel shall be prohibited from entering the work environment. Machinery and equipment inspection shall be performed in accordance with laws and regulations; reports and hazard notification shall be publicized at the work site. (B)Work personnel shall (regularly) undergo health check-ups and special hazard health check-ups. Further evaluation and health education shall be arranged for any personnel that is found to have an abnormal result and requires management. C. Key health and safety implementation status: (A)The labor health and safety management plan, labor health and safety code of practice, application for occupational injury claims and management specifications related to various hazardous operations were drafted in accordance with laws and regulations. (B)Various machinery and mechanical equipment: check list for items on the self-check for the periods by days, weeks, months, quarters, half-yearly, and yearly, to ensure operation safety of mechanical equipment. (C)Operation environment: provide special operation environment (such as for X-ray machine), implement environment inspection in accordance with regulations and publicize the report at the work site. (D)Education training: For personnel who are new, existing employees, and ones who perform potentially hazardous operation shall be trained in accordance with laws and regulations, and the training information shall be archived for future reference.	

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	Yes	No	Abstract Explanation	
			(E)Public security and fire safety: The Company office building has a comprehensive fire system, and is regularly checked and declared in accordance with laws and regulations, while fire drill seminars and employee fire drills are held each six months in cooperation with building management. The total number of participants in the current year is 266. (F)Training of qualified first aid personnel: Initial training and second-level training courses for workplace first-aid personnel are held regularly every year, increasing the first aid and care ability of employees to reduce the severity of injuries in a timely manner; 81 people are qualified; laws and regulations require one first-aid personnel for every 50 people, and the total number of personnel in the Company is 2,534. (G)AED and CPR training: Every year, in order to strengthen employees’ first aid awareness in the workplace, training is conducted, the content of which includes AED and CPR instruction, enhancing employees’ ability of disaster response, and first aid and care. The total number of participants is 20. (H)Forklift operation qualification certificate: Regularly, on a monthly basis, checking whether the operating personnel of the forklifts on-site at the warehouses are qualified in accordance with the relevant regulations of the competent authority. As of the end of 2021, the number of qualified personnel is 176. (I)Safety and health management: Carrying out relevant self-inspections of various occupational safety and health at the logistics and warehousing sites on a regular basis every month, and conducting self-inspections on business safety specifications of the satellite warehouse goods distribution on a quarterly basis, spot checking whether the on-site personnel are operating in accordance with relevant work specifications and management rules to raise employees’ safety awareness for a more stable working environment.	

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<tr><td></td><td></td><td></td><td>(J)Management of special hazardous tasks: Every year, a radioactive material smear test report for quality control testing equipment is conducted, and employees are provided with equipment and places for safety protection.
(K)Disinfection project. In the summer, because the humidity and heat are suitable for nourishing all kinds of pests and bacteria, workplace health risk management is also performed: Monthly floor cleaning and pest, bacteria, and rodent work will relatively increase the number of pest control and disinfection operations, preventing occupational disasters caused by workplace biohazard factors, providing working environment with all year round health protection, and ensuring the quality of employees’ workplace.
(L) Response measures for COVID-19 (coronavirus disease) The global outbreak of COVID-19 (coronavirus disease) may affect employees’ health severely. The Company assembled a “Coronavirus Disease Response Team" to adopt an emergency response mechanism by grades and various pandemic-prevention measures, thereby ensuring a smooth reporting channel for pandemic-prevention and a secure office environment for employees.
(M) In order to help employees maintain physical and mental health in the face of severe pandemic situation, in 2021, through the Company's EAP (Employee Assistance Program) project, 2 online pandemic control and peace of mind courses were implemented and counseling seminars were held to actively get involved to comfort employees after returning to work, so as to protect employees' physical and mental health.
D. Industrial safety inspection operation
<table>
<tr><th>Item</th><th>Operation frequency</th></tr>
<tr><td>Fire drill lectures and field evacuation drills for employees</td><td>Every six months</td></tr>
<tr><td>Operating environment monitoring</td><td>Every six months</td></tr>
<tr><td>Water testing for drinking fountains</td><td>Quarterly</td></tr>
<tr><td>Pest, bacteria and rodent disinfection project</td><td>Monthly</td></tr>
</table>
</td><td></td></tr>
</table>

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<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Occupational safety and health surveillance unit</td><td>Monthly</td></tr>
<tr><td>Occupational safety and health educational training</td><td>Weekly</td></tr>
</table>
E. Occupational safety and health related certification
<table>
<tr><th>Occupational safety and health management personnel with professional certification</th><th>Number of certificate holders</th></tr>
<tr><td>Occupational safety management specialist</td><td>2</td></tr>
<tr><td>Occupational safety and health management personnel</td><td>6</td></tr>
<tr><td>Labor health services nursing staff</td><td>4</td></tr>
<tr><td>First-aid personnel</td><td>81</td></tr>
<tr><td>Operators of forklifts over 1 ton</td><td>176</td></tr>
</table>
F. Safe and healthy work environment for employees
(A) The types of employee occupational disasters applied for in 2021 included traffic accidents in the workplace and outside the workplace. In the event of occupational disasters, momo immediately takes necessary first aid, rescue, and other measures, furthermore, it reports to the occupational safety and health committee and confirms the improvement measures and methods to enhance protection, so as to eliminate the chance of disaster. There was a total of 47 occupational disasters in 2021. Rehabilitation assistance was provided to employees suffering from occupational injury, such as adjusting work content and location, or wound care and health education. A total of 45 colleagues returned to work, with a return rate of 95.7%.
(B)In order to take care of each employee's personal health, the Company has established a comprehensive employee health management system, and provides pregnant employees with assistance such as maternal care and continuous breastfeeding education. Health education for women with pregnancy and after childbirth was 100% completed in 2021.
(C)It has been declared and announced that all employees are protected from wrongful physical or mental violations in the workplace that would result in physical and mental illness. Any incident of violence or sexual harassment is absolutely prohibited. Complaint channel with specially-</td><td></td></tr>
</table>

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	Yes	No	Abstract Explanation	
			assigned personnel is set up to provide all kinds of assistance and protect employees. (D)To improve the health and vitality of employees, the Company cooperated with local health centers to hold relevant courses and lectures for employees, who could participate freely. The average satisfaction rate of the health lectures in 2021 reached 4.8 points (out of a total of 5.0).	
(4) Does the company provide its employees with career development and training sessions?	V		(4) The company has established educational training policies, which plan and execute training programs for new employees as well as on-job training programs for current employees and managerial roles. It also provides employee subsidies for external trainings to encourage employees' professional advancement and development. momo's training structure is divided into six categories, namely, new personnel training, professional functional training, e-learning, excellent service and development, team consensus and self-growth, and management training. Every year, according to the training blueprint, we plan the training of each job category in a(n) orderly and systematic way, and ensure the quality of training and the implementation of learning. We understand the needs and make plans before the class, implement tracking after the class, and make follow-up improvements for the class. The satisfaction toward the course increases year by year and has reached 92.6 points; the total cost invested is NT$759,080, the total number of trainees is 39,242, and the total training hours are 97,392 hours.	None
(5) Does the Company comply with relevant laws, regulations and international standards with respect to customer health and safety, customer privacy, marketing and labeling of products and services, and develop relevant consumer interests' protection policies and complaint procedures?	V		(5) The Company closely follows up on the updates and trends regarding the laws and regulations of customer rights and interests (such as the Fair Trade Act, the Commodity Labeling Act, the Cosmetic Hygiene and Safety Ac, the Act Governing Food Safety and Sanitation, the Health Food Control Act, the Medical Devices Act, the Pharmaceutical Affairs Act, the Personal Data Protection Act, and the Consumer Protection Act), and the dedicated unit carries out the promulgation and formulation of policies (such as customer privacy policy) and corresponding measures. In addition to the	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
(6) Does the Company formulate a supplier management policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and its implementation situation?	V		aforementioned specific actions on product and service marketing labeling, the Company implements key educational training to strengthen employees' and collaborating suppliers' legal awareness regarding consumer protection, advertising, and right to privacy. It also has open and transparent channels and dedicated units to assist consumers in various consultation and service needs and disclose the rights and obligations of customers (customer service terms). (6) A. Policies and regulations a. The Company implements the occupational safety and health management system specifications through the level 2 documentation in ISO45001, which are applicable to various work areas, personnel, contracting and outsourcing operations, and specifies the business scope that each responsible unit shall pay attention to and implement in accordance with the specifications. b. Secondly, there is the Corporate Social Responsibility Code of Practice for Suppliers, which all cooperating suppliers shall abide by to promote the balance and sustainable development of economy, society and eco-environment, and the content is disclosed in the suppliers' back-end management system. B. Implementation status: a. Before the contractors enter the site to work, they must complete the "Hazard Notification" and submit the relevant forms to the labor safety and health department for filing and reference. According to the type of construction, the applying unit shall submit an "Operation and Construction Application Form" at least three days in advance. Except for emergency construction, the applying unit may hold a safety and health meeting when necessary for the contractor to explain the control	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			measures, and a "safety and health meeting minutes" shall be made. b. Before the contractor enters the site for construction, the applying unit shall conduct safety and health hazard identification and risk assessment for the construction steps, and propose risk control measures; in addition, the planning of the measures shall take into account the priority of the risk control hierarchy, while considering the best practices, technology options, and financial, operational and business requirements. c. Since the applying unit has indeed implemented according to the scope of standardized operation management, if it is found that the contractor has any discrepancies, non-compliance, or negligence that causes accidents and damages, it is required to take relevant responsibilities. d. The supplier and the Company shall uphold the same values and business goals. Relevant ethical standards are established in the Corporate Social Responsibility Code of Practice for Suppliers and the observance of responsible behavior and professional ethics shall be reminded.	
5. Does the Company refer to internationally accepted reporting standards or guidelines when compiling reports on the Company’s non-financial information such as the corporate social responsibility reports? Have the aforementioned reports been verified or certified by a third-party verification unit?	V		The Company's sustainability report is written in accordance with the Sustainability Reporting Principles (GRI Standards) issued by the Global Sustainability Standards Board, and the ESG information related to stakeholders is disclosed in accordance with the e-commerce industry indicators issued by the Sustainability Accounting Standards Board (SASB). The content disclosed in the sustainability report follows the AA1000 v3 assurance standard, meets the core options of the GRI sustainability reporting standards, and has obtained an independent assurance opinion statement issued by the British Standards Institution (BSI).	None
6. If the Company has its own sustainable development code of practice established in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe the differences between its operation and the established code: In Jan., 2016, this company’s board of directors had resolved to approve the “Guidelines of Corporate Social Responsibility." Any operations related to corporate social				

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	

responsibility shall follow the connotations and relevant regulations as stated in the practical guidelines. In response to the international development trend, the implementation of the goal of sustainable development, the strengthening of the Company's implementation of sustainable development promotion, and the compliance with the amendments to the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx-Listed Companies" promulgated by the Taiwan Stock Exchange, including their renaming into "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and provisions, the Company's "Corporate Social Responsibility Best Practice Principles" were thus amended, with the name being changed into " Sustainable Development Best Practice Principles". Such amendment was approved by the resolution of the Corporate Social Responsibility Committee in January and implemented after the approval of the board of directors in February. It is proposed to report such amendment in the 2022 annual general shareholders' meeting.

7. Other important information to facilitate better understanding of the company's corporate social responsibility practices:

In response to the opportunities and challenges brought by the risks faced by various corporate operations, as well as issues of concern to stakeholders, the Company launched the CSR vision project at the end of 2019. Continuing "everything in life, everything in momo" as the development foundation, the Company is committed to building the six major values of brand, products, services, green consumption, talent, and society starting from the five major aspects of "establishing an inclusive and mutually beneficial partnership, advocating sustainable consumption, green sustainable operations, employees and friendly workplace, and seeking the common good for the society." The Company hopes to use the power of the e-commerce platform to provide Taiwanese consumers and society with a "blueprint for sustainable living."

blueprint for sustainable living		**momo's Sustainable Values**	**Upholding 9 Major Strategies**	**momo's Commitment**
Mutually beneficial partnership for a better life	Deepening the coordination with value chain partners through interaction with stakeholders and strengthening the Group's ecosystem, keeping a benign interaction, deepening the partnership relationship through stable governance and operations, thus further establishing and conveying the sustainable brand and managing and governing all matters steadily.	Brand Value	Strengthen corporate governance Protect shareholders' interests Sound supply system	● Keep strengthening the corporate ethical management, and maintaining stability and an outstanding operating performance. ● Continue to improve the management of momo's suppliers, which includes not only assuring suppliers' product quality and safety continuously, but also checking the environmental and social impacts that are possibly imposed by the suppliers constantly. ● We endeavor to safeguard consumers' rights and interests, and through the conveyance of the importance of personal information protection and relevant protection techniques to the suppliers, and requiring the suppliers to enhance their awareness and standards of information security at the same time, we prevent consumers' rights and interests from being harmed as a result of a leakage of consumers' personal information.
A new lifestyle of sustainable consumption	Committed to growing consumers' awareness of sustainable consumption and enabling consumers to support sustainable consumption at the time of making purchases by increasing the ratio of sustainable products, promoting relevant initiatives, and making responsible disclosures; With an emphasis on consumer feedbacks and service experiences, we strive to provide customers with the best purchase journeys by discretely managing and inspecting product qualities, grasping details of responsible products, and catering to customers' demands.	Product value Service value	Preserve quality and safety Enhance service quality	● Emphasize consumers' rights and interests, and provide products meeting legal requirements through comprehensive quality inspection procedures. ● Develop diverse payment methods and add pick-up locations for online purchases constantly, thereby allowing consumers to make purchases with ease. ● Promote relevant mobile schemes and optimize consumers' shopping experiences. ● Step up measures for personal information protection and information security management to carefully guard consumers' information security. ● Promote sustainable consumption and require suppliers to fully label products and disclose relevant contents so as to promote responsible consumption and ensure consumers purchase good and safe products. ● Provide consumers with products (food) and services that are safe and having a positive impact on the environment, in order to promote environmental protection and create a win-win situation for consumers.

Evaluation Item		Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
		Yes	No	Abstract Explanation	
					● Continue to conduct environmentally friendly purchases and create a green economic industry under partnership with others, thereby embracing a new lifestyle of sustainable consumption.
Sustainable green life	Focus on environmental management, strive to reduce the negative impacts of commercial activities on the environment, enhance the management of resources and waste, development of green products, green logistics and packaging, green low-carbon transportation, green accounting, etc., and cooperate and exchange opinions with the suppliers to mitigate environmental impacts, thereby implementing all details of green e-commerce and building up a green lifestyle jointly.	Value of green consumption		Continue energy conservation and carbon reduction efforts	● Set up a sound environment management system and operating system. ● Reduce greenhouse gas emissions and environmental impacts posed by energy consumption. ● Increase the ratio of green procurement (Note). ● Boost the Company’s internal awareness of environmental sustainability through all kinds of training sessions. ● Draw up relevant action plans to reduce environmental impacts caused by logistics. ● Reduce waste and environmental impacts caused by packaging materials by following the “Online Shopping Package Downsizing" guidelines stipulated jointly by the Environmental Protection Administration, Executive Yuan, online shopping vendors, package manufacturers, and carriers and logistics companies. (Note): The scope of green procurement includes trunks, scooters, computer, MFP, air conditioner, and electrical equipment.
Healthy and equal life	Emphasize employees as partners of sustainable operations, protect employees’ welfare, create a diverse, equal, and healthy workplace, and carefully look after employee-related matters while offering a friendly workplace; such acts express momo's original intention to care for employees.	Value of talents		Show caring for employee welfare Promote talent development	● Continue to comply with labor-related laws and guarantee employees legal and reasonable work hours and wages. ● Continue to convey the idea of gender friendliness, diversity and equality through training sessions; build up a gender-friendly, diverse and inclusive workplace. ● Increase and attract talent retention, and keep conducting and expanding the employee welfare system. ● Plan a comprehensive training system for participants ranging from new recruits to supervisors, continue to provide employees with training and development opportunities for diverse career paths, and establish a complete talent cultivation plan. ● Deepen the conveyance and implementation of human right topic ● Strengthen the occupational security and health management system and guarantee the workplace safety in accordance with the environmental safety and health management policy. ● Provide employees with physical and mental health care services and promotion activities.
Mutually beneficial society for a happy life	Through the strength of e-commerce platform, assist in promoting activities of public interests, focus on caring for the society, and improve its promotion of relevant projects linked to the business.	Social value		Exert to fulfill corporate responsibility	● Exert to fulfill corporate responsibility: Keep focusing on eliminating topics involving hunger and inequality, and appeal for momo members and resources of the Fubon group via the online public welfare platform to hold relevant public welfare events and projects for three major groups, which are disadvantaged women and children, care for the elderly, and people with disabilities. ● Continue to support sound development of domestic sports

Ethical Corporate Management

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs				
(1) Has the Company formulated an ethical management policy approved by the board of directors, and clearly stated the policies and practices of ethical management, and the commitment to actively implement management policies by the board of directors and senior management in the regulations, rules, and external documents?	V		(1) The company has established the "Ethical Corporate Management Best Practice Principles" to regulate its good faith policies. For employees, managers, and directors to acknowledge and follow these principles, the company organizes awareness programs on a regularly basis and monitors through the company's internal control system.	None
(2) Has the Company established an evaluation mechanism for the risk of dishonest behaviors, regularly analyzed and evaluated business activities with a higher risk of dishonest behaviors in the business scope, and thus formulated a plan to prevent dishonest behaviors, which at least covered the preventive measures provided in Subparagraphs of Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies?	V		(2) This company constructed effective accounting and internal control systems in response to business activities that are prone to greater risks of violating the good faith principles. In order to ensure that the system design and execution remain effective, there are no external or hidden accounts. Reviews may always be conducted.	None
(3) Has the Company clearly set out the operating procedures, behavior guidelines, punishment and complaint system for violations in the plan to prevent dishonest behaviors, and implemented and regularly reviewed and amended the aforesaid plan?	V		(3) The company's "Ethical Corporate Management Best Practice Principles" clearly prohibits any acts of bribery, illegal political contributions, inappropriate charitable donations or sponsorships, and unreasonable gifts and treats. Any other inappropriate interest prevention programs and procedures are also regulated by the principles. These principles are advocated and explained to new employees upon their arrivals; relevant announcements and notifications are released to employees, managers, and directors periodically to enhance the concept of good faith and self-discipline.	None
2. Fulfill operations integrity policy				
(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		(1) The company avoids trading with any parties that have the records of violating the good faith principles in the past. The provision of good faith behaviors shall be clearly outlined in relevant commercial	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			contracts.	
(2) Has the Company set up a dedicated unit under the board of directors to promote ethical corporate management, and regularly (at least once a year) reported to the board of directors regarding its ethical management policy, its plan to prevent dishonest behaviors, and supervised the implementation status?	V		(2) momo has established the "Ethical Corporate Management Best Practice Principles" and disclosed them on the Company's official website and internal employee section. From March 2021, the Legal Office has been the dedicated unit for promoting corporate ethical management and has been responsible for assisting the Board of Directors and management in formulating and supervising the ethical management policy and preventive schemes to ensure the implementation of the Ethical Corporate Management Best Practice Principles. It reports the implementation status and results to the Board of Directors on a yearly basis. 2021 Implementation Status: A. Commitment of the directors and senior managers: The Company's "Ethical Corporate Management Best Practice Principles" have expressly specified that directors and senior managers shall sign a Statement of Compliance with the Ethical Management Policy, which includes a commitment to not, directly or indirectly, provide, accept, promise, or request any improper benefits or commit a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits in the course of their duties. This year, all directors and senior managers have completed the signing of the statement, the commitment to complying with the Company's ethical management policy has been fulfilled. B. Educational training: In order to ensure that all employees realistically understand and comply with the ethical corporate management principles, the Company includes in new recruits orientation the rule of law concepts, such as moral code of conduct and ethical corporate management guidelines, and schedules online courses annually to enhance the concept of integrity and self-discipline. The scope of the course covers	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct, anti-corruption and anti-bribery, and the prevention of insider trading, etc. C. Scheduled inspections: momo has explicitly stipulated in its "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" the preventive measures against and handling procedures for offering and acceptance of bribes, offering illegal political donations, improper charitable donations or sponsorship, offering or acceptance of unreasonable presents or hospitality, or other improper benefits. When engaging in commercial activities, it shall avoid engaging in transactions with those having a record of unethical conducts, and expressly specify in relevant commercial contracts provisions of ethical conducts. Every year all units shall carry out the self-assessment of compliance and internal control system to ensure effective controls and implementation. The Internal Audit Office shall conduct independent audits to ensure effective execution of the entire mechanism. D. A definite reporting mechanism: In order to implement momo’s rules governing moral code of conduct and Ethical Corporate Management Best Practice Principles, and encourage reporting of any illegal conducts or acts in violation against moral code of conduct and Ethical Corporate Management Best Practice Principles, momo has established the “Measures for Handling Cases of Illegal and Unethical or Dishonest Conduct" and disclosed such on the Company's official website and its internal employee portal. Such Measures have designated an authorized unit to accept whistle-blowing cases, whistle-blowing channels, and handling procedures, and established momo's internal and external whistle-blowing channels and handling procedures, thereby ensuring the	

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			implementation of momo’s rules governing moral code of conduct and Ethical Corporate Management Best Practice Principles, as well as the legal rights and interests of whistle-blowers and counterparties. Whistle-blowing cases may be raised via three channels, which are “Reported in Person," “Reported by Phone," and “Reported by Letter." momo has established an independent whistle-blowing mailbox and hotline, and disclosed an email address to which the Audit Committee (Independent Director) directly has access. If the whistle-blowing case involves a Director or senior supervisor, it will be reported to Independent Directors. A protection system for the whistle-blower will be introduced to realistically keep the whistle-blower's identity and case details confidential, and commitments shall be made to protect the whistle-blower from being punished improperly owing to the whistle-blowing case. In 2021, there were no involvement in unethical conducts, and such cases were mainly business service arguments and advancements of operating procedures. Under the premise of keeping the identity of the whistle-blower confidential, momo has investigated the whole story and adopted proper enhancement measures to implement ethics transparency acts.	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		(3) The company’s Ethical Corporate Management Best Practice Principles clearly outlines the policy for prevention of interest conflicts. The discovery of any violations shall be reported to the audit committee, managers, and internal audit supervisors.	None
(4) Has the Company established an effective accounting system and internal control system for the implementation of ethical management, and had the internal audit unit draw up relevant audit plans based on the evaluation results of the dishonest behavior risks to check the compliance status of the plan to prevent dishonest behaviors or commission a CAP conducting an audit?	V		(4) The company’s management has constructed effective accounting and internal control systems for the internal audit personnel to plan and execute reviews ranging from the highest-level risks to the lowest-level risks. The results of the reviews did not find any violations to the good faith principle.	None

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td>(5) Does the company regularly hold internal and external educational trainings on operational integrity?</td><td>V</td><td></td><td>(5) In order to enable employees, managers and Directors to know and abide by the good faith principles for corporate, Company presents organization policies and procedures to employees on their first day at work. And, Company regularly holds online courses and tests every year to enhance the concept of good faith and self-discipline. As for business activities with higher unethical risks, the Company has established an effective accounting system and internal control system. There are no external accounts or secret accounts kept, and the systems are reviewed at all times to ensure that their design and implementation continue to be effective.
Tests are designed for online courses scheduled for in-service employees annually. All employees are required to complete the course and their scores must reach 80 to pass the test. 100% of the in-service employees during the span of the course of 2021 completed the online course and passed the test.
The results of the 2021 implementation:
<table>
<tr><th>Course name</th><th>Course enrollments</th><th>Sessions</th><th>Hours</th><th>Total hours</th><th>Description</th></tr>
<tr><td>New recruits orientation (Physical / online courses)</td><td>890</td><td>54</td><td>3</td><td>2,670</td><td>100% of the reported new employees completed the orientation. (note)</td></tr>
<tr><td>Ethical Corporate Management Best Practice Principles, moral code of conduct, anti-corruption, and anti-bribery (online courses) for employees.</td><td>2,658</td><td>1</td><td>1</td><td>2,658</td><td rowspan="2">100% of in-service employees during the span of the course completed the online course and passed the test</td></tr>
<tr><td>Insider trading prevention (online course)</td><td>2,625</td><td>1</td><td>1</td><td>2,625</td></tr>
</table></td><td>None</td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			Note:3-hour orientation for new recruits, and the course content is as follows: 1. Courses related to human rights issues (employee rights work rules and related management measures, conveyance of the Act of Gender Equality in Employment and Sexual Harassment Prevention Act, sexual harassment prevention and control measures, complaints and disciplinary measures, and instructions on employee suggestions and complaint channels). 2. Conveyance of Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct, Trade Secrets Act, insider trading prevention, and anti-corruption anti-bribery for employees. 3. Information security and personal data protection act, external protection against hacker attacks, internal protection against leakage, and introduction to computer use and training on Occupational Safety and Health Act for laborers.	
3. Implementation of Complaint Procedures (1) Does the company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	V		(1)The Company has formulated the "Code of Conduct for Reporting Illegal, Unethical or Dishonest Cases", and has established three convenient reporting channels of "in-person reporting", "telephone reporting by phone" and "reporting by letter". Spokespersons and acting spokespersons will accept reports from stakeholders such as shareholders and investors, and the audit supervisor will accept reports from internal colleagues, customers, suppliers, and contractors of the Company. If the whistleblower case is verified to be true, and the contribution to the Company and the economic benefits generated are significant, the acceptance unit may submit a proposal to the chairman for approval of the whistleblower reward, and if the reward criteria are met, the whistleblower may be awarded an amount equal to 5% of the unjustified enrichment of the whistleblower case as the whistleblower	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			reward. However, the reward for reporting each case shall be limited to a maximum of NT$100,000.	
(2) Has the Company established the standard operating procedures for investigations after accepting reports, the follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms?	V		(2)The Company undertakes to strictly protect the identity information of the whistleblower. The acceptance unit or the relevant personnel handling the whistleblower case shall handle the whistleblower case in a confidential manner and conduct verification through independent channels, so as to fully protect the whistleblower, and the whistleblower's identity will be kept strictly confidential. If the whistleblower is threatened, intimidated or experiences other unfavorable behaviors, the Company will report it to the police for it to be handled in accordance with the law.	None
(3) Does the company provide proper whistleblower protection?	V		(3)The Company has expressly established the "Code of Conduct for Reporting Illegal, Unethical or Dishonest Cases", and the whistleblower shall not be dismissed, discharged, demoted, reduced in salary, nor shall his / her rights and interests enjoyed according to law and regulations, contract or custom be damaged, or other unfavorable sanctions be imposed on the whistleblower due to the reported case.	None
4. Strengthening information disclosure Does the company disclose its Ethical Corporate Management Best Practice Principles and the results of its implementation on the company’s website and MOPS?	V		(1) The Company website has disclosed Ethical Corporate Management Best Practice Principles, Measures for Handling Cases of Illegal and Unethical or Dishonest Conduct and has disclosed the implementations thereof. (2) momo.com Inc. avoids trading with entities with records of dishonest behavior in its business activities, and clearly lays out best practice clause in related commercial contracts. The internal audit division is responsible for auditing whether there are internal breaches of good faith, and makes regular reports to the Board of Directors, while drafting policy to avoid conflicts of interest in the best practice principles. Where violations are found, they shall be reported to the Audit Committee, managers, internal audit supervisors or other relevant parties.	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			To provide employees better understanding of their rights and Company actions and policies, and in addition to trainings on ethical corporate management, and best practice principles for new employees (attended by 6,173 employees during 2021), special e-mail and contact window for employee complaints has been set up to provide a safe and completely confidential channel to convey their opinions.	
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation. There have been no differences.				
6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies). None				

Corporate Governance Guidelines and Regulations:

Please visit the company website (https://corp.momo.com.tw/) or the reference of the company's " Corporate Governance Best Practice Principles," " Procedures for Elections of Directors," "Shareholder Meeting Regulations," "Board of Directors Meeting Regulations," "Regulations Governing Performance Evaluation of the Board of Directors and Functional Committees" "Regulations Governing Scope of Duties of Independent Directors," "Audit Committee Organizational Rules," "Remuneration Committee Charter," "Information Security Management Committee Charter," " Management and Operational Procedures to prevent Insider Trading," "Code of Ethical Conduct," " Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," "Sustainable Development Best Practice Principles," " Corporate Social Responsibility Principles," "Measures for Handling Cases of Illegal and Unethical or Dishonest Conduct", "Regulations related to Financial and Business Matters among Affiliated Companies", and "Operational Procedures for Specific Company and Related Party Transactions of Group Companies"

Other Important Information Regarding Corporate Governance:

1. The above information is posted on momo website (https://corp.momo.com.tw/) or MOPS (http://mops.twse.com.tw/; Ticker: 8454)
2. Since 2017, the Company's Directors have been elected by adopting the candidate nomination system. Matters in the shareholders' meetings have been voted one by one, and the voting rights may be exercised by electronic voting. The voting result of each matter in the shareholders' meetings will be announced on the same day to fully protect the shareholders' rights and interests.
3. In order to treat shareholders equally, since 2016, Chinese and English information will be provided simultaneously for major news, financial reports and related information of the shareholders' meetings.
4. The Company attaches great importance to the spirit of corporate governance and practicing of corporate social responsibility. Over the years, the Company has been committed to improving the quality and timeliness of information disclosure, and has provided diverse and transparent corporate information to all stakeholders. In order to be in line with international standards, the Company has actively applied for the certification of corporate governance system assessment, and was awarded the "standard" and "excellent" certification since 2017. In 2021, it was even awarded the "Premium" certification of the CG6013(2021) corporate governance system assessment, showing that the Company has been highly recognized for its achievement in continuous corporate governance improvement.
5. In order to strengthen the Audit Committee's function of supervision over the Company's finance, in addition to annual financial reports, the Company's quarterly financial reports are all proposed to the Audit Committee for deliberation and adoption, which is stricter than the legal requirement.
6. In order to fulfill the vision plan of the blueprint for sustainable life, the Company's sustainable goals and operation plans are combined with each other. The Company has completed the setting of short, medium and long-term goals in 2021. Starting from the management itself, the "sustainable development committee" has resolved that the ESG index of the annual performance evaluation of the top managers of each unit be increased from 5% to 10%, so as to implement the concept of green enterprise and move forward down the road of sustainable e-commerce.

Internal Control Systems:

1. Accountants' recommendations for internal control improvement within the last three years

Year	Accountants' Recommendations	Improvement Status
2019	No Material Weaknesses	Not applicable
2020	No Material Weaknesses	Not applicable
2021	No Material Weaknesses	Not applicable

2. The improvement status for the material weaknesses discovered by internal auditing: No Material Weaknesses.
3. Internal control statement: Please refer to page 94
4. Personnel who entrust the review of internal control to accountants shall outline their rationales, accountants' review comments, the company's actions, and improvement status of the deficiency: Not applicable.

In the most recent year and up to the printing date of the annual report, if the Company and its internal personnel were punished according to law, or if the Company punished its internal personnel for violating the provisions of the internal control system, and the results of such punishment may have a significant impact on shareholders' equity or securities prices, the punishment content, major defects, and improvement status shall be specified: None

Major resolutions at the shareholders' meeting and board meetings

Major resolutions at the shareholders' meeting and board meetings as the most recent year and the date of the annual reports printed.

1. The contents and implementation of major resolutions in 2021 annual general meeting (AGM):

AGM dated May18, 2021

(1) Business report and financial statement for 2020 was approved.

(2) Distribution of earnings for 2020 was approved.

Implementation Status:

a. A cash dividend of NT$10 per share will be distributed, totaling NT$1,400,585,000.

b. For the transfer of earnings and capital reserve to capital increase and distribution of shares, NT$3 per share will be distributed, that is, 300 shares will be allotted free of charge for every thousand shares (which include 200 shares from earnings; and 100 shares from capital reserve), totaling NT$420,175,500.

c. July 11, 2021 is set as the record date for ex-right (dividend), and July 30, 2021 as the cash dividend distribution date.

d. 42,017,550 shares were issued through transfer of earnings and capital reserve to capital increase and issuance of new stocks at a par value of NT$10 per share, totaling NT$420,175,500, whose effective registration was approved and filed by the Financial Supervisory Commission on June 9, 2021. The change of registration was approved by Letter Jing-Shou-Shang-Zi No. 11001128100 dated August 3, 2021 issued by the MOEA.

e. On August 16, 2021, the listing of new shares issued from capital increase on Taiwan Stock Exchange has been completed.

(3) Adoption of the Company's transfer of earnings and capital reserve to capital increase and issuance of new stocks.

Implementation Status:

a. For the transfer of earnings and capital reserve to capital increase and distribution of shares, NT$3 per share will be distributed, that is, 300 shares will be allotted free of charge for every thousand shares (which include 200 shares from earnings; and 100 shares from capital reserve), totaling NT$420,175,500.

b July 11, 2021 is set as the record date for ex-right (dividend).

c. 42,017,550 shares were issued through transfer of earnings and capital reserve to capital increase and issuance of new stocks at a par value of NT$10 per share, totaling NT$420,175,500, whose effective registration was approved and filed by the Financial Supervisory Commission on June 9, 2021. The change of registration was approved by Letter Jing-Shou-Shang-Zi No. 11001128100 dated August 3, 2021 issued by the MOEA.

d. On August 16, 2021, the listing of new shares issued from capital increase on Taiwan Stock Exchange has been completed.

(4) Amendment to the Company's "Articles of Incorporation" was approved.

Implementation Status: Registration has been approved by the MOEA on May 27, 2021, and announcement has been made on the corporate website.

(5) Lifting of non-competition restrictions for Directors of the Company was approved.

Implementation Status: Publically announced on MOPS website on May 18, 2021.

2. Major resolutions at the shareholders' meeting and board meetings of 2021 and as of the date of the annual reports printed:

(1) The 4h meeting of the 7th session of Board of Directors, Jan. 19, 2021

A. Lifting of non-competition of the managers.

B. The 2020 internal control statement was approved.

C. The Company's 2021 budget was approved.

(2) The 5th meeting of the 7th session of Board of Directors, Feb. 18, 2021

A. The 2020 financial report was approved.

B. Employee and director remuneration allocation for 2020 was approved.

C. Adoption of selling the Company's investment in shares of Taiwan Pelican Express.

D. Adoption of the acquisition of Right of Use Asset for the Rental of Fubon Life Insurance's Fubon Ruiguang Building by the Company.

E. Convening the Company's shareholders' meeting for 2021 was approved.

(3) The 6th meeting of the 7th session of Board of Directors, March 31, 2021

A. Adoption of the Company's 2020 earnings distribution.

B. Adoption of the Company's transfer of earnings and capital reserve to capital increase and issuance of new stocks.

C. Adoption of the extension of the Company's lease period of the right of use asset for the Yongkang plant of the Shee Kang Trading Co., Ltd.

D. Amendment to the Company's "Articles of Incorporation" was approved.

E. Adoption of the amendment to the "Ethical Corporate Management Best Practice Principles" and the formulation of the "Procedures for Ethical Management and Guidelines for Conduct" of the Company.

F. Adoption of the amendment to the "Code of Conduct for Reporting Illegal, Unethical or Dishonest Cases" of the Company.

G. Removal of non-competition restrictions for the Directors of the Company was approved.

(4) The 7th meeting of the 7th session of Board of Directors, March 31, 2021

A. Adoption of the Company's 2020 earnings distribution.

B. Adoption of the Company's transfer of earnings and capital reserve to capital increase and issuance of new stocks.

(5) The 8th meeting of the 7th session of Board of Directors, Apr. 28, 2021

A. The appointment of the 2021 CPA of the Company was approved.

B. Adoption of the acquisition of Right of Use Asset for the Rental Renewal of Taiwan Mobile's Alpha Tech Building by the Company.

C. Adoption of the acquisition of right-of-use asset for the proposed rental of Jong Hsing Trading Co., Ltd.'s Xitun factory by the Company.

(6) The 9th meeting of the 7th session of Board of Directors, May 18, 2021

A. Adoption of the designation of the record date for the distribution of shares through capital increase by the chairman authorized by the Company.

(7) The 10th meeting of the 7th session of Board of Directors, July 9, 2021

A. Adoption of the acquisition of right-of-use asset for the rental of Yung Yu's factory in Yangmei City, Taoyuan County by the Company.

(8) The 11th meeting of the 7th session of Board of Directors, July 28, 2021

A. Adoption of the Company's proposed issuance of letter of commitment to support the operation of Bebe Poshe International Co., Ltd.

B. Adoption of the 2021 CPA fees of the Company.

C. Adoption of the amendment to the "Corporate Social Responsibility Best Practice Principles" of the Company.

(9) The 12th meeting of the 7th session of Board of Directors, Sep. 3, 2021

A. Adoption of the land purchasing and self-construction of central logistics center by the Company.

(10) The 13th meeting of the 7th session of Board of Directors, Oct. 29, 2021

A. Adoption of the amendment to the Company's "Regulations Governing Performance Evaluation of the Board of Directors and Functional Committees".

B. Adoption of the acquisition of Right of Use Asset for the Rental of Fubon Life Insurance's Chengde Building by the Company.

(11) The 14th meeting of the 7th session of Board of Directors, Nov. 30, 2021

A. Adoption of the Company's participation in the equity auction of domestic companies.

(12) The 15th meeting of the 7th session of Board of Directors, Jan. 19, 2022

A. The 2021 internal control statement was approved.

B. Lifting of non-competition of the managers.

C. Adoption of the appointment of the 2022 CPA of the Company.

D. The Company’s 2022 budget was approved

(13) The 16th meeting of the 7th session of Board of Directors, Feb. 16, 2021

A. The 2021 financial report was approved

B. Employee and director remuneration allocation for 2021 was approved.

C. Adoption of the acquisition of Right of Use Asset for the Rental Renewal of Fubon Life Insurance's Chengde Building by the Company.

D. Adoption of the amendment to and renaming of the "Corporate Social Responsibility Best Practice Principles" of the Company.

E. Adoption of the amendment to the Company's "Practical Guidelines for Corporate Governance" and internal management regulations.

F. Convening the Company's annual general shareholders' meeting for 2022 was approved.

Major Issues of Record or Written Statements Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors: None

Resignation or Dismissal of the Company’s Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit and R&D: None

momo.com Inc.

Internal Control Statement

Date: January 19, 2022

momo states the following with regard to its internal control system for the year 2021:

1. momo is fully aware that establishing, operating and maintaining an internal control system are the responsibilities of its Board of Directors and management. momo has established such a system to provide reasonable assurance in achieving objectives related to the effectiveness and efficiency of operations (including profits, performance and safeguarding of assets), reliability of financial reporting, and compliance with applicable laws and regulations.

2. An internal control system has inherent limitations. An effective internal control system, no matter how perfectly designed, can provide only a reasonable assurance in the accomplishment of the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in the environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms and the Company takes corrective actions as soon as a deficiency is identified.

3. momo evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the “Regulations Governing the Establishment of Internal Control Systems" by public companies promulgated by the Securities and Futures Bureau, the Financial Supervisory Commission and the Executive Yuan (herein referred to as the “Regulations"). The internal control system evaluation criteria stated in the Regulations classify internal control into five key elements based on the process of management control: 1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information and communications, and 5. Monitoring. Please refer to the Regulations for details on these five key elements.

4. momo has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria

5. Based on the findings of the evaluation mentioned in the third paragraph, momo believes that as of Dec. 31, 2021, its internal control system (including its supervision of subsidiaries), which encompasses internal controls to achieve effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations, was effectively designed and operating, and is reasonably assured of achieving the above-stated objectives.

6. This statement will form a major part of the Company's Annual Report and Prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.

7. This statement has been passed by the momo Board of Directors’ Meeting on January 19, 2022, where all of the nine attending directors did not express any dissenting opinion and affirmed the content of the same.

momo.com Inc.

C.F. Lin
Chairman

Jeff Ku
President

iv. Information Regarding the Company's Audit Fee and Independence

Audit Fee

Unit: NT$, '000

Accounting Firm	Name of CPA		Period Covered by CPA's Audit	Audit Fee	Non-Audit Fee	Total	Remarks
Deloitte & Touche	Peide Chen	Vita Kuo	2021.1.1~2021.12.31	3,860	1,560	5,420	Non- Audit Fee: Tax Compliance audit and Transfer pricing service

(1) For CPA changes, if the audit fee in the first year is lower than that of the prior year, specify the audit fee before and after the change and the reasons: None.

(2) If audit fees dropped by more than 10%, specify the amount and percentage of decline and reasons: None.

v. Information on CPA changes: None

vi. Company Chairman, President or finance/accounting manager held positions in the Company's audit firm or its affiliates within the past year: None

vii. Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

1. Changes in shareholding for shareholders who holds more than 10% share of the company

Unit: shares

Title	Year / Name	2021		As of Feb. 18, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman and Director	Wealth Media Technology Co. Ltd.	18,914,161	-	-	-
	Wealth Media Technology Co. Ltd. Representative: C.F. Lin	(39,924)			-
	Wealth Media Technology Co. Ltd. Representative: Jeff Ku	2,242	-	-	-
	Wealth Media Technology Co. Ltd. Representative: Jamie Lin	8,900	-	4,000	-
	Wealth Media Technology Co. Ltd. Representative: Rosie Yu	-	-	-	-
	Wealth Media Technology Co. Ltd. Representative: Chris Tsai	-	-	-	-
Director	TECO CAPITAL INVESTMENT Co., Ltd.	4,124,000	-	-	-
	TECO CAPITAL INVESTMENT Co., Ltd. Representative: Mao-Hsiung Huang	-	-	-	-
Independent director	Hong-So Chen	-	-	-	-
Independent director	Brian Y. Hsieh	-	-	-	-
Independent director	Chieh Wang	-	-	-	-
President	Jeff Ku	2,242	-	-	-
Vice President	Summer Hsieh	(10,384)		-	-
Vice President	Jeremy Hong	-	-	-	-
Vice President	Leanne Wang	(700)	-	-	-

Title	Name \ Year	2021		As of Feb. 18, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Financial & Accounting Division Senior Director	Gina Lu	20,490	-	2,000	-
Information Technology Division Senior Director	Robinson Lin	-	-	-	-
TV Merchandise Division Senior Director	Sabrina Huang	300	-	-	-
Customer Service Center Director	Rebecca Wu	12,625	-	-	-
EC Consumer Dept., EC Division Director	Terry Lee	-	-	-	-
Internal Audit Office Assistant Manager	Dong-Nan Liang	-	-	-	-
International Business Division Director	Ally Yu	-	-	-	-
Director	Kevin Lin (Assumed office on May. 1, 2021)	-	-	-	-
Director	Louie Chuang (Assumed office on May. 1, 2021)	24	-	-	-
Consultant	Roxanne Chiu (Assumed office on July 1, 2021)	-	-	-	-
Senior Director	Irene Lin (Assumed office on Nov. 16, 2021)	-	-	-	-
Major shareholders	WOORI HOMESHOPPING CO., LTD. (Resigned on Sep. 27, 2021)	404,200	-	NA	NA

＊ Filing of shares trading or pledged with related parties as from (of) the job commencement (dismissal or resignation) date.

2. Shares Trading with Related Parties: None

3. Stock pledged with related party: None

viii. Relationship of the Top 10 Shareholders

As of July 11, 2021

Name	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%(Note)	Shares	%	Shares	%	Name	Relationship	
Wealth Media Technology Co., Ltd.	81,961,366	45.01%	-	-	-	-	Fubon Life Insurance Co., Ltd.	A twice-removed relative of the company's chairman	
							Fubon Financial Venture Capital Investment Co. Ltd.	Person responsible is the same individual	
Chairman: Daniel Tsai	-	-	-	-	-	-	Fubon Life Insurance Co., Ltd.	A twice-removed relative of the company's chairman	
							Fubon Financial Venture Capital Investment Co. Ltd.	Chairman of the company	
TECO CAPITAL INVESTMENT Co., Ltd.	19,175,000	10.53%	-	-	-	-	NA	NA	
Chairman: Mao-Hsiung Huang	-	-	-	-	-	-	NA	NA	
WOORI HOME SHOPPING CO., LTD.	18,218,200	10.00%	-	-	-	-	NA	NA	
Chairman: Shin Dong Bin	-	-	-	-	-	-	NA	NA	
Fubon Life Insurance Co., Ltd.	8,645,000	4.74%	-	-	-	-	Wealth Media Technology Co., Ltd.	A twice-removed relative of the company's chairman	
							Fubon Financial Venture Capital Investment Co. Ltd.	Company belonging to the same group	
							Howard Lin	Vice chairman of the company	
Chairman: Richard Tsai	-	-	-	-	-	-	Wealth Media Technology Co., Ltd.	A twice-removed relative of the company's chairman	
							Fubon Financial Venture Capital Investment Co. Ltd.	A twice-removed relative of the company's chairman	
Fubon Financial Venture Capital Investment Co. Ltd.	4,184,700	2.29%	-	-	-	-	Wealth Media Technology Co., Ltd.	Person responsible is the same individual	
							Fubon Life Insurance Co., Ltd.	A twice-removed relative of the company's chairman	
Chairman: Daniel Tsai	-	-	-	-	-	-	Wealth Media Technology Co., Ltd.	Director of the company	
							Fubon Life Insurance Co., Ltd.	A twice-removed relative of the company's chairman	
Deutsche Bank, the custodian of investment account of SmallCap World Fund Inc.	3,741,400	2.05%	-	-	-	-	NA	NA	
Howard Lin	3,523,176	1.93%	-	-	-	-	Fubon Life Insurance Co., Ltd	Vice chairman of the company	
Chase, the custodian of investment account of JP Morgan	1,875,073	1.02%	-	-	-	-	NA	NA	
Standard Charterend Bank, the custodian of investment account of Wasatch Advisors Inc.	1,796,000	0.98%	-	-	-	-	NA	NA	
Itochu Corporation	1,662,375	0.91%	-	-	-	-	NA	NA	
Chairman: Masahiro Okafuji	-	-	-	-	-	-	NA	NA	

Note 1: Shareholding ratio = number of shares ÷ actual number of issued shares (182,076,050 shares).

ix. Ownership of Shares in Affiliated Enterprises

As of Dec. 31, 2021;Unit: '000 shares/ %

Affiliated Enterprises (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Fu Sheng Travel Service Co., Ltd.	3,000	100	-	-	3,000	100
Fuli Life Insurance Agent Co., Ltd.	500	100	-	-	500	100
Fuli Property Insurance Agent Co., Ltd.	500	100	-	-	500	100
BEBE POSHE International Co., Ltd.	8,500	85	-	-	8,500	85
Fu Sheng Logistics Co., Ltd.	25,000	100	-	-	25,000	100
MFS Co., Ltd.	10,000	100	-	-	10,000	100
Prosperous Living Co., Ltd	22,085	73.62	1,630	5.43	23,715	79.05
Asian Crown International Co., Ltd.	9,735	81.99	-	-	9,735	81.99
Honest Development Co., Ltd	21,778	100	-	-	21,778	100
TV Direct Public Company Limited	191,213	21.35	-	-	191,213	21.35

Note: The list compromised of companies' earnings recognized as long-term investment under the equity method.

IV. Financial Information

i. Capital and Shares

Source of capital

As of Feb. 18, 2022; Unit: shares / NT$

Date	Par value (NT$)	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Source of capital (NT$)	In a form other than cash	Remarks
Sep. 2004	10	150,000,000	1,500,000,000	45,000,000	450,000,000	Authorized capital	NA	Note1
July 2008	10	150,000,000	1,500,000,000	63,000,000	630,000,000	Capital increased out of earnings of NT$ 180,000,000	NA	Note2
Jun. 2009	10	150,000,000	1,500,000,000	81,900,000	819,000,000	Capital increased out of earnings of NT$ 189,000,000	NA	Note3
Jun. 2010	10	150,000,000	1,500,000,000	114,660,000	1,146,600,000	Capital increased out of earnings of NT$ 327,600,000	NA	Note4
Jan. 2011	10	150,000,000	1,500,000,000	115,405,000	1,154,050,000	Exercise of Employee Stock Options: NT$7,450,000	NA	Note5
Dec. 2011	10	150,000,000	1,500,000,000	116,235,000	1,162,350,000	Exercise of Employee Stock Options: NT$8,300,000	NA	Note6
July 2012	10	150,000,000	1,500,000,000	127,858,500	1,278,585,000	Capital increased out of earnings of NT$ 116,235,000	NA	Note7
Jan. 2015	10	150,000,000	1,500,000,000	142,058,500	1,420,585,000	Capital increased by cash NT$ 142,000,000	NA	Note8
Jan. 2019	10	150,000,000	1,500,000,000	140,058,500	1,400,585,000	Capital decrease of NT$2,000,000 by cancellation of treasury stocks	NA	Note9
Jun. 2020	10	200,000,000	2,000,000,000	140,058,500	1,400,585,000	-	NA	Note10
Aug. 2021	10	300,000,000	3,000,000,000	182,076,050	182,076,050	The transfer of earnings and capital reserve to capital increase and issuance of new stocks of NT$420,175,500	NA	Note11

Note 1: Authorization No. 93221642 on Sep. 27, 2004
Note 2: Authorization No. 09701157070 on July 7, 2008
Note 3: Authorization No. 09801119000 on Jun.12, 2009
Note 4: Authorization No. 09901123520 on Jun.11, 2010
Note 5: Authorization No. 10001005520 on Jan.17, 2011
Note 6: Authorization No. 10001294200 on Dec.30, 2011
Note 7: Authorization No. 10201211460 on July 13, 2012
Note 8: Authorization No. 10401013220 on Jan.23, 2015

Note 9: Authorization No. 10701163920 on Jan.19, 2019
Note 10: Authorization No. 10901090580 on Jun.2, 2020. In compliance with the amendments of the Company Act, the total shares and the amount of capital were amended in accordance with Article of the Company Act.
Note 11: Authorization No. 11001128100 on Aug.3, 2021

As of Feb. 18, 2022
Unit:'000 shares

	Authorized capital			Remarks
	Listed shares	Unissued shares	Total	
Common stock	182,076	117,924	300,000	-

Information related to shelf registration: None.

Shareholder structure

As of July 11, 2021

	Government agencies	Financial institutions	Other institutions	Individuals	Foreign institutions & individuals	Total
No. of shareholders	—	—	75	373	6,802	7,250
Total shares owned	—	—	117,787,774	54,931,439	9,356,837	182,076,050
Holding percentage (%)	—	—	64.69%	30.17%	5.14%	100.00%

Shareholding distribution

Common shares

As of July 11, 2021

Shareholding range			No. of shareholders	Total shares owned	Holding percentage (Note)
1	～	999	6,110	277,478	0.15 %
1,000	～	5,000	767	1,635,585	0.90 %
5,001	～	10,000	84	869,727	0.48 %
10,001	～	15,000	33	551,687	0.30 %
15,001	～	20,000	29	663,119	0.36 %
20,001	～	30,000	50	1,597,771	0.88 %
30,001	～	40,000	27	1,247,354	0.69 %
40,001	～	50,000	20	1,202,707	0.66 %
50,001	～	100,000	45	4,033,822	2.22 %
100,001	～	200,000	35	6,448,892	3.54 %
200,001	～	400,000	29	11,284,361	6.20 %
400,001	～	600,000	9	5,735,357	3.15 %
600,001	～	800,000	2	1,745,900	0.96 %
800,001	～	1,000,000	0	0	0.00 %
1,000,001 and above			10	144,782,290	79.51 %
Total			7,250	182,076,050	100.00 %

Major shareholders

As of July 11, 2021

	Total shares owned	Shareholding ratio (Note)
Wealth Media Technology Co., Ltd.	81,961,366	45.01%
TECO CAPITAL INVESTMENT Co., Ltd.	19,175,000	10.53%
WOORI HOME SHOPPING CO., LTD.	18,218,200	10.00%
Fubon Life Insurance Co., LTD.	8,645,000	4.74%
Fubon Financial Venture Capital Investment Co. Ltd	4,184,700	2.29%
Deutsche Bank, the custodian of investment account of SmallCap World Fund Inc.	3,741,400	2.05%
Howard Lin	3,523,176	1.93%
Chase, the custodian of investment account of JP Morgan	1,875,073	1.02%
Standard Charterend Bank, the custodian of investment account of Wasatch Advisors Inc.	1,796,000	0.98%
ITICHU Corporation	1,662,375	0.91%

Note 1: Shareholding ratio = number of shares ÷ actual number of issued shares (182,076,050 shares).

The top 10 shareholders are all legal persons; the name and percentage of share held are as follow:

Name of legal person	Major shareholders of legal person
Wealth Media Technology Co. Ltd	Taiwan Mobile Co. Ltd. (100.00%)
TECO CAPITAL INVESTMENT Co., Ltd.	TECO Electric and Machinery Co., Ltd. (99.60%) TECO International Investment Co., Ltd. (0.2%) An Tai International Investment Co., Ltd (0.2%)
WOORI HOMESHOPPING CO., LTD.	Lotte Shopping Co., Ltd. (53.49%) Taekwang Industrial Co., Ltd. (27.99%) Daehan Synthetic Fiber Co., Ltd. (10.21%) Tsis Co., Ltd. (6.78%)
Fubon Life Insurance Co. Ltd.	Fubon Financial Holding Co. Ltd. (100.00%)
Fubon Financial Venture Capital Investment Co. Ltd.	Fubon Financial Holding Co. Ltd. (53.80%) Fubon Life Insurance Co., Ltd. (25.00%) Fubon Securities Co., Ltd. (11.20%) Fubon Insurance Co., Ltd. (10.00%)
ITICHU Corporation	The Master Trust Bank of Japan, Ltd.(trust account) (14.23%) BNYM AS AGT/CLTS NON TREATY JASDEC (6.13%) Custody Bank of Japan, Ltd. (trust account) (5.22%) CP WORLDWIDE INVESTMENT COMPANY LIMITED (4.27%) Nippon Life Insurance Company (2.29%) Mizuho Bank, Ltd. (2.10%) Custody Bank of Japan, Ltd. (trust account7) (1.99%) Asahi Mutual Life Insurance Company (1.57%) STATE STREET BANK WEST CLIENT - TREATY 505234 (1.48%) SSBTC CLIENT OMNIBUS ACCOUNT (1.47%)

Share price, net worth, earnings, dividends and related information

Unit: NT$, '000 shares

			2020		2021		As of Feb. 18, 2022
			Before	After	Before	After	
Share price (NT$)	High		818	629.23	2,190	2,190	1,780
	Low		287.50	221.15	633	486.92	1,050
	Average		562.68	432.83	1,381.5	1,256.07	1,385.71
Net worth per share (NT$)	Before earnings appropriation		49.51		48.11		-
	After earnings appropriation		30.39		Note 1		-
Earnings per share (NT$)	Adjusted weighted average outstanding shares		140,059	182,076	182,076		182,076
	Earnings per share		13.87	10.67	18.02		-
Dividends per share (NT$)	Cash dividends		10		Note 1		-
	Stock dividends	Retained earnings	2		Note 1		-
		Capital surplus	1		Note 1		-
	Accumulated unpaid dividends		-		-		-
PE and dividend yield	Price earnings ratio		40.57		76.66		-
	Price to cash dividend		56.27		-		-
	Cash dividend yield		1.78		-		-

Note 1:Figures after distribution referred to above is based on the resolutions approved during the shareholders' meetings for the fiscal year. 2021 annual earnings distribution has not yet been approved yet by the board meeting and shareholders' meeting.

Note 2: The calculation formula of this table is as follows:

(1) Price earnings ratio = average closing price per share for the current year/earnings per share.
(2) Price to cash dividend = average closing price per share for the current year/cash dividends per share.
(3) Cash dividend yield = cash dividends per share/average closing price per share for the current year.
(4) The market price of each year has been adjusted retrospectively based on the earnings in the past years and the number of shares increased by the conversion of capital reserve to capital increase.

Dividend policy

1. Dividend policy under Articles of Incorporation (Applicable since Apr., 20, 2016):

If there is any surplus in the annual accounts, the Company shall, after having paid for all taxes and covered its losses in the preceding years pursuant to laws and regulations, set aside ten percent of such surplus as a legal surplus. However, when the legal surplus amounts to the authorized capital, this shall not apply. The Company shall also appropriate or reclassify another sum as a special surplus in accordance with laws and regulations or in light of the business needs. If there is still a balance, the board of directors shall submit to a shareholders'' meeting the surplus earning distribution proposal for resolution to appropriate at least 10% of the balance and the unallocated accumulated earnings in the previous year.

Given the overall macro environment and the growth needs of the Company's operation, the Company may in mind, adopt the residual dividend policy for the distribution dividends with the aim to maximize shareholders' return. The Board of Directors will propose an appropriate dividend payout for approval at shareholder meetings and consider the following factors: based on the company's budget plans and estimate of future cash flow requirements while considering the company's profitability, financial stability, and dilutive impact of earnings.

Dividends may be distributed in cash and/or stock dividends. Cash dividends shall comprise at least ten percent of the total distribution, subject to the operations and growth needs of the Company, stability of the payout, and shareholders' return.

2. Proposed dividend allocation for approval at the annual shareholders' meeting

   As of the printing date of the annual report, the Board of Directors of the Company has not yet approved the 2021 distribution of earnings. A meeting of the Board of Directors is proposed to be held within 40 days of the annual shareholders' meeting for its resolution. Relevant information will be disclosed on the Company's website and in the Market Observation Post System (MOPS).

3. The Company has adopted a dividends policy with high earnings payout ratio, and it has been distributing dividends accounting for no lower than 80% of the net income after tax of the current year to shareholders since 2008. For details of dividends distribution in the past, please refer to the "Dividend" section on the Company's website. The dividend payout ratio of 2020 was 93.73%.

Impact of stock dividend distribution on business performance and EPS: **None**

Employees' bonus and directors' remuneration:

1. The proportion or range of employees' bonus and directors' remuneration as prescribed by the Company's Articles of Incorporation are as follows:

   The Company's annual profit, if any, shall be set aside for directors' remuneration and employees' bonus according to the following proportions:

   (1) Directors' remuneration should be no more than 0.3%.

   (2) Employees' bonus should be between 0.1 % and 1%.

   However, the Company shall reserve profits to cover any cumulative losses. Employees' compensation may be distributed to, including but not limited to, employees of parents or subsidiaries of the Company meeting certain specific requirements set by the Board of Directors or its authorized persons.

2. The basis for estimating the amount of employees' bonus and directors' remuneration for the current period, and the accounting treatment of the discrepancy, if any, between the actual amount of bonus shares distributed to employees and estimated figure thereof are as follows:

   If there are major changes to the distribution amounts by resolution of the board of directors meeting after closing of a fiscal year, the changes shall apply to adjust the expenses of the year of the proposal. If there are still pending changes to the amount on the date of resolution by the shareholders' meeting, the changes shall be processed according to the accounting estimates and booked as an adjusting entry in the year of the shareholders' resolution.

3. Employee, Directors' and Supervisors' Remuneration approved in Board of Directors Meeting.

   The Company at the Board of Directors meeting on Feb. 16, 2022, approved the remuneration for employees and directors for 2021, where a total of NT$4,081,366 was allocated for employee remuneration and NT$6,122,049 for director remuneration, respectively. The amount was distributed in cash and reported at the 2022 shareholders' meeting.

4. The actual distribution of employee, director compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, the treatment of the discrepancy, if any, between the actual distribution and the recognized employee or director compensation.

   (1) The distribution of the Company's remuneration for employees and directors was approved at the shareholder's meeting on May 18, 2021, where a total of NT$2,419,871 was allocated for employee remuneration and NT$2,419,871 was allocated for the directors, respectively. This was confirmed to be the same as listed in the 2020 financial report.

Buyback of Treasury Stock: None

ii. Corporate Bonds: None

iii. Preferred Shares: None

iv. Global Depository Receipts: None

v. Employee Stock Options: None

vi. New Restricted Employee Shares: None

vii. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None

viii. Financing Plans and Implementation: None

V. Operational Highlights

i. Scope of Business

1. Main areas of business operations

A. J503020 Television Production
B. J503010 Broadcasting Production
C. J503030 Broadcasting and Television Program Distribution
D. J503040 Broadcasting and Television Commercial
E. J503050 Video Program Distribution
F. F108031 Wholesale of Drugs, Medical Goods
G. F208031 Retail sale of Medical Equipment
H. F208021 Retail sale of Drugs and Medicines
I. F208011 Retail sale of Chinese Medicine
J. F108021 Wholesale of Drugs and Medicines
K. F108011 Wholesale of Chinese Medicine
L. F401161 Tobacco Products Import
M. F401171 Alcohol Drink Import
N. J506021 Satellite Broadcasting Television Program Supplier
O. F203020 Retail Sale of Tobacco and Alcoholic Beverages
P. I301040 The third party payment
Q. G902011 Type II Telecommunications Enterprise
R. G801010 Warehousing and Storage
S. F107080 Wholesale of Environmental Agents
T. F207080 Retail Sale of Environmental Agents
U. F401181 Measuring Instruments Import
V. IZ06010 Tally packaging
W. F399040 Retail Sale No Storefront
X. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Retail revenue breakdown

Unit: NT$'000

Year / Classification	2020		2021	
	Revenue	% of total	Revenue	% of total
TV Shopping and Catalogue Shopping	5,524,849	8.22	5,281,608	5.97
Online shopping	61,585,749	91.65	83,066,465	93.97
Others	87,506	0.13	48,623	0.06
Total	67,198,104	100.00	88,396,696	100.00

3. Main products

momo offers TV shopping, online shopping, catalogue shopping, travel services, and property and life insurance sales.

4. New products development

(1) Developing New Categories of Products

As consumers become increasingly reliant on virtual shopping, the product diversification will have impact on TV ratings and the customers reached. The more diversification of the product categories, the more customer bases will be reached. Therefore, new categories will likely develop new customer base and lower the risks associated with highly concentrated product categories. In 2022, we continued to develop new products, while aggressively introduced overseas products to expand the breadth of product categories and establish our platform uniqueness in order to attract a more diversified customer base.

(2) Introduction of new brands

New brand has always been important to momo. It took at least 6 month to work with a brand, from the negotiations, sales on platforms, customer development, to the incubation of benefits. Brand companies' the quality assurance, rich marketing resources and stable supply chains are beneficial to the long-term development of momo. Consequently, in recent years, momo has being working more closely with brand names. Through the co-planning of marketing resources, we maximize the synergy between the channels and the brand names.

(3) Expanding new platforms

With the saturation of cable TV's audience ratings, shorter cable TV viewing time, and the trend of TV digitalization and mobile devices, TV shopping shall not only focus on the cable TV platform but also expand its territory to digital and mobile platforms. Platforms that have been launched since 2015 are as follows: TV APP, Facebook fan page, Line@ and Multimedia on Demand (MOD) of Chunghwa Telecom. In 2019, we focused on integrating the developed synergy of the above platforms. Starting from 2020, we launched the live streaming business and expanded our presence in engaging social communities and members.

Industry Overview

1. Current market and outlook of related industries

Currently, the Company operates in three segments: virtual channel-based TV shopping, online shopping and catalogue shopping. Revenues for each of the three industries are expected to continue to rise in the future. The following discussion will include the development of TV shopping, online shopping, and catalogue shopping.

(1) TV shopping

The operation model in the Taiwanese TV shopping industry is to provide a sales platform via listing of high quality programing through various cable platforms. By showcasing the suppliers' products in these programs and complete the sales transactions by leverage call center capabilities of individual TV shopping operators.

A. Taiwan's TV shopping market

Major TV shopping operators in Taiwan's include Fubon's momo channels, Eastern Home Shopping & Leisure, U-Life, and ViVa. An analysis of the current market situation and competition involving the aforementioned corporations is as follows:

	momo	EHS	ViVa
Parent Company/Group	Taiwan Mobile	Eastern Media International	-
Number of Home Shopping Channels	2	4	1
Number of MOD channels	2	5	2
Number of Households	5 Million	5 Million	5 Million
Multi-Channel	EC/Catalog/Mobile Commerce	EC/Catalog/Mobile Commerce	EC Commerce

B. The household penetration rate of cable TV and digital TV in Taiwan 2019Q1~2021Q3

Time	Total Number of Households	Number of Households in Cable TV	Number of Households in Digital TV	The Penetration rate in Digital TV	The Penetration rate in Cable TV
2019Q1	8,754,384	5,070,320	5,042,022	57.92%	99.44%
2019Q2	8,778,661	5,043,076	5,014,331	57.45%	99.43%
2019Q3	8,824,319	4,994,196	4,961,922	56.60%	99.35%
2019Q4	8,832,745	4,974,839	4,974,688	56.32%	100.00%
2020Q1	8,848,368	4,934,462	4,934,362	55.77%	100.00%
2020Q2	8,874,204	4,914,724	4,914,724	55.38%	100.00%
2020Q3	8,921,682	4,896,529	4,896,529	54.88%	100.00%
2020Q4	8,833,814	4,867,591	4,867,591	54.49%	100.00%
2021Q1	8,950,538	4,833,648	4,833,648	54.00%	100.00%
2021Q2	8,965,343	4,797,588	4,797,588	53.51%	100.00%
2021Q3	9,004,362	4,768,417	4,768,417	52.96%	100.00%

According to the data from 1Q19 to 3Q21, cable TV's penetration rate in Taiwan has been showing a decreasing trend quarter by quarter since 2018. As of 3Q19, the number of subscribers to cable TV has dropped below 5,000,000. The number of subscribers to digital set-top boxes has grown significantly from quarter to quarter since 2015 due to the government's policy of promoting digitalization. However, with the rise of social media live streaming and online audio and video platforms, the number of subscribers has also begun to decline after 4Q18. The decline in the no. of cable/digital TV subscribers has caused a certain degree of impacts on TV shopping. Although the customer base that has been lost is not our main customer segment of TV shopping, we still need to develop new venues to stabilize the no. of subscribers.

C. "The home economy" trends

Given the recent technological advances, traditional brick and mortar transactions are not the only way for consumers to make purchases. As consumers' adoptions of virtual shopping channels rise, a gradual shift towards the "Home Economy" is rising. Home economy entails a simplified shopping process that removes physical retail stores from the shopping process and enables customers to place orders from the comfort of their homes using phones, mobile devices or computers over the internet. Simplified transaction process, combined with ever faster delivery of products to customers, enable the customers to mimic the instant gratification they would otherwise receive at traditional brick and mortar stores. As a result, the rise of "Home Economy" has proved to be resilient during the global financial crisis. Popularity of cable TV enables the customers to flip through various channels at their leisure. Suppliers and operators can identify when the target customers will be watching, and leverage the sounds and visuals of the programming to vigorously engage the customers to make impulse purchases. In addition, TV shopping operators boast of strong after-sales services capabilities, thereby ensuring a more secure buyer–seller transactions as well as assurance of product authenticity and quality.

D. Interactive virtual shopping

While the competitive landscape continues to evolve rapidly, the consumers' purchasing behavior continues to favor more virtual shopping, away from traditional brick and mortar stores. This is due to the benefit of more mature communication technology, improving infrastructure for logistics and money flows, and long working hours that demands a more flexible choices when shopping. However, virtual shopping lacks real-time communication and interaction with consumers, and consumers need to spend more and more time collecting product information. TV shopping offers a virtual shopping interactive tool, where host's vivid introduction of products, expert guests' detailed demonstration of the products' uses and when coupled with the enhancement of the visual and audio from the TV programming, can deliver the necessary production information and entertainment value in order to drive revenue growth. In

addition, an advantage of TV shopping is that firms are equipped with an excellent team of professional customer service agents to provide consumers with good after-sales service.

(2) Online Shopping

Customers of B2C platforms will provide personal information to B2C operators.B2C operators would then save the information for use in marketing/promotional campaigns in the future. When customers make a purchase by placing orders and entering payment information, the transaction is verified by third party financial companies before the orders are fulfilled, aided by third party logistics operators for the final delivery of the purchased merchandise.

A. Analysis of Taiwan's online shopping environment

With the higher and higher number of online users in Taiwan, coupled with continuous innovation by Taiwanese online shopping industry and the highly developed logistics service, the four online shopping business models - B2C, B2B2C, C2C and O2O - will continue to co-exist and develop in Taiwan, while consumers' habit in using online shopping continues to develop. According to the statistics of the Department of Statistics of MOEA, the market size of Taiwan's online shopping and mail order industry in 2021 was about NT$285.4 billion, which was a 83% increase from the NT$155.7 billion in 2016, and currently accounts for about 7% of the overall retail industry. Compared with the overall retail industry in 2021, which was only 10% higher than that in 2016, showing the online shopping and mail order industry still has a higher growth momentum.

B. Internet population in Taiwan is popular and stable

According to the statistics of Taiwan Internet Report conducted by TWNIC, the Internet usage of Taiwanese aged no younger than 12 years has increased from 75.7% in the 2011 survey to approximately 83.8% currently. It is estimated that the number of Internet users in Taiwan is over 17,780,000. This shows that Internet users are prevalent in Taiwan and such condition is a stable trend.

In addition, there are three intermediary factors that affects the online shopping competition environment, namely, third-party payments, logistics and distribution integration, and cross border transactions. Third-party payment platforms can serve as a guarantee of money flow and reduce the financial cost (FX) for cross border transactions for both parties. They allow the buyers and sellers of mobile online shopping and cross border online shopping to complete the transactions more comfortably, conveniently and quickly, thereby enhancing the vigorous development of mobile shopping and cross-border transactions. The next is the logistics and distribution integration. Delivery guarantees of online shopping platforms in Taiwan has been reduced from 24 hours at first to 12 hours, and now some platforms are even offering 3-hour delivery services. Online retailers/platforms' distribution services continue to compete with time and have effectively shortened the difference between the amount of time needed to have products reach the consumers from the physical stores and from the virtual channels. The ever-improving services are also a key strategic advantage of virtual channels when infiltrating physical stores, and one that will continue to erode any advantages physical stores may have. Finally, in addition to consolidating the domestic market, the overseas development is a key point that will lead to another wave of online shopping growth in Taiwan. Currently, due to the inconsistencies in various countries' policies and supporting systems for money flow and logistics, integration of the ecosystem remains challenging. However, as countries emphasize more and hold a more open attitude toward online shopping, more frequent cross-border online transactions and richly cultivated cross-border operations will be realized.

(3) Catalogue Shopping

Catalogue Shopping is where customers obtain product information from product catalogues prepared and sent by catalogue shopping companies. Orders are placed via telephone, fax, return order sheets, and/or the Internet. The catalogue shopping companies then deliver the products to the customers via third party logistics providers, including the post office. Customers make payments via postal office wire transfers, credit cards, or cash on delivery.

A. Current state of the catalogue shopping industry in Taiwan

Examples of catalogue shopping companies in Taiwan in the early days included the Taipei Mail Order Company, Sandory Shop, and MI SC Mail Order, whose main customers were students. The catalogue shopping industry subsequently evolved to include the likes of Avon, with the use of mail

order catalogues to help direct selling. Other cosmetic specialists from Japan such as DHC and Orbis, and catalogues that support TV shopping such as momo catalogues and Eastern Home Shopping & Leisure catalogues also entered the sector. As media exposure becomes increasingly multifaceted, companies often employ advertising strategies through multiple outlets to strengthen their connections with consumers and to meet their demands. For instance, 7-ELEVEN, a franchise with over 5,000 stores in Taiwan, publishes Easy Purchase in Advance (which features the Gourmet Food Purchase in Advance Magazine, the T-Cat Specialty Food Purchase in Advance Magazine, and the Reading Blog) to make up for the lack of merchandise put on display within physically smaller 7-Eleven stores. Similarly, momo catalogues are published to increase product exposure to the customer base, as most often, TV shopping channel markets only one product during each programming segment.

There are three prerequisites that must be met to start a catalogue shopping business: preparation and printing of catalogues, acquisition of customers' information, and logistics system implementation. Preparation for catalogues require significant initial financial commitment as international paper cost has been rising and the production cost of intricately lay out and finely printed catalogues are expensive, but necessary to stimulate consumers' desire to make purchases. If catalogue operators distribute catalogues randomly, the response/purchase rate will likely be low. Therefore, companies with extensive customer records, which likely take significant amount of time to achieve, can then leverage its customer database to more accurately identify customers who are more likely to purchase from catalogues. With respect to logistics system implementation, catalogue shopping companies must be equipped with a strong customer service capabilities as well as a responsive supplier base. These capabilities enable them to process thousands of purchase orders with ease. To accomplish this, sufficient capital must be available to sustain an efficient and satisfactory consumer shopping experience.

B. Future trends of catalogue shopping

As entry barrier for the catalogue shopping business is high, only major TV shopping, physical channels, as well as domestic and foreign-based cosmetic companies remain in Taiwan. Small catalogue shopping companies make comparatively less profits. As a result, catalogue shopping companies are mostly run by subsidiaries of major corporations in Taiwan. As the price for paper can be volatile, and catalogue shopping operators are more of price takers, it is more feasible to manage cost by using consumer data analyses to identify mailing list that are more likely to improve elevate response/purchase rates. To better match consumers' personal shopping experience and respond to market demands, e-catalogues have also been introduced to the market. Such a method facilitates immediate and high-volume consumer information acquisition, which allows catalogue shopping companies to lower printing costs while effectively stimulate the purchase desire of their target customers. Although e-catalogues appear to be the development trend of the future, paper-based catalogues remain an indispensable tool to communicate with customers, where companies can use different types of paper to accentuate product qualities as well as adapting to consumer motivation, location, preference, and media marketing strategies to boost sales.

2. Relationships between suppliers, distributors, and retailers in the industry

Products sold by the Company are purchased from various suppliers who are considered to be the upstream of the industrial supply chain. Our products mainly comprise of household items, cosmetics, and travel items. The Company operates in three main business segments, including TV shopping, online shopping, and catalogue shopping – these segments are viewed as the midstream of the industrial supply chain. Finally, our products are sold to and consumers via different segments of our businesses. A diagram of the relationships between the suppliers, distributors, and consumers of the industry supply chain is provided as follows:

3. Product development trends

(1) TV shopping

Although TV shopping can provide vivid introduction of products, it is constrained by the air time, meaning number of SKUs available for sales is limited and selection of products is also limited for some consumers. Even though TV remains a powerful and effective communications tool, the traditional TV viewership and interactions with consumers have declined due to the growth of mobile devices. As a result, the main development trends of the TV shopping industry are social medialization, "go mobile" and differentiated of product offerings. Companies are committed to develop shopping APPs and video streaming with the social platforms. Combining the flow of people on the social platforms, the convenience of mobile shopping and the stickiness of audio and video media, TV shopping can be free from the space restrictions and have more in-depth contact with consumers; Product wise, TV shopping companies focused more on promoting domestic and international brands in the past. Going forward, in order to meet the consumer demand for diversified products, these companies will expand the introduction of foreign differentiated products and leverage procurement power of TV large-scale purchase to secure better pricing of the latest foreign products for the consumers.

(2) Online Shopping

In recent years, online shopping are more and more attaching social networks as well as data applications. Traditional shopping networks provide a diverse selection of products to meet consumer demands. However, when facing millions of products on the websites, more often than not, online shoppers can only browse products based on brand impressions or through limited pages, and the proportion of products actually purchased is limited. Therefore, many shopping websites began to focus on functions offered by social networks such as the promotion effect of "recommendations from fellow shoppers" and opinion leaders. For example, Amazon acquired Quoru; Alibaba invested in Sina Weibo and established Weitao; and the live streaming commerce caused by the live streaming sensation in recent years. They all hope to reduce the cognitive differences of products during shopping and the purchasing risk of new adopters through managing the social networks' users' reviews and various aspects of product descriptions. At the same time, through the various behavioral data of consumers during browsing, the potential demand of the online shopping group can be further analyzed, the required products can be presented in a timely and appropriate manner when the customer needs them, and the consumers can be created as a positive feedback loop.

(3) Catalogue Shopping

According to the IBIS world report, the U.S. telecommunications sales market growth rate in 2014-2019 declined by 1.6%. Since various catalogue companies have started developing online sales in recent years, the overall revenue has shown a slight growth trend, and business activities for these companies are concentrated in densely populated cities in order to benefit from lower logistics costs. The market situation in Japan is similar to the United States. Catalogue shopping companies such as ニッセン (Nissen), saw its revenue decline in 2012, while the cost of logistics and packaging cost increased, thereby reducing the profitability of the catalogue shopping company. As a result, catalogue shopping companies have adopted mobile and app technologies as sales tools. For example, Japan Nissen's online strategy is based on the wealth of the knowledge it has acquired from the catalogue shopping business over the years and the data from its 20-34 years old female customers. The result is an increase in online sales, along with higher percentage revenue generated from mobile platforms. While the overall performance remains lackluster in the catalogue shopping market, some catalogue shopping companies that are more focused on niche market of elderly, young children, cosmetics such as Sentagya natural food, and TV Shopping companies gained significant growth. The estimates of United Nations Economic and Social Commission for Asia and the Pacific (UNSECAP) indicates the that the population over 60 years old in the Asia-Pacific region will grow two-fold by 2050. At that time, one out of four people in Taiwan will be over the age of 60, therefore, prospect of the elderly market and care provider services industry remains bright.

On the other hand, the market for baby products in Taiwan has been negatively impacted given the lower birth rates. However, the spend per child is rising, not only for high-income families, but parents in general are more willing to spend more, leading to growth of reputable brands, thereby driving the sales of mid to high priced products in this category.

4. Competitive Landscape

(1) TV shopping

momo's TV shopping channels are an integrated TV shopping platform, and the main competitors in Taiwan are Eastern Home Shopping and ViVa. There is no existing substitute of the same nature. However, the TV shopping market has been negatively impacted by the rise of new virtual shopping platforms (e-commerce and mobile business) in recent years and the gradual reduction of consumers' dependence on TV. Despite the competition among channels and the environmental disadvantages, momo TV still launched its own TV APP in time, adapting to the rise of digital audio and video and mobile transactions.

Therefore, although the revenue of traditional TV channels has declined, there is still room for growth in the OTT platform and mobile APP. In addition to the current extension of video and audio technology to app and FB live streaming; TV shopping launched live streaming product introductions with influencers in 2019 to open up new frontiers of social omics. Overall, it still has considerable competitive advantages.

(2) Online Shopping

momoshop.com positions itself as a comprehensive B2C online shopping network whose major Taiwanese competitors include PChome Online and Yahoo Shopping. Competitors that may potentially replace momoshop include C2C online auction sites, B2B2C online shopping malls, O2O online group buying networks, and category specific online shopping platforms. momoshop.com allows online shoppers to make purchases on the comprehensive B2C online shopping platform, as well as visit online shopping platforms in other business models when searching for products, comparing product prices, and completing online shopping. Although momoshop.com is a relative latecomer among the major comprehensive B2C online shopping platforms, it has experienced a rapid growth as it is able to leverage the Group's TV shopping "know-how".

(3) Catalogue Shopping

momo catalogue is positioned as TV shopping catalogue, and is an added value service and extension of sales for members of the TV and internet shopping network. The main competitor is the Eastern catalogue. Currently the catalogue shopping market in Taiwan is divided between TV shopping catalogues (momo, Eastern), direct sales (Amway/Avon/Herbalife/Nu Skin, etc.), Japanese cosmetics postal and internet sales (DHC/ORBIS, etc.) and other catalogue shopping companies. In terms of momo catalogue, the main alternative for it are the direct sales companies and the Japanese systems.

Research and Development

The Company's R&D funds for 2021 and as of Jan. 31, 2022 were NT$202,289,000 and NT$17,924,000, respectively. Each project plan was focused on providing advanced technology and enhancing customer convenience and new experiences while hoping to enhance the overall business growth of the Company. The main technologies were as follows:

Project title	Project description
Intelligent warehousing installation plan	It is planned to build an intelligent warehousing system through big data analysis. The purpose is to effectively increase the shipment volume in the satellite warehouse area, reduce the unpacking situation among the warehouses, so that consumers can receive the goods quickly and the cost of logistics services can be effectively reduced.

Long-term and Short-term Development

1. Short-Term business development plan

(1) TV shopping

A. Increasing breadth and depth of product offerings

To improve product quality and attract different consumer segments, increasing number of product offerings in terms of breadth and depth are important missions for TV Shopping. To increase the number of product offerings, efforts are made to enhance current suppliers' product categories as well

as finding new suppliers. To increase product depth, efforts are made to promote general merchandise as well as developing special products that complement TV shopping (and vice versa) and are markedly appealing when showcased through videos to maximize the efficiency of TV-related media resources.

B. Developing mobile shopping, digital and live streaming platforms

Digitization of TV platforms and mobile business has already been a trend. momo introduced momo TV APP in the end of Oct., 2014, its main functions are watching live streaming and top selling product VODs on smart phones, and placing orders directly using mobile phones. Due to constant growth in Chunghwa Telecom MOD platform users, the market is steadily maturing. As a result, momo also launched two MOD TV shopping channels in Nov., 2017, to promote the media content of TV shopping to digital platforms outside traditional TV channels, in order to increase audience ratings and broaden viewership. In addition to MOD, momo TV shopping has been proactively laying out plans for live streaming platforms, and engaging social communities and members.

C. Supply chain management of key suppliers with the introduction of SCM

By examining leaders that continue to grow in the TV shopping industry in other countries, supply chain management of key suppliers and the introduction of SCM systems are critical to stabilizing the supplier base. We continue to optimize the SCM system, while conducting annual planning and performance management for the key suppliers by product categories on a category basis.

(2) Online Shopping

A. Enhancing the differentiation in platform services

In the future, momo will focus on service enhancement, for example: providing installation services for large home appliances, immediate online customer service, after-sales warranty and maintenance, tracking of delivery history and other services; expanding the layout of logistics services and providing a complete distribution mechanism from northern to southern Taiwan; continuing to improve various user experiences to enhance the differences in platform services.

B. Enhancing product line diversity

The variety of products on momoshop.com has already reached high diversification, but the refining and developing of various product categories will continue from now on, in order to increase the number of brands and completeness of items in all the categories. This will offer consumers more choices when shopping on momoshop.com and increase product sales efficiency through strengthening the diversification of product lines.

C. Increase content diversity on social network platforms

In the future, momo will be striving to manage its social networks and provide more articles, video and audio contents on products, lifestyles or related information. The live streaming content will also continue to improve. In addition to its own production, suppliers will also be invited to continue to create more relevant live streams together to strengthen the marketing richness of the content and gain greater traffic and new members.

(3) Catalogue shopping

A. Developing E-catalogues and Reaching More Customers

Catalogue shopping aim increases the number of purchase orders by adding additional transaction capabilities through mobile apps, in additional to existing order methods of telephone, faxes, and mail-in order. Purchase functions are set up on momoshop portal and its app to enable shoppers who are interested in the momo catalogues to obtain a copy (or recommend them to their friends) online. Regarding web page design, contrary to regular web pages, which scroll up and down, the catalogues will adopt an e-book-like, left-to-right, right-to-left format, to improve its readability and visual layup more akin to paper versions of the catalogue. With respect to purchase orders placed through faxes and mail-in orders, such services are still be offered despite the current focus of momo catalogue shopping being 24-hour telephone-based services. This is because a considerable proportion of buyers still prefer to use faxes and letters to make their purchases. By providing diverse choices (e.g., online and paper-based services) through which consumers can place their orders, the different purchase behaviors of consumers can be met.

B. Target customers by segment in order to drive revenue per page

momo will Focus on the elderly market. In the elderly market, momo catalogue will collaborate with healthcare-related publications, to provide direct marketing membership forms, to print publications to communicate with the elderly population in details on healthcare and related products. This will ensure stable growth of healthcare product brands and can increase revenue for service-based advertisements (cleaners/caretakers, etc.). In addition, to meet demands of homemakers, increase the number of food categories. Fashion is also another key area for development. Clothing shall be represented as in a magazine, to bring out the current trends and product quality, in order to increase the member's preference for catalogue clothing and to attract new customers. Based on different target market, provide products and services the target audience desires, and this can be achieved through in-depth communication and precision marketing strategies to increase efficiency.

C. Integrating visual editing, sophisticated arrangement design

Improve visual stylization creates a sense of atmosphere, and this is highly recommended to effectively distinguish momo catalogue from other more traditional catalogues.

2. Long-term business development plan

(1) TV shopping

A. Enhancing the brand image of momo TV Shopping

General stigma of TV shopping is that it offers more generic brands and unreliable products. Thus, a long-term objective of momoshop is to enhance the brand image by introducing more well-known brands, actively participating in charitable activities, improving service functions, and improving the management of the membership base.

B. Talent Development at mid to senior management level

Employees are ones who make up the core structure of a well-run company. In addition to continuously recruiting distinguished talents, it is also critical to establish a comprehensive education and training programs and to allow employees in various departments and functions to enhance their professional competency, while at the same time develop a greater sense of their loyalty to the company. Professional managers are the key to the company’s long-term development and a comprehensive training program will be implemented to enhance the organization’s efficiency.

C. Circulation of cross-country best-sellers

Actively expand Asian markets of TV shopping, and circulate best-sellers in TV shopping of different countries. The Company gets to understand the local TV shopping market through such approach, which serves as a litmus test for the entry to the next stage.

(2) Online Shopping

A. Talent development for online shopping

Multi-talented and experienced employees, management teams, and leaders provide a competitive advantage in a fast growing and dynamic online shopping market. Since the establishment of momoshop, momo has been committed to cultivating local talents and developing e-commerce management teams. momo is continuing to do so in order to tackle challenges and in pursuit of achieving excellence in the ever-changing and competitive environment.

B. Effectively utilizing the internal multi-channel marketing resources for consolidation

Since many of momomall’s partners have physical stores, momo’s future development includes not only online cross-platform information linking but also seamless online-to–offline (O2O) integration. Besides various online marketing events, momo will continue to integrate marketing campaigns among physical shops and local specialty stores. Consumers will be solicited to participate in various campaign activities to obtain discounts for momomall or participating companies in order to integrate O2O campaigns for momomall partners.

C. Improving operations, provide differentiating services, and maintain growth momentum

A leading interactive online shopping platform requires continuous input to improve its service quality, exercising its advantages in online shopping, and maintain appropriate level of profit margins. Teams

at momoshop will continue to develop, acquire, and implement website technologies and transaction processing systems. In addition, momoshop will continue to add various value-added programs and improve the user interface, thereby providing a more responsive, efficient, and attractive user experience to access campaigns and facilitate increasing transaction volumes.

D. Strengthening mobile and cloud services and pursuing sustainable business platform

Consumers currently have multiple ways to access online shopping platforms: via desktop computers, laptops, mobile phones, tablets, and TVs. In order to improve consumers' shopping experience and tailor the experience to individual users, momoshop will continue to innovate and improve the user interface for the difference devices. The goal is to provide users with convenient and rapid access to momoshop wherever internet service is available.

(3) Catalogue Shopping

A. Cultivating media marketing talents with multi-channel experience and strengthening integrated marketing effectiveness

Since momo catalogue shopping is an extension of momo TV and online sales, its vendors need to understand the characteristics and unique selling points of TV and online products, select the products that will catch consumers' attention, while using just a single picture or short message in a limited editorial space. Therefore, momo TV and online sales channels complements momo catalogue shopping. In the future, vendors will play a key role in the seamless integration of various channels to effectively consolidate marketing media for the catalogue shopping business.

B. Continues to improve visual editing to create differentiated services and meet customer needs

Apart from management of the diverse printed catalogue shopping market, electronic catalogues will also start developing into customized electronic catalogues. Thus momo will continue to design and test various styles, colors, editing processes on a regular basis in order to accumulate template and module database to act as the foundation for customized catalogue design.

ii. Midmarket and Sales Overview

Market analysis

1. Sales (Service) Region

Unit: NT$'000

	2020		2021	
	Revenue	% of total	Revenue	% of total
Taiwan	67,148,341	99.93%	88,374,588	99.97%
China	49,763	0.07%	22,108	0.03%
Total	67,198,104	100.00%	88,396,696	100.00%

2. Market status

(1) TV shopping

A. Global market

QVC is the largest television shopping channel in the United States and has 96% coverage in cable TV subscribing households, where TV shopping accounts for 8% of gross retail sales in USA. In Korea, TV shopping accounts 12% for total gross retail sales. The two markets are seen to be more mature TV shopping markets.

In addition, the ASEAN market is also in a stage of rapid growth for virtual shopping, for example, in Thailand, according to Kasikorn Research Center, the scale of Thai TV shopping market is estimated to be Thai Baht 20 billion, with annual growth rate of 20%. Overall, except the United States, Japan, South Korea and other developed countries, China, Southeast Asia and other emerging countries still have great potential for growth in terms of TV shopping.

B. Domestic market

Currently Taiwan's cable TV subscribers have shown a saturated trend. The number of subscribers to digital set-top boxes has grown significantly since 2015 due to the government's policy of promoting digitalization. Although the no. of subscribers started to decrease since 2018, digitalization has turned TV into a platform through which mutual interaction with consumers is feasible, and the Company may increase customers' stickiness and per customer transaction by launching marketing activities. On the other hand, mobile shopping has gradually expanded subsequent to the prevalence of mobile Internet. As 5G, the new generation of mobile Internet achieves universal access, immersive video shopping will attract the young Internet customer segment.

(2) Online Shopping

A. Global market

Driven by high growth in China and India, the Asian-Pacific region has become the world's largest online shopping market, followed by the North American region. Research report from e-marketer estimates that the global online shopping retail revenue will grow from 3.35 trillion USD in 2019 to 6.39 trillion USD by the end of 2024, which is equivalent to 22% of total retail revenue. The percentage of online shopping in retail industry will continue to grow, increasing its importance, thus development sector in the future remains optimistic.

B. Domestic market

According to the statistics of the Department of Statistics of MOEA, the market size of Taiwan's online shopping and catalogue shopping industry grew from NT$155.7 billion in 2016 to NT$285.4 billion in 2021, which was an increase of approximately 83 %.

However, Taiwan's entire retail market had grown from NT$3,624.4 billion in 2016 to NT$3,985.5 billion in 2021, which was an increase of approximately 10%. In comparison, the future growth space of Taiwan's online shopping and catalogue shopping industry market is worthy of anticipation.

(3) Catalogue Shopping

A. Overseas markets

According to the IBIS world report, from 2014 to 2019, the growth rate of the US catalogue shopping market was 1.6%. Since various catalogue shopping companies have started to develop online sales in recent years, the overall revenue has shown a slight growing trend.

B. Domestic markets

The market size of the catalogue shopping industry in Taiwan is approximately NT$6.5 billion, which includes TV shopping catalogues (momo, ETS, VIVA), direct marketing (Amway, Avon, Herbalife, Nuskin), Japanese mail order beauty products (DHC, ORBIS), and other catalogue shopping companies. Catalogue shopping can be a complementary platform to physical and virtual channels, be used to increase product sales and exposure, or to add values by increasing the traction of the member base and their satisfaction level.

3. Competitive advantages

(1) TV shopping

A. momo TV is a reputable and leading TV shopping brand in Taiwan

momo TV developed a quality brand image in the minds of suppliers or consumers in Taiwan for many years. Thus, consumers feel more secure when shopping on momo TV, and suppliers of famous brands are more willing sell their products through the platform. As a result, there is higher product variety and differentiation on momo TV.

B. Channel integrations with online shopping and catalogue shopping

momoshop and momo catalogue are the largest B2C platform and circulation in Taiwan. Through the integration of multiple sales channels, and cross platform marketing of products to our members, momo suppliers and their merchandise can leverage greater synergies provided by our platforms.

C. Leverage the scale of our members

momo.com Inc. officially launched its TV shopping channels in Jan. 2005. By May of 2005, momohop.com and momo catalogue was gone live. Through promotions and member management activities, TV shopping has achieved sound results in increasing customer repurchases and activation of dormant members. The increased active member pool can also enhance the analysis result from the data base of past purchases.

(2) Online Shopping

A. Diverse supplier base, product development of international brands, and complete product line

momoshop.com has a healthy, long standing relationship with its suppliers. With the support its broad supplier base, the company can leverage its suppliers to introduce international brands to Taiwan through momohop.com, that currently do not have domestic presence in Taiwan, momoshop has the most complete lines of beauty supplies and nutritional supplements in Taiwan that includes generic-brands from Taiwan and foreign brand-name products from Japan, the U.S., and Europe. In addition, 100% owned Fu Sheng Travel Service, provides customers with access to a comprehensive online shopping network to purchase domestic and overseas tour packages. momoshop.com is a clear leader in the online retailing space for products in the beauty supply/cosmetics, food/fresh produce, home accessories, and health/weight loss categories. The diverse product offering aims to meet the trend where consumers demand for convenience over fashionable items.

B. Effective and diversified marketing strategy

A goal-oriented marketing strategy resulted in a 9% YoY increase in membership number, totaling 11 million users as of 2021. In order to ensure its price competitiveness, the company established four price search and tracking mechanism and held promotional campaigns to attract customers. In addition to general price discounts and promotions, momoshop introduced the free-coupon promotion beginning in 2006. The promotions that have proved to be effective include campaigns such as Happiness Roulette, Polling Event with Free Raffle, Retailer/Product Strategic Partnership, and High-end 3C Product Promotion. In terms of advertising, momoshop.com leverages cross selling opportunities to include catalogue inserts, logistics flyers, TV commercial spots (in between programs) and integrate these activities with momo social networks and brick & mortar supplier partners.

C. Customer relations management with data analysis

The biggest value of momoshop.com is the membership base and the lifetime transaction value of the customers. momoshop.com’s membership base is classified into three categories in order to better manage the interaction and communication campaigns. They are membership recruitment, securing first purchase, and recurring repurchase. The largest proportion of resources is invested in customer relationship management, which includes data mining for use in targeted marketing, social media management online and Facebook, health and parenting-related knowledge sharing, and events campaigns. In general, momoshop’s customer relationship management not only involves massive and dynamic customer behavior analyses but also emphasizes practical member interactions and exchange.

D. Improving and pursuing innovative management of operations

momoshop.com’s management team is already focused on delivering and managing diversified sources of cash flow, improving logistics operation that features 12-hour delivery, live 24-hour telephone customer service, cross selling of momoshop.com products on live TV shopping broadcasts, establishing a product quality control (QC) center, and optimizing user interface of our portal and mobile apps. In addition, the team is focused on innovative delivery plans to manage personalized product recommendation pages, personal cloud, and additional value added mobile services.

E. Security of online transactions

Momoshop.com provides consumers a safe, secure, and trustworthy shopping platform. Any notices and terms regarding customer’s privacy, rights and obligations, and transactions data are disclosed on the website, while internal information security management and transaction disputes are processed with utmost urgency, pursuant to standards adopted by financial institutions.

(3) Catalogue shopping

A. Complete product line and abundant media resources

Due to the comprehensive range of momo TV and online products, the product lines in the current momo catalogue is not limited to fashion, cosmetics, but also include home living and healthcare. It is one-stop shopping for health food, traveling and dinning, or maternal and children products. In addition, the internal momoshop and TV app can be used to integrate brand image, or increase exposure and demand for online catalogues.

B. Diversified promotional strategy for innovation and change

The strategy includes analyzing new trends in promoting catalogue shopping in the U.S., Japan, and South Korea, as well as examining the performance of and responses to campaigns in order to better promote domestic catalogue shopping.

C. Media marketing talent with multi-channel experience

We currently have talented media marketing personnel with experience across TV shopping, online shopping, brick and mortar retail operation, and print catalogue professionals, and they collectively can create efficient integrated marketing campaigns.

4. Opportunities and challenges

(1) Favorable factors

A. Mobile shopping market continues to grow rapidly

According to the statistics of Taiwan Internet Report conducted by TWNIC, the ratio of mobile Internet usage of Taiwanese aged no younger than 12 years has increased from 67% in 2016 to about 77% in 2020, and it is estimated that the population of users is about 16,350,000. The popularization of smart phones, tablets, and other mobile devices has not only contributed to the diversification of Internet accesses, but also created a new wave of commercial opportunities for mobile shopping, and will be an important key to the growth of e-commerce in Taiwan in the future.

B. Government to promote E-commerce

In order to establish a solid foundation of e-commerce and expand the presence in international markets, the government makes efforts to promote the “Online shopping environment improvement plan". Meanwhile, it boosts the life quality and safety of the public and stimulates the development of digital cultural and creative and content industries through the accelerated installation of domestic digitalization infrastructure of ultra-broadband network and 5G network at the same time.

C. Commercial opportunities increasing in the elderly market

Development of the elderly market is certain to be a future trend as the population continues to age in Taiwan. momo catalogue shall integrate the Company's internal resources to enter this market.

(2) Risks factors and mitigating actions

A. Consumers’ behavioral changes in contact with media

The popularity of internet and mobile devices is changing consumers’ exposure to and behaviors towards the media. Although printed materials remain the mainstream reading format in Taiwan’s print media market, the overlap between reading paper-based publications and digital media cannot be overlooked.

Potential actions:

momo catalogue shall increase its content, optimize digital reading interface, consider the complementarity of paper-based and digital platforms, to optimize the setting up of digital catalogues. By making good use of the advantages of current digital channels, increase the exposure rate of momo catalogue using the momoshop network and TV app platform resources to increase online demand for the catalogue, and change the consumers' thinking of using printed media as the main way of obtaining information while the digital format is supplementary.

B. Concern over privacy

Concerns over individual privacy also affect consumers' confidence in internet shopping.

According to Taiwan Network Information Center's (TWNIC) Taiwan Broadband Internet Usage Survey (released in 2019), Internet users worry the most about "personal information leakage", which accounts for 71.6% among various personal information risks.

Potential actions:

In protecting member privacy, momoshop fully discloses privacy related policies, such as the methods for collecting, saving, storing, protecting, and the security of customer information; validation of information security; targeted personnel that customer information are disclosed to; purpose of utilizing customer information; categorization of customer information and scope of use; modification of customer information; cookies; and deletion of customer information. These processes shall be periodically updated in accordance with relevant regulations. In respect to the control of internal information, USB disks, Bluetooth, smart phone/Blackberry mobile devices, floppy, Wi-Fi, and DVDs can only be used to store and replicate data under intranet control to prevent the leakage of internal information and virus attacks as well as to protect privacy of members.

Production Procedures of Main Products:

Not applicable. The Company primarily engages in general wholesale and retail business, and does not produce or manufacture any products.

Supply Status of Main Materials:

Not applicable. The Company primarily engages in general wholesale and retail business, and does not produce or manufacture any products.

Major Suppliers and Clients:

1. Procurement

   Not applicable. The Company provides multiple platforms where transactions occurs and purchases products for sale from multiple suppliers. Payment to any single supplier is less than 10% of the total payment.

2. Sales

   Not applicable. The Company does not sell to any specific customers. Contribution from any single customer is less than 10% of total sales.

Production volume in the past two years:

Not applicable as the Company is not a manufacturer.

Sales volume in the past two years

	2020				2021			
	Domestic Sales		Export Sales		Domestic Sales		Export Sales	
	Volume	Revenue (NT$'000)	Volume	Revenue (NT$'000)	Volume	Revenue (NT$'000)	Volume	Revenue (NT$'000)
TV Shopping and Catalogue Shopping	3,486,712	5,524,849	-	-	3,058,084	5,281,608	-	-
Online shopping	79,919,545	61,585,749	-	-	104,468,532	83,066,465	-	-
Others	-	37,743	32,117	49,763	-	26,515	18,772	22,108
Total	83,406,257	67,148,341	32,117	49,763	107,526,616	88,374,588	18,772	22,108

Reasons for the differences: The market demand continues to grow, so the Group's shopping website business has also grown.

iii. Human Resources

Employee statistics in the past two years up to publication date

Year		2020	2021	2022 (as of Feb. 18)
Number of employees	Direct employees	1,363	1,480	1,484
	Indirect employees	1,352	1,601	1,641
	Total	2,715	3,081	3,125
Average age		35.01	35.17	35.18
Average years of service		4.45	4.53	4.57
Education level	Ph.D.	0.11%	0.07%	0.06%
	Master's	8.51%	7.95%	7.94%
	College	71.53%	71.47%	71.30%
	High School	18.75%	19.41%	19.55%
	Others	1.10%	1.10%	1.15%

Note 1: Company included momo.com Inc., Fuli Life Insurance Agent Co., Ltd., Fuli Property Insurance Agent Co., Ltd., BEBE POSHE International Co., LTD., Fu Sheng Logistics Co., Ltd., Prosperous Living Co., Ltd., Fubon Gehua (Beijing) Enterprise Ltd.

Note2: Doctoral degree: Including doctors and doctoral degree candidates.

iv. Environmental Protection Expenditure

The company suffered losses due to environmental pollution which including compensation and environmental protection audit results being in violation of environmental protection laws and regulations. The company should list the date of disciplinary action, disciplinary action no., laws and regulations violated, content of the laws and regulations violated, and content of the disciplinary action shall be listed. In addition, the company must write the current and future possible amount and corresponding measures. If it really cannot be reasonably estimated, the company should be explained**:** None

v. Employee Relations

The following specifies the conditions of implementing welfare measures, continuing education, training programs, retirement scheme, and maintaining labor agreements and various employee rights and benefits:

1. Employee welfare measures, continuing education, and training programs

The Company has held regular labor-management conferences and employee meetings to provide details on Company policies and overall state of operations. Mechanism to facilitate communication with employees has also been set up to understand their needs. In addition, the employee welfare committee is responsible for planning and carrying out various welfare programs and measure during the year, and aims to obtain the best benefits for employees. Currently the various welfare and benefit systems at the Company include the following:

Work benefits	Family care	Employee discounts	Recreation and development
• Labor insurance, national health insurance • Provision of labor pension • Group insurance, 70% of insurance premium borne by the Company • Regular health examinations • Occupational injury and emergency assistance funds • Yearly bonuses for Dragon Boat Festival and Mid-Autumn Festival • Birthday bonus • Year-end bonus distributed from the year's surplus • Flexible clock-in/out system • Incentives for senior employees • Infirmary and professional medical staff set up on site	• Marriage gift • Funeral allowance • Maternity gift • Child education assistance • Relatives of employees may join group insurance at a discount, providing employees with comprehensive protections	• Employees and their spouses enjoy shopping discounts and affiliate employee discounts • Special store discounts • Special employee loans • Individual insurance benefits • Affiliate telecommunications discounts	• Recreation allowances • Community activity allowances • Monthly tea time, birthday parties • Monthly food stall event • Hired visually-impaired massage therapist to help employees relax • Set up employee gyms • Company expense and holiday for external training

In addition to the preceding benefits, an Employee Stock Ownership Trust project was planned in Q4 2019, and will be officially launched in Jan., 2020. The trust will solidify the core of the Company and help to retain its outstanding employees.

The system consists of senior project managers and management at the base level and above. A certain amount of the fixed monthly salary of each employee is allocated, to which is added the same amount from the Company, the purpose of which is to encourage employees to invest in momo on a regular basis each month, and become a momo shareholder! Share in the results of the Company! At 2021, the trust has 891 of qualified members, 764 of voluntary members, and 86% of participation rate. The Company's first allocation of funds totaled NT$20.45 million.

2. Retirement system and implementation thereof

(1) Subject to Labor Standard Act and Labor Pension Act, adhere to regulations for employee retirement to ensure rights and benefits relating to employees' retirement.

(2) Subject to Labor Standard Act, to establish the Labor Pension Fund Supervisory Committee (here-in-after referred to as the Supervisory Committee) and shall reserve amount of 2% of monthly wage and contribute it to the labor retirement reserve fund account.

(3) Subject to Subject to provisions stipulated in Labor Pension Act, and he amount of each labor pension borne by the employer shall reserve 6% of the worker's monthly wage for individual accounts of labor pension at the Bureau for employees applicable to the Act.

Pension system	Old system	New system
Appropriation method	Establishing the Supervisory Committee of Labor Retirement Reserve and appropriating 2% of the employee's monthly salary payment to be deposited in the pension reserve account according to the Labor Standards Act.	Appropriating 6% of the labor pension for each employee to the employee's individual account of labor pension at the Bureau of Labor Insurance in compliance with the Labor Pension Act.
Appropriated amount	Appropriated amount of 2021 was NT$944 346	Appropriated amount of 2021 was NT$95,492,934

Note 1: After accounting, the old pension system has been allocated in full, so application has been made to suspend the payment according to law. The suspension period is from 2021.08 to 2022.07.

3. Labor agreements

The Company and its subsidiary are dedicated to strengthen healthy labor relations and encourage two-way communication for resolving issues. All labor conditions are executed pursuant to the Labor Standards Act. So far, labor relations have been peaceful, and there has not been any labor disputes requiring coordination.

4. Maintenance measures of various employee rights and benefits

The regulations of the Company and its subsidiary adhere to the labor guidelines set forth by the government and provide complete systems clearly specifying various management standards. These include employee rights and obligations as well as welfare benefits, which are periodically reviewed and amended to maintain the rights and benefits of all employees.

In the recent year and up to the date of publication, the losses suffered due to labor disputes (including the labor inspection results being in violation of the Labor Standards Act, in which the date of disciplinary action, disciplinary action no., laws and regulations violated, content of the laws and regulations violated, and content of the disciplinary action shall be listed), and the current and estimated possible future amount and corresponding measures shall be disclosed; if it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be explained:

In the recent two years and up to the date of publication, this company has maintained peaceful labor relations and has not incurred loss due to labor disputes.

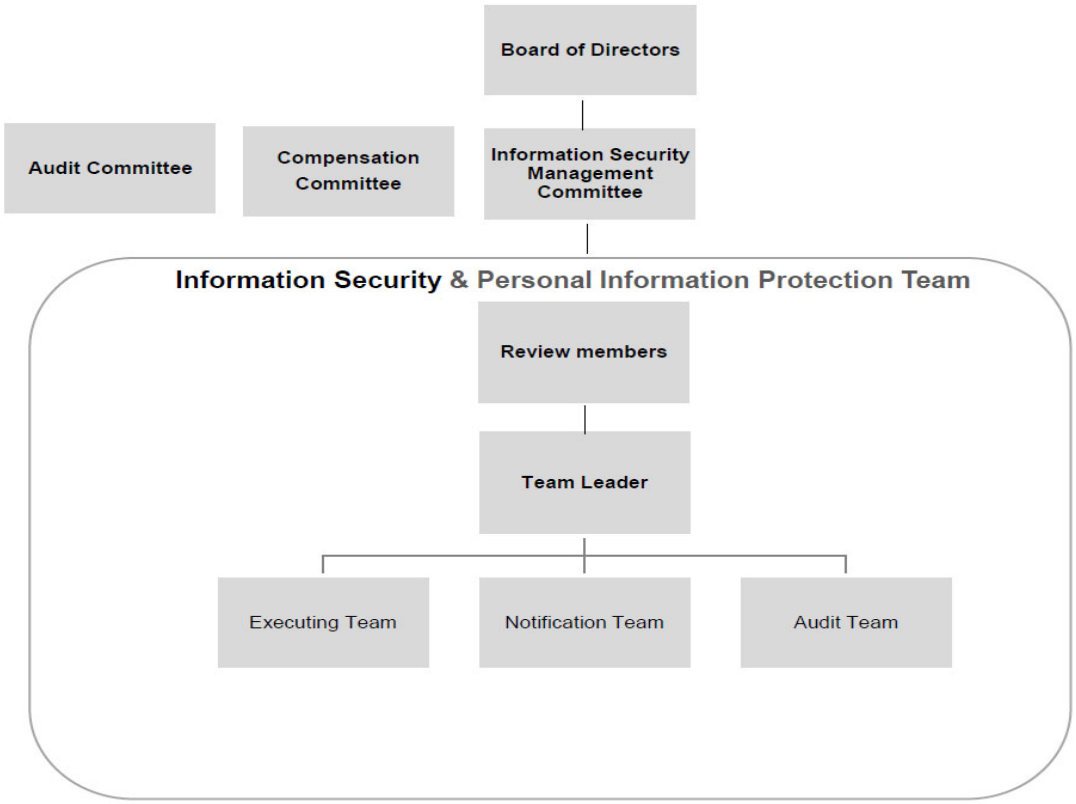
vi. Information Security Management

1. Organizational of Information Security

A Information Security Governance Framework

momo established the Information Security Committee in 2009 to promote information security operations; in order to strengthen the protection of personal data, the Information Security Committee was renamed as the "Information Security and Personal Information Protection Management and Review Committee" in 2018 to continuously and regularly review information security policies and promote their implementation. For the 2020 purpose of strengthening controls and monitoring information security risks, as well as enhancing the function of the Board of Directors, we have established the "Information Security Committee" under the Board of Directors. The "Information Security and Personal Information Protection Management and Review Committee" originally established in response to ISO 27001 and ISO 27701 has been renamed as "Information Security and Personal Information Protection Team." Such team continues to comply with provisions of ISO management systems and reports the annual implementation result to the "Information Security Committee".

B Organizational Chart



2. Information security policy

A Information security and personal information protection policy

In order to effectively implement information security and personal information management, the Company's information security organization has established a complete information security and personal information protection management system. At the same time, it has continued to pass the international information security and personal information management system certification, reduce corporate information security and personal information threats from the system, technical and procedure levels, maintain the confidentiality, integrity and availability of the Company's important information and personal information assets, and implement annual supervision and audits to ensure that information security and personal information standards will continue to be effective, so that information and personal information will not be leaked.

B Information security risk management, continuous improvement of framework and specific management plans, and investment of resources

The information security and personal information protection team conducts risk assessments on information security and system assets on a yearly basis, evaluating respective aspects including confidentiality, integrity, possibility, and compliance with laws and regulations. For those with high risks, appropriate control mechanisms and countermeasures will be established, and business continuity drill plans will be formulated for core information systems and new equipment. Moreover, operational drills will be scheduled every year to manage and control various business risks.

Security issues	Protection measures	Benefits
Theft or improper use of customer personal data	1. Obtain the "data protection liability insurance" 2. Perform penetration tests and improve weaknesses 3. Information security awareness 4. DLP email personal information protection system 5. Supplier shipment encryption mechanism	1. Reduce company compensation risk 2. Improve website and protection strength 3. Raise employees' information security awareness 4. Protection against email personal information leakage 5. Reduce shipment data leakage
Information security protection implementation	1. Continue to improve the Information Safety and Personal Data Management System 2. Implement basic information security specifications for mobile apps 3. Establish boundaries between internal and external networks	1. Continue to obtain ISO 27001 and ISO 27701 certification, demonstrating the care of a good administrator 2. Obtain App 3.0 certification to improve application security 3. Attack and intrusion prevention
Continuous monitoring and improvement	Establish various quantitative indicators * Bug fixes * Gateway endpoint protection	Gradually improve the level of information security indicators

3. Information security risks and countermeasures

The company has established comprehensive network and computer-related information security protection measures, through continuous review and evaluation of its information security regulations and procedures to ensure their appropriateness and effectiveness. Introduction of the IVR logistics distribution transfer service and delivery note code hiding strengthens data protection, along with the strengthening of email detection and social engineering drills, the Company is prevent from being affected by new risks and attacks when facing the ever-changing information security threats.

4. Major information security incidents

In 2021 and up to the printing date of the annual report, there was no loss of operation or goodwill due to major information security incidents. For the reporting and handling of information security incidents, the "Regulations Governing the Operation of Information Security Incident Notification" is expressly defined, which include authorities and responsibilities, incident classification, reporting procedures, and processing evaluation and decision-making. Information unit needs to exclude and resolve information security incidents within the target handling time, conduct root cause analysis and take corrective measures after the incident is handled, and strengthen information technology security.

vii. Major Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Real estate Sale Agreement	Tung Chin Textile Co., Ltd.	2021.09.03	Land purchase	-
Program broadcasting Agreement	China Network Systems Co., Ltd.	2021.01.01~ 2023.12.31	Consign and authorize advertisements of TV shopping to be publicly broadcast to cable TV viewers.	Non-disclosure
Lease Agreement	Fubon Life Insurance Co., Ltd.	2018.08.01~ 2023.07.31	momo office building	Non-disclosure
Lease Agreement	Zong Sine Industries Inc.	2021.06.08~ 2033.05.31	Lease contract for warehouse	Non-disclosure
Contract Agreement	Li Jin Engineering Co., LTD.	2021.05.05	Contract Agreement	Non-disclosure

VI. Financial Highlights

i. Condensed Balance Sheets and Statements of Comprehensive Income

Condensed Balance Sheets and Statements of Comprehensive Income

1. Stand-alone condensed balance sheet (2017-2021)

Unit: NT$'000

		Stand-alone condensed balance sheet (Note1)				
		2017	2018	2019	2020	2021
Current assets		5,331,888	5,745,492	7,062,610	9,274,981	13,992,434
Property, plant and equipment (PP&E)		4,548,616	4,465,793	4,356,415	4,846,582	5,033,347
Right-of-use assets		-	-	1,086,620	1,282,411	1,505,291
Intangible assets		57,214	97,151	109,700	91,436	75,506
Other assets		1,501,503	1,662,305	1,701,795	2,160,324	2,228,717
Total assets		11,439,221	11,970,741	14,317,140	17,655,734	22,835,295
Current liabilities	Before appropriation	5,280,337	5,543,234	7,114,974	9,518,412	12,708,483
	After appropriation	6,400,805	6,803,761	8,305,471	10,918,997	-(Note 2)
Non-current liabilities		282,137	277,004	1,046,190	1,203,329	1,367,821
Total liabilities	Before appropriation	5,562,474	5,820,238	8,161,164	10,721,741	14,076,304
	After appropriation	6,682,942	7,080,765	9,351,661	12,122,326	-(Note 2)
Paid-in capital	Before appropriation	1,420,585	1,400,585	1,400,585	1,400,585	1,820,761
	After appropriation	1,420,585	1,400,585	1,400,585	1,820,761	-(Note 2)
Capital surplus	Before appropriation	3,057,738	2,976,991	2,647,360	2,624,386	2,446,415
	After appropriation	3,026,155	2,685,893	2,630,469	2,484,327	-(Note 2)
Retained earnings	Before appropriation	2,061,926	1,940,821	2,280,724	3,051,552	4,698,492
	After appropriation	973,041	971,392	1,107,118	1,370,850	-(Note 2)
Other equity interest		(266,327)	(167,894)	(172,693)	(142,530)	(206,677)
Treasury shares		(397,175)	-	-	-	-
Total equity	Before appropriation	5,876,747	6,150,503	6,155,976	6,933,993	8,758,991
	After appropriation	4,756,279	4,889,976	4,965,479	5,533,408	-(Note 2)

Note 1: All financial data have been duly audited by independent auditors.

Note 2: The appropriation amount for the 2021 earnings has not to be approved at the AGM yet.

2. Stand-alone statements of comprehensive income (2017-2021)

Unit: NT$'000

	Stand-alone statements of comprehensive income（Note 1）				
	2017	2018	2019	2020	2021
Operating revenue	33,173,536	41,938,107	51,729,220	67,160,246	88,360,085
Gross profit	3,610,592	4,217,066	5,014,649	6,265,248	8,765,491
Operating income	1,394,563	1,423,093	1,647,699	2,238,004	3,975,659
Non-operating income and expense	127,157	54,825	65,407	155,248	95,503
Income before tax	1,521,720	1,477,918	1,713,106	2,393,252	4,071,162
Net income	1,270,082	1,449,640	1,393,781	1,943,304	3,280,300
Other comprehensive income (after tax)	(54,210)	(50,102)	(4,908)	34,004	(13,200)
Comprehensive income	1,215,872	1,399,538	1,388,873	1,977,308	3,267,100
EPS (NT$)(Note 2)	6.98	7.96	7.65	10.67	18.02

Note 1: All financial data have been duly audited by independent auditors.

Note 2: Calculated based on a retrospectively adjusted weighted average number of shares.

3. Consolidated condensed balance sheet (2017-2021)

Unit: NT$'000

		Consolidated condensed balance sheet（Note 1）				
		2017	2018	2019	2020	2021
Current assets		5,683,832	6,168,249	7,547,400	9,932,680	14,923,554
Property, plant and equipment (PP&E)		4,565,326	4,477,398	4,364,869	4,873,389	5,079,849
Right-of-use assets		-	-	1,088,091	1,282,411	1,505,291
Intangible assets		63,356	128,397	126,107	94,071	77,801
Other assets		1,465,380	1,452,508	1,472,702	1,626,483	1,428,551
Total assets		11,777,894	12,226,552	14,599,169	17,809,034	23,015,046
Current liabilities	Before appropriation	5,643,907	5,772,994	7,372,246	9,651,475	12,793,604
	After appropriation	6,764,375	7,033,521	8,562,743	11,052,060	-(Note 2)
Non-current liabilities		266,474	281,454	1,050,690	1,207,579	1,372,429
Total liabilities	Before appropriation	5,910,381	6,054,448	8,422,936	10,859,054	14,166,033
	After appropriation	7,030,849	7,314,975	9,613,433	12,259,639	-(Note 2)
Equity attributable to owners of the parent company		5,876,747	6,150,503	6,155,976	6,933,993	8,758,991
Paid-in capital	Before appropriation	1,420,585	1,400,585	1,400,585	1,400,585	1,820,761
	After appropriation	1,420,585	1,400,585	1,400,585	1,820,761	-(Note 2)
Capital surplus	Before appropriation	3,057,738	2,976,991	2,647,360	2,624,386	2,446,415
	After appropriation	3,026,155	2,685,893	2,630,469	2,484,327	-(Note 2)
Retained earnings	Before appropriation	2,061,926	1,940,821	2,280,724	3,051,552	4,698,492
	After appropriation	973,041	971,392	1,107,118	1,370,850	-(Note 2)
Other equity interest		(266,327)	(167,894)	(172,693)	(142,530)	(206,677)
Treasury shares		(397,175)	-	-	-	-
Non-controlling interest		(9,234)	21,601	20,257	15,987	90,022
Total equity	Before appropriation	5,867,513	6,172,104	6,176,233	6,949,980	8,849,013
	After appropriation	4,747,045	4,911,577	4,985,736	5,549,395	-(Note 2)

Note 1: All financial data have been duly audited by independent auditors.

Note 2: The appropriation amount for the 2021 earnings has not to be approved at the AGM yet.

4. Consolidated statements of comprehensive income (2017-2021)

Unit: NT$'000

	Consolidated statements of comprehensive income（Note 1）				
	2017	2018	2019	2020	2021
Operating revenue	33,238,547	42,017,012	51,830,417	67,198,104	88,396,696
Gross profit	3,647,345	4,260,240	5,084,636	6,314,485	8,944,803
Operating income	1,389,063	1,422,418	1,655,629	2,219,090	4,042,072
Non-operating income and expense	131,237	57,194	65,231	171,703	42,641
Income before tax	1,520,300	1,479,612	1,720,860	2,390,793	4,084,713
Net Income	1,262,632	1,444,675	1,392,701	1,938,938	3,275,266
Other comprehensive income (after tax)	(54,253)	(49,899)	(5,260)	34,100	(13,281)
Comprehensive income	1,208,379	1,394,776	1,387,441	1,973,038	3,261,985
Profit attributable to owners of the parent company	1,270,082	1,449,640	1,393,781	1,943,304	3,280,300
Profit attributable to non-controlling interest	(7,450)	(4,965)	(1,080)	(4,366)	(5,034)
Comprehensive income attributable to owners of parent company	1,215,872	1,399,538	1,388,873	1,977,308	3,267,100
Comprehensive income attributable to non-controlling interest	(7,493)	(4,762)	(1,432)	(4,270)	(5,115)
EPS (NT$) (Note 2)	6.98	7.96	7.65	10.67	18.02

Note 1: All financial data have been duly audited by independent auditors.

Note 2: Calculated based on a retrospectively adjusted weighted average number of shares.

Independent auditors' names and their audit opinions for the past five years

Year	Accounting firm	Name of CPA	Opinion	Replacement reason
2017	Deloitte & Touche	Vita Kuo, Peter Lin	Unqualified opinion	-
2018	Deloitte & Touche	Vita Kuo, Peter Lin	Unqualified opinion	-
2019	Deloitte & Touche	Vita Kuo, Peide Chen	Unqualified opinion	In coordination with the internal work adjustment of the firm
2020	Deloitte & Touche	Vita Kuo, Peide Chen	Unqualified opinion	-
2021	Deloitte & Touche	Peide Chen, Vita Kuo	Unqualified opinion	In coordination with the internal work adjustment of the firm

ii. Financial Analysis

Consolidated financial analysis (2017-2021)

		2017	2018	2019	2020	2021
Financial structure	Liability to asset rate (%)	50.18	49.52	57.69	60.97	61.55
	Long-term fund to PP&E rate (%)	134.36	144.14	165.57	167.39	201.22
Solvency	Current rate (%)	100.71	106.85	102.38	102.91	116.65
	Quick rate (%)	81.40	75.61	68.68	67.02	86.84
	Interest coverage rate (%)	454.41	540.02	202.77	246.11	323.42
Operations	Accounts receivable turnover (x)	39.45	39.76	48.23	65.07	59.28
	Average collection days	9.25	9.18	7.56	5.60	6.15
	Inventory turnover (x)	38.29	25.46	21.08	19.35	20.80
	Accounts payable turnover (x)	8.21	8.42	8.79	9.23	9.39
	Average days sales	9.53	14.33	17.31	18.86	17.54
	Property, plant and equipment turnover (x)	8.88	9.29	11.72	14.55	17.76
	Total asset turnover (x)	3.04	3.50	3.86	4.15	4.33
Profitability	Return on assets (%)	11.56	12.06	10.44	12.01	16.10
	Return on equity (%)	21.68	24.00	22.56	29.54	41.46
	Pre-tax income as a % of paid-in capital	107.02	105.64	122.87	170.70	224.34
	Net income margin (%)	3.80	3.44	2.69	2.89	3.71
	EPS (NT$)	6.98	7.96	7.65	10.67	18.02
Cash flow	Cash flow rate (%)	24.95	36.13	38.47	38.60	44.72
	Cash flow adequacy rate (%)	72.28	67.59	77.11	88.13	122.95
	Cash reinvestment rate (%)	7.55	21.74	37.29	61.38	143.54
Leverage	Operating leverage	3.91	4.08	3.92	3.22	2.39
	Financial leverage	1.00	1.00	1.01	1.00	1.00

Note1: All financial data have been duly audited by independent auditors.

Note 2: Calculated based on a retrospectively adjusted weighted average number of shares.

The following explains the financial ratios that fluctuated more than 20% between 2020 and 2021:

1. Long-term fund to PP&E rate: Such rates rose as a result of net Shareholders' equity of 2021 increased.
2. Quick rate: Such rates rose as a result of cash and cash equivalents of 2021 increased.
3. Interest coverage rate: Because the revenue grew in 2021, the net income before tax increased and such rate thus increased.
4. Property, plant and equipment turnover: Revenue growth in 2021 led to an increase in the property, plant and equipment turnover.
5. Return on assets: Such rates rose as a result of net income after tax of 2021 increased.
6. Return on equity & Pre-tax income as a % of paid-in capital: Such rates rose as a result of net income after tax and net income before tax of 2021 increased.
7. Net income margin: Such rates rose as a result of net income after tax of 2021 increased.
8. EPS: EPS increased because net income attributable to owners of the Company in 2021 increased.
9. Cash reinvestment rate: Net cash flows from operating activities increased in 2021, leading to an increase in the cash reinvestment rate.
10. Operating leverage: The operating profit increased significantly, resulting in a decrease in the ratio.

Stand-alone financial analysis (2017～2021)

		2017	2018	2019	2020	2021
Financial structure	Liability to asset rate (%)	48.63	48.62	57.00	60.73	61.64
	Long-term fund to PP&E rate (%)	135.40	143.93	165.32	167.90	201.19
Solvency	Current rate (%)	100.98	103.65	99.26	97.44	110.10
	Quick rate (%)	80.53	71.52	64.71	61.58	80.57
	Interest coverage rate (%)	1,521,721.00	-	207.70	246.99	322.35
Operations	Accounts receivable turnover (x)	39.14	39.39	47.69	64.84	59.21
	Average collection days	9.32	9.27	7.65	5.62	6.16
	Inventory turnover (x)	38.29	25.48	21.17	19.52	21.07
	Accounts payable turnover (x)	8.24	8.44	8.80	9.22	9.32
	Average days sales	9.53	14.32	17.24	18.69	17.32
	Property, plant and equipment turnover (x)	8.92	9.30	11.73	14.60	17.89
	Total asset turnover (x)	3.13	3.58	3.94	4.20	4.36
Profitability	Return on assets (%)	11.98	12.38	10.66	12.20	16.25
	Return on equity (%)	21.79	24.11	22.65	29.69	41.81
	Pre-tax income as a % of paid-in capital	107.12	105.52	122.31	170.88	223.60
	Net income margin (%)	3.83	3.46	2.69	2.89	3.71
	EPS (NT$)	6.98	7.96	7.65	10.67	18.02
Cash flow	Cash flow rate (%)	26.40	38.52	39.63	40.89	45.04
	Cash flow adequacy rate (%)	77.29	71.61	78.99	90.90	124.90
	Cash reinvestment rate (%)	7.31	22.48	35.97	60.12	121.97
Leverage	Operating leverage	3.88	4.06	3.91	3.13	2.34
	Financial leverage	1.00	1.00	1.01	1.00	1.00

Note1: All financial data have been duly audited by independent auditors.

Note 2: Calculated based on a retrospectively adjusted weighted average number of shares.

The following explains the financial ratios that fluctuated more than 20% between 2020 and 2021:

1. Quick rate: Such rates rose as a result of cash and cash equivalents of 2021 increased.
2. Interest coverage rate: Because the revenue grew in 2021, the net income before tax increased and such rate thus increased.
3. Property, plant and equipment turnover: Revenue growth in 2021 led to an increase in the property, plant and equipment turnover.
4. Return on asset: Such rates rose as a result of net income after tax of 2021 increased.
5. Return on equity & Pre-tax income as a % of paid-in capital: Such rates rose as a result of net income after tax and net income before tax of 2021 increased.
6. Net income margin: Such rates rose as a result of net income after tax of 2021 increased.
7. EPS: EPS increased because net income attributable to owners of the Company in 2021 increased.
8. Cash flow adequacy rate and Cash reinvestment rate: Net cash flows from operating activities increased in 2021, leading to an increase in the cash reinvestment rate.
9. Cash flow rate: Net cash flows from operating activities increased in 2021, leading to an increase in the cash reinvestment ratio.
10. Operating leverage: The operating profit increased significantly, resulting in a decrease in the ratio.

Note: Formulas for the above tables:

1. Financial structure
   (1) Liability to asset rate = Total liabilities / Total assets
   (2) Long-term fund to PP&E rate = (Shareholders' equity + Long-term liabilities) / Net PP&E
2. Solvency
   (1) Current rate = Current assets / Current liabilities
   (2) Quick rate = (Current assets – Inventory – Prepaid expenses) / Current liabilities
   (3) Interest coverage rate = Income before interest and taxes / Interest expense
3. Operations
   (1) Accounts receivable turnover = Net revenue / Average accounts receivable
   (2) Average collection days = 365 / AR turnover
   (3) Inventory turnover = COGS / Average inventory
   (4) Accounts payable turnover = COGS / Average accounts payable
   (5) Average days sales = 365 / Inventory turnover
   (6) PP&E turnover = Net revenue / Average net PP&E
   (7) Total asset turnover = Net revenue / Average total assets

4. Profitability
   (1) Return on assets = [Net income + Interest expense x (1 – Tax rate)] / Average assets
   (2) Return on equity = Net income / Average equity
   (3) Net income margin = Net income / Net sales
   (4) EPS = (Net income – Preferred stock dividend) / Weighted average outstanding shares
5. Cash flow
   (1) Cash flow rate = Cash flow from operating activities / Current liabilities
   (2) Cash flow adequacy rate = Net cash flow from operating activities for the past 5 years / (Capital expenditures + Increases in inventory + Cash dividend) for the past 5 years (2009-2011 numbers were calculated based on ROC GAAP)
   (3) Cash reinvestment rate = (Cash flow from operating activities – Cash dividends) / (Gross fixed assets + Long-term investments + Other assets + Working capital)
   (Note: Use zero if working capital value is negative)
6. Leverage
   (1) Operating leverage = (Net revenue – Variable operating costs and expenses) / Operating income
   (2) Financial leverage = Operating income / (Operating income – Interest expense)

III.

momo.com Inc.
Examination Report of the Audit Committee

February 16, 2022

The Board of Directors of momo.com Inc. has submitted the Company's 2021 business report and financial statements to the Audit Committee. The CPA firm, Deloitte & Touche, was retained by the Board to audit momo's financial statements and has issued an audit report relating to the financial statements. The business report and financial statements have been reviewed and determined to be correct and accurate by the Audit Committee of momo. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Sincerely,

The 2022 General Shareholders Meeting of momo.com Inc.

momo.com Inc.

Audit committee convener: Hong-So Chen

iv. Consolidated Financial Statements of the Most Recent Year

Refer to the attachment.

v. Certified Financial Statements of the Company of the Most Recent Year

Refer to the attachment.

vi. Financial Difficulties for the Company and its Affiliates

None

VII. Review and Analysis of Financial Conditions, Operating Results and Risk Management

i. Balance Sheet Analysis

Consolidated balance sheet analysis

2020 ～ 2021 Consolidated Balance Sheet

Unit: NT$'000, %

	2020	2021	YoY change	
			Amount	%
Current assets	9,932,680	14,923,554	4,990,874	50.25
Property, plant and equipment	4,873,389	5,079,849	206,460	4.24
Right-of-use assets	1,282,411	1,505,291	222,880	17.38
Intangible assets	94,071	77,801	(16,270)	(17.30)
Other assets	1,626,483	1,428,551	(197,932)	(12.17)
Total assets	17,809,034	23,015,046	5,206,012	29.23
Current liabilities	9,651,475	12,793,604	3,142,129	32.56
Long-term Liabilities	1,207,579	1,372,429	164,850	13.65
Total liabilities	10,859,054	14,166,033	3,306,979	30.45
Paid-in capital	1,400,585	1,820,761	420,176	30.00
Capital surplus	2,624,386	2,446,415	(177,971)	(6.78)
Retained earnings	3,051,552	4,698,492	1,646,940	53.97
Other equity	(142,530)	(206,677)	(64,147)	45.01
Non-controlling interests	15,987	90,022	74,035	463.10
Total equity	6,949,980	8,849,013	1,899,033	27.32

All financial data have been duly audited by independent auditors.

Explanation for changes that exceed 20% and reached NT $10 million or above in the past two years:

1. Increase of current assets: Revenue rose in 2021, so cash and cash equivalents, other receivables and inventories increased.
2. Increase of current liabilities: Mainly because of the revenue growth in 2021, resulting in an increase of accounts payable for purchases.
3. Increase of paid-in capital: Mainly due to the distribution of stock dividends in 2021.
4. Increase of retained earnings: Mainly because of an increase in net income in 2021.
5. Decrease of Other equity: Mainly due to the disposal of investments using the equity method in 2021, the unrealized valuation gains of financial assets measured at fair value through other comprehensive gains and losses are reclassified to retained earnings, resulting in a decrease in other equity.
6. Non-controlling interest: Mainly due to the investment in Prosperous Living Co., Ltd. In 2021.

ii. Statements of Comprehensive Income Analysis

Consolidated statements of comprehensive income analysis

2020 ～ 2021 Consolidated Statements of Comprehensive Income

Unit: NT$'000, %

	2020	2021	YoY change	
			Amount	%
Operating revenue	67,198,104	88,396,696	21,198,592	31.55
Operating costs	60,883,619	79,451,893	18,568,274	30.50
Gross profit	6,314,485	8,944,803	2,630,318	41.66
Operating expenses	4,199,106	5,026,293	827,187	19.70
Net other income and expenses	103,711	123,562	19,851	19.14
Operating income	2,219,090	4,042,072	1,822,982	82.15
Non-operating income and expenses	171,703	42,641	(129,062)	(75.17)
Income before tax	2,390,793	4,084,713	1,693,920	70.85
Tax expense	451,855	809,447	357,592	79.14
Net income	1,938,938	3,275,266	1,336,328	68.92
Other comprehensive income, net of Tax	34,100	(13,281)	(47,381)	(138.95)
Comprehensive income	1,973,038	3,261,985	1,288,947	65.33

All financial data have been duly audited by independent auditors.

Explanation for changes that exceed 20% and reached NT $10 million or above in the past two years:

1. Increase of operating revenue: Mainly due to the growth of e-commerce performance, the revenue thus increased.
2. Increase of operating costs: Mainly because of the revenue growth in 2021, resulting in an increase in product costs and other operating costs.
3. Increase of gross profit, operating income, income before tax, net income, comprehensive income: Mainly because of the revenue growth in 2021.
4. Decrease of net other income and expenses: Mainly due to the increase in losses of affiliated companies recognized using the equity method in 2021.
5. Increase in tax expense: Mainly because of an increase in net income before tax in 2021.
6. Decrease of Other comprehensive income, net of Tax: Mainly because of an increase in exchange differences on translation of foreign financial statements and the unrealized valuation gains of equity instrument investments measured at fair value through other comprehensive income accounted for using equity method by affiliated companies in 2021.

Revenue outlook, key assumptions, potential impact on the Company's business and corresponding proposal

The Company's sales estimates for the ensuing year are based on the Company's previous festive events, seasonal changes, predicted market environment, supply–demand conditions, and predictive data for its future business development.

iii. Cash Flow Analysis

Consolidated cash flow analysis

2020 ～ 2021 Consolidated Cash Flow Statement

Unit: NT$'000, %

	2020	2021	YoY change	
			Amount	%
Cash inflow (outflow) from operating activities	3,725,682	5,720,847	1,995,165	53.55
Cash inflow (outflow) from investment activities	(911,614)	(158,001)	753,613	(82.67)
Cash inflow (outflow) from financing activities	(1,571,250)	(1,813,450)	(242,200)	15.41
Impact from changes in exchange rate	313	(245)	(558)	(178.27)
Net cash increase (decrease)	1,243,131	3,749,151	2,506,020	201.59

Analysis of the Change in Cash Flow:

1. Increase of cash inflow from operating activities: Mainly due to the revenue growth and the increased net income before taxes in 2021.
2. Decrease of cash outflow from investment activities: Mainly due to the decrease in fixed asset purchases in 2021.

Plans to improve negative liquidity: None

Consolidated projected cash flow for 2022

2022 Consolidated Projected Cash Flow Analysis

Unit: NT$'000

Cash balance, Beginning of the year (1)	Forecast net cash inflow from operating activities (2)	Forecast cash outflow from investment and financing activities (3)	Cash balance, end of the year (1) + (2) - (3)	Source of funding for negative cash balance	
				Cash inflow from investment activities	Cash inflow from financing activities
8,804,124	4,910,559	7,922,918	5,791,765	-	-

Explanations and analysis:
1. Operating revenue and profit growth trends in 2022 are expected to remain unchanged from those in 2021. However, investment activities supporting revenue growth scale have increased, therefore, the expected cash balance amounts to NT $5,791,765.
2. It is expected that as the operating revenue increases, the cash inflow for the ensuing year will stem from operating activities.
3. Investment activities: Primarily the cash outflow was the result of the payments for warehouse storage equipment.

iv. Analysis of Major Capex and its Impact on Finance and Operations

None of material influence.

v. Investment Policies, Reasons for Profit/Loss, Plans for Improvement, and Future Investment Plan

Investment transfer policies in the most recent fiscal year:

The Company conducts investment transfer according to the Company's business development needs and future business growth. A detailed evaluation of the following is provided as a reference to decision-making authorities for making investment decisions: organizational profile of the investment target, investment objective, market condition, business development, shareholding ratio, and other related items.

Concerning financial management policies for domestic and foreign investments, the Company adopts management regulations in relation to its internal control system as the basis for investment management. In addition, it monitors and manages investment transfer businesses in accordance with the Regulation for Monitoring and Managing Subsidiaries and the Operational Procedures for Specific Company and Related Party Transactions of Group Companies.

Reasons for profit/loss and plans for improvement:

The investment loss of the Company recognized with equity method was at NT$19,458,000 in 2021, and was at NT$72,417,000 under consolidated basis, which was a change from profit to loss compared with the previous year. It was mainly due to the fact that the re-investment business - Beijing Global Guoguang Media Technology Co., Ltd. recognized the loss of goodwill impairment of Kaleida Holdings S.A, a re-investment company.

Investment plans for the ensuing year:

In the domestic market, in order to optimize the customer's shopping process and shorten the time taken from ordering to picking up, the Company will continue to invest in warehousing and logistics, in order to improve its grasp of logistics distribution and customer satisfaction with the shopping experience. The completion of the southern logistics center in the future will benefit the coordination of logistics in southern and northern Taiwan and improve the efficiency of delivery, thereby expanding the territory of 24-hour delivery and speedy delivery services in southern Taiwan.

The Company will focus on the Asian market. In addition to scaling up the operations and related investments in China and Thailand, we will also seek opportunities for cooperation with additional countries in South East Asia, with the hope of replicating our successful experience Taiwan by providing the best virtual shopping experience to our customer groups.

vi. Risk Management

Impact of inflation, interest and exchange rate fluctuations, and preventive measures:

Unit: NT$'000, %

	2020	% of Operating revenue	2021	% of Operating revenue
Interest income	22,882	0.03%	26,834	0.03%
Interest expense	9,754	0.02%	12,669	0.01%
Exchange gain (loss)	896	0.00%	(1,095)	0.00%

1. Impact of interest rate fluctuations

   The interest income of the Company and its subsidiary was NT $23million in 2020 and NT $27 million in 2021, which respectively accounted for 0.03% and 0.03% of the net operating revenue. In addition, the interest expense for 2020 and 2021 was NT $9.8 million and NT $12.7 million, respectively accounting for 0.02% and 0.01% of the net operating revenue. Therefore, interest rate fluctuations posed no material influence on the company's operations. The Company and its subsidiary will timely adjust its use of funds as interest rate fluctuates in order to mitigate the impact that interest rate volatilities may have on the earnings of the Company and its subsidiary.

2. Impact of exchange rate fluctuations

   The exchange profit (loss) of the Company and its subsidiary was NT $9 million for 2020 and NT ($11) million for 2021, which respectively accounted for 0.00% and 0.00% of the net operating revenue. The Company and its subsidiary's proportion of operating revenue in Taiwan registered 99.9%. We primarily adopt telegraphic transfer when purchasing products overseas. Although exchange gains and losses were the result of exchange rate volatility, their proportion as a percentage of net sales revenue was low. Therefore, exchange rate volatility had a limited impact on the company operation. The Company and its subsidiary will closely monitor information related to exchange rate fluctuations, stay vigilant at all times toward the trends of the exchange rates, and make appropriate adjustments according to the global economy, exchange rates, and future cash flow demands. The ultimate goal is to minimize risks associated with exchange rate volatility and thereby reduce the impact of such volatility on the earnings of the Company and its subsidiary.

3. Impact of inflation

   The Company and its subsidiary have maintained a close, positive interactive relationship with its suppliers and customers. In addition, we pay detailed attention to market price fluctuations at all time in order to adjust purchasing and selling prices in response to price fluctuations in the market, thereby minimize the impact of product inflation.

Investment policy and reasons for gains & losses for high-risk/high-leverage financial products, derivatives, loans to others and guarantees of debts

1. The Company and its subsidiaries dedicate to operations of shopping platform business, tourist and insurance agency products respectively, but do not engage in other commercial activities involving high-risk or high-leverage investments. Nevertheless, in order to control relevant risks effectively and enhance the security of financial operations, the Company and its subsidiaries have strictly stipulated the "Operating Procedures Governing Loaning of Funds and Making of Endorsements/Guarantees," "Procedures for the Acquisition or Disposal of Assets," and relevant operating standards, and established relevant systems to carry out risk management and evaluation tasks

2. Reasons for gains and losses for loans to others, endorsements/guarantees, and financial derivatives:

   (1) Loans to others: The Company and its subsidiary have not made loans to others up to the publishing date of the annual report.

   (2) Endorsements/guarantees: The Company and its subsidiary rigorously formulated and strictly adhere to the Procedures for Loaning of Funds and Making of Endorsements/Guarantees when making endorsements/guarantees. In addition, endorsements/guarantees are typically made to subsidiaries that directly or indirectly hold over 50% of the voting share of the Company, thus minimizing risks.

   (3) Derivatives transaction: None.

3. Response measures:

   In future, the Company and its subsidiary will continue to adhere to existing principles of not engaging in high-risk/high-leverage investments. In addition, we will follow company regulations and systems when handling loans to others, endorsement/guarantee policies, and derivative products.

Research and development plans

Project title	Project description
Installment plan for upgrading the momo customer service platform	In order to improve the customer service center's service quality and the timeliness of responses, momo intends to upgrade the existing smart customer service system, and aims to resolve consumers' questions effectively, reduce manmade responses, and improve customer satisfaction through the introduction of new functions.
Product boxing suggestion	In order to reduce the usage of packaging disposables, momo's expert team studies the placement of products and inventories and analyzes shipping packages with the aid of big data analysis and system to facilitate the reduction in separate shipments from different warehouses and usage of cardboard boxes and packaging materials, thereby maximizing the loading rate of distribution vehicles.
Information security tool upgrade	By improving the security design of system framework management, including network area division, access control, internal and external vulnerability management, intrusion detection and other security protections, the system reliability is continuously strengthened.
Application of cloud intelligent warehousing	momo analyzes consumers' consumption behavior, order structure and market consumption trends through AI big data and cloud computing system, selects the best-selling products, and distributes them to each warehouse, so that momo can effectively allot the order volume equally and reduce the congestion caused by order concentration. When consumers place an order, it will be shipped quickly from nearby warehouses, creating zero-distance shopping and providing consumers with the best experience of real-time shopping.

Expected investment in R&D in 2022 is NT$2,508 million.

Regulatory changes and developments

The Company and its subsidiary ensure that their daily operations adheres to domestic laws and regulations, including Fair Trade Act, Copyright Act, Patent Act, Trademark Act, Commodity Labeling Act, Statute for Control of Cosmetic Hygiene, Act Governing Food Safety and Sanitation, Health Food Control Act, Regulations for Governing the Management of Medical Device, Telecommunications Act, Radio and Television Act, Cable Radio and Television Act, and Consumer Protection Act. They also abide by industry-related domestic and foreign laws and regulations; constantly follow the development trends of domestic and foreign policies as well as changes to laws and regulations. The Company educates its employees and suppliers regarding changes to legislations on a regular basis, actively adjusts its product categories, and reinforces its evaluation methods to effectively observe and respond to market changes. The Company designates specialized legal officers in Taiwan and overseas to monitor changes in crucial policies and laws of Taiwan and other countries. It proposes response measures in a timely manner, and complies with domestic and foreign laws and regulations to minimize related risks.

Technology changes (Including information security risks) and development

The Company and its subsidiary manage TV, online, and catalogue shopping channels, offer travel and insurance products, and establish an integrated platform that affords shopping, travel and insurance services. In addition to providing diverse purchasing services to meet market demands, the Company ensures steady, flexible financial management at all times to address the challenges involved with technology and industry changes and maintain its competitive edge. Therefore, technology and industry changes exerted no material impact on the operaten of the Company and its subsidiary.

Impact of changes in brand image on the Company's risk management policies in 2021 up to publication date in 2022

The Company and its subsidiary uphold the principles of ethical management, professionalism, and innovation, while emphasizing the importance of satisfying market demands and strengthening internal control. The Company is committed to improve product quality and customer service. Up to the publication date of the annual report and in recent years, there were no impact of changes in brand image on the Company and its subsidiary.

Expected benefits and risks from mergers in 2021 up to publication date in 2022

In recent years and up to the publication date of the annual report, the Company and its subsidiary are not undertaking any merger and acquisition (M&A) activities and have no plans in merging and acquiring other companies. Nevertheless, if it intends to undertake M&A activities, the Company and its subsidiary will strictly assess the impact of such plans to in the best interests of shareholders' return.

Expected benefits and risks related to plant facility expansions in 2021 up to publication date in 2022

The category of the Company and its subsidiary's business belongs to the retail and service industry, thus explanation under this heading is not applicable.

Risks from supplier and buyer concentration in 2021 up to publication date in 2022

1. Procurement

   This corporation provides multi-transaction platforms and purchases products for sale from multiple suppliers. Thus, this is not applicable because the payment to any single supplier is less than 10% of the total payment.

2. Sales

   Due to the nature of the business the Company is in, the Company does not sell to any specific customers. Thus, this is not applicable as the contribution from any single customer is less than 10% of total sales.

Significant changes in shareholdings of directors and major shareholders in 2021 up to publication date in 2022

Since 2021 up to the publication date of this annual report, the Company has not been made significant changes in or transferred shareholdings of directors or major shareholders who hold more than 10% of the Company's shares.

All transfer information has been announced and declared in the Market Observation Post System according to the regulations.

Changes in management controls in 2021 up to publication date in 2022

Not applicable.

Significant lawsuits and non-litigious matters in 2021 up to publication date in 2022

If there has been any substantial impact upon shareholders' equity or prices for the company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the company that was finalized or remained pending during the most recent two fiscal years or during the current fiscal year up to the printing date of the prospectus, the prospectus shall disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case:

There has been no substantial impact upon shareholders' equity or prices for the company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the company that was finalized or

remained pending during the most recent two fiscal years or during the current fiscal year up to the publication date of this annual report.

Any finalized or pending litigation, non-litigious proceeding, or administrative dispute involving a company director, supervisor, general manager, de facto responsible person, or major shareholder with a stake of more than 10% during the most recent two fiscal years or during the current fiscal year up to the printing date of the prospectus that potentially exert a substantial impact upon shareholders' equity or prices for the company's securities:

The Company's director, supervisor, general manager, de facto responsible person, or major shareholder with a stake of more than 10% were not involved in any litigation, non-litigious proceeding, or administrative dispute that potentially exert a substantial impact upon shareholders' equity or prices for the company's securities.

Other major risks:

Information security risk:

The Company has long been committed to the implementation of information security and personal information protection control. In Nov., 2009, we passed the international verification of SGS Taiwan Limited and obtained ISO 27001 information security certification. In 2018 and 2021, we expanded the scope of verification and added items such as operating procedures of logistics delivery management and development, maintenance, and data management of subsidiaries' systems, so to ensure the highest level of protection is achieved for customers' information under the multi-layered information security control. We regularly maintain and continuously obtain the certification on a yearly basis to keep the certification valid.

In 2018, we conducted the verification of Personal Information Management System (PIMS, BS10012:2017) for the first time, and passed the international verification of SGS Taiwan Limited and obtained the certification. Such certification emphasizes management of member shoppers' personal information, personal information obtained from phone ordering services, and management operation of personal information obtained from the insurance agency service offered by the subsidiary. In 2021, we were re-verified and the personal information management was changed from the original verification BS10012 to ISO 27701 for the information security and personal information management system standards to become consistent, and certificates were obtained to ensure the security of information and personal information. In the future, we will regularly maintain and continuously obtain the certification on a yearly basis to keep the certification valid.

Educational training on information security

General users and supervisors received information security online courses and tests for 4 hours a year; for information technology staff, at least 6 hours a year; and for information security colleagues, at least 16 hours a year. In addition, information training courses were held irregularly.

Name	Hours	No. of People	Note
Practical advocacy of the Personal Data Protection Act	1	2,468	100% of the in-service employees during the span of the course completed the online course and passed the test
External protection against hacker attacks	1	2,538	
Internal protection against leakage	1	2,576	
Defense practice advocacy against social engineering attacks	1	2,745	
New recruits orientation	1	890	1. 100% of the reported new employees completed the orientation. 2. 3-hour orientation for new recruits, of which 1-hour course content was information security protection, Personal Data Protection Act, external protection against hacker attacks, internal protection against leakage, and introduction to the use of computer.

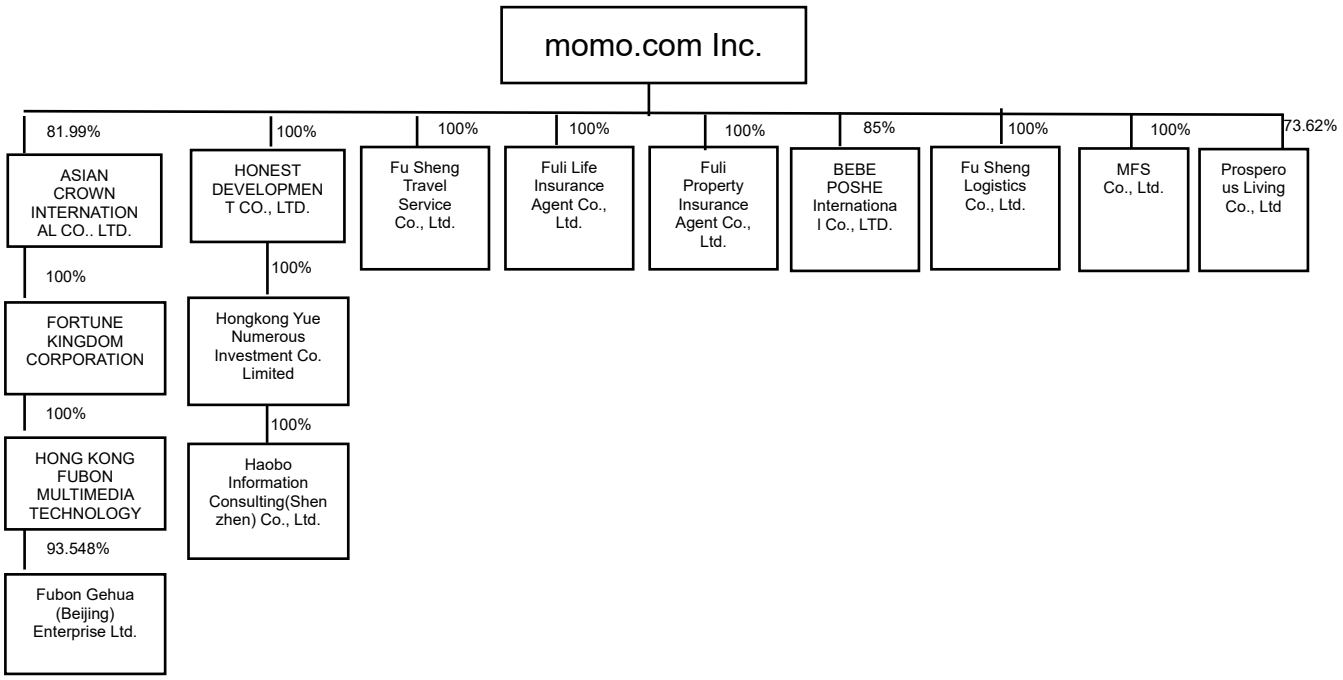
vii. Other Significant Items: None.

VIII. Special Notes

i. Affiliates

Investment holding structure

As of Dec. 31, 2021



Affiliates' profile

Dec. 31, 2021 Unit: NT$ (unless otherwise stated)

Name	Date	Address	Paid-in capital	Main business
Fu Sheng Travel Service Co., Ltd.	2004.12.16	7F, No 92, Zhouzi St., Neihu District, Taipei, Taiwan	30,000,000	Travel agent
Fuli Life Insurance Agent Co., Ltd.	2005.12.27	7F, No 98, Zhouzi St., Neihu District, Taipei, Taiwan	5,000,000	Life insurance agent
Fuli Property Insurance Agent Co., Ltd.	2006.01.03	7F, No 96, Zhouzi St., Neihu District, Taipei, Taiwan	5,000,000	Property insurance agent
BEBE POSHE International Co., LTD.	2010.01.07	4F, No 92, Zhouzi St., Neihu District, Taipei, Taiwan	100,000,000	Wholesale of cosmetics
Fu Sheng Logistics Co., Ltd.	2020.02.15	8F, No.96, Zhouzi St., Neihu District, Taipe, Taiwan	250,000,000	Logistics industry
MFS Co., Ltd.	2020.07.30	14F.-6, No.1, Zhanqian, Miaoli City, Miaoli County 360, Taiwan	100,000,000	Wholesaling
Prosperous Living Co., Ltd	2021.11.26	7F, No 92, Zhouzi St., Neihu District, Taipei, Taiwan	300,000,000	Wholesaling & Retail
Asian Crown International Co.,Ltd.	2009.01.07	Palm Grove House, P.0. Box 438, Road Town , Tortola , British Virgin Islands	USD11,873,735	Investment
Fortune Kingdom Corporation	2009.01.06	Maystar Chamber, P.O. Box 3269, Apia, Samoa	USD11,594,429	Investment
Hong Kong Fubon	2010.03.18	Unit 06, G/F, The Lodge, 535	USD11,594,429	Investment

Name	Date	Address	Paid-in capital	Main business
Multimedia Technology Co., Ltd.		Canton Road, Kowloon, Hong Kong		
Fubon Gehua (Beijing) Enterprise Ltd.	2010.12.08	Room201, zone A, floor2, building3, yard1, Yaojiayuan south road, Chaoyang district, Beijing, China	RMB77,500,000	Wholesaling
Honest Development Co., Ltd.	2015.01.23	Maystar Chamber, P.O. Box 3269, Apia, Samoa	USD21,778,413	Investment
Hongkong Yue Numerous Investment Co. Limited	2015.03.12	Unit 06, G/F, The Lodge, 535 Canton Road, Kowloon, Hong Kong	HK16,600,000	Investment
Haobo Information Consulting(Shenzhen) Co., Ltd.	2008.11.14	3207A, Building A, Xinghe Century Building, 3069 CaiTian Road, Gangxia Community, Futian Street, Futian District, Shenzhen City, China	RMB11,000,000	Investment

The information of the same shareholders in companies presumed to have a controlling or subordinate relation with the Company: None

Information of Director, Supervisor and President in each affiliated company

Dec. 31, 2021 Unit: Dollar in foreign currency; Share; %

Name	Title	name of Representative	Shareholding	
			Shares (Note 2)	Shares %
Fu Sheng Travel Service Co., Ltd.	Chairman	momo.com Inc. Representative: C.F. Lin	3,000,000	100.00%
	Director	momo.com Inc. Representative: Jeff Ku	3,000,000	100.00%
	Director	momo.com Inc. Representative: Gina Lu	3,000,000	100.00%
	Supervisor	momo.com Inc. Representative: Jeremy Hong	3,000,000	100.00%
	President	(Note 1)		
Fuli Life Insurance Agent Co., Ltd.	Chairman	momo.com Inc. Representative: C.F. Lin	500,000	100.00%
	Director	momo.com Inc. Representative: Jeff Ku	500,000	100.00%
	Director	momo.com Inc. Representative: Julia Chou	500,000	100.00%
	Supervisor	momo.com Inc. Representative: Summer Hsieh	500,000	100.00%
	President	C.F. Lin	-	-
Fuli Property Insurance Agent Co., Ltd.	Chairman	momo.com Inc. Representative: Gina Lu	500,000	100.00%
	Director	momo.com Inc. Representative: Jeff Ku	500,000	100.00%
	Director	momo.com Inc. Representative: Jeremy Hong	500,000	100.00%
	Supervisor	momo.com Inc. Representative: Hana Hsieh	500,000	100.00%
	President	Gina Lu	-	-
BEBE POSHE International Co., LTD.	Chairman	momo.com Inc. Representative: C.F. Lin	8,500,000	85.00%
	Director	Jennifer Lin	-	-
	Director	momo.com Inc. Representative: Jeff Ku	8,500,000	85.00%
	Director	momo.com Inc. Representative: Summer Hsieh	8,500,000	85.00%
	Director	momo.com Inc. Representative: Jeremy Hong	8,500,000	85.00%
	Supervisor	Gina Lu	-	-
	President	Summer Hsieh	-	-

Name	Title	name of Representative	Shareholding	
			Shares (Note 2)	Shares %
Fu Sheng Logistics Co., Ltd.	Chairman	momo.com Inc. Representative: Jeff Ku	25,000,000	100.00%
	Director	momo.com Inc. Representative: Leanne Wang	25,000,000	100.00%
	Director	momo.com Inc. Representative: Robinson Lin	25,000,000	100.00%
	Supervisor	momo.com Inc. Representative: Gina Lu	25,000,000	100.00%
	President	Leanne Wang	-	-
MFS Co., Ltd.	Chairman	momo.com Inc. Representative: Jeff Ku	10,000,000	100.00%
	Director	momo.com Inc. Representative: Summer Hsieh	10,000,000	100.00%
	Director	momo.com Inc. Representative: Ally Yu	10,000,000	100.00%
	Supervisor	momo.com Inc. Representative: Jeremy Hong	10,000,000	100.00%
	President	Ally Yu	-	-
Prosperous Living Co., Ltd	Chairman	momo.com Inc. Representative: Jeff Ku	22,085,000	73.62%
	Director	momo.com Inc. Representative: Jeremy Hong	22,085,000	73.62%
	Director	momo.com Inc. Representative: Roxanne Chiu	22,085,000	73.62%
	Supervisor	Gina Lu	100,000	0.3333%
	President	Roxanne Chiu	100,000	0.3333%
Asian Crown International Co., Ltd.	Director	momo.com Inc.	USD 9,735,459	81.99%
	President	(Note 1)		
Fortune Kingdom Corporaten	Director	Asian Crown International Co., Ltd.	USD 11,594,429	100.00%
	President	(Note 1)		
Hong Kong Fubon Multimedia Technology Co., Ltd.	Director	Fortune Kingdom Corporaten	USD 11,594,429	100.00%
	Director	C.F. Lin	-	-
	President	(Note 1)		
Fubon Gehua (Beijing) Enterprise Ltd.	Chairman	Hong Kong Fubon Multimedia Technology Co., Ltd. Representative: C.F. Lin	RMB 72,499,800	93.55%
	Director	Hong Kong Fubon Multimedia Technology Co., Ltd. Representative: Jeff Ku	RMB 72,499,800	93.55%
	Director	Hong Kong Fubon Multimedia Technology Co., Ltd. Representative: Jeremy Hong	RMB 72,499,800	93.55%
	Director	Hong Kong Fubon Multimedia Technology Co., Ltd. Representative: Nien Pei Tsai	RMB 72,499,800	93.55%
	Director	Prosperous Group(Asia) Limited Representative: Pei Yin Yu	RMB 5,000,200	6.45%
	Supervisor	Hong Kong Fubon Multimedia Technology Co., Ltd. Representative: Summer Hsieh	RMB 72,499,800	93.55%
	Supervisor	Hong Kong Fubon Multimedia Technology Co., Ltd. Representative: Gina Lu	RMB 72,499,800	93.55%
	President	C.F. Lin	-	-

Name	Title	name of Representative	Shareholding	
			Shares (Note 2)	Shares %
Honest Development Co., Ltd.	Director	momo.com Inc.	USD 21,778,413	100.00%
	President	(Note 1)		
Hongkong Yue Numerous Investment Co. Limited	Director	Honest Development Co., Ltd.	HKD 16,600,000	100.00%
	Director	C.F. Lin	-	-
	President	(Note 1)		
Haobo Information Consulting(Shenzhen) Co., Ltd.	Chairman	Hongkong Yue Numerous Investment Co. Limited Representative: C.F. Lin	RMB 11,000,000	100.00%
	Supervisor	Hongkong Yue Numerous Investment Co. Limited Representative: Jeff Ku	RMB 11,000,000	100.00%
	President	Summer Hsieh	-	-

Note 1: No President position.

Note 2: Except for the information of Asian Crown International Co., Ltd., Fortune Kingdom Corporaten, Hong Kong Fubon Multimedia Technology Co., Ltd., Fubon Gehua (Beijing) Enterprise Ltd., Honest Development Co., Ltd., Hongkong Yue Numerous Investment Co., Ltd., and Haobo Information Consulting (Shenzhen) Co., Ltd., which are indicated by the amount of contribution (dollars), the remaining information are indicated by the number of shares.

Affiliates' operating highlights

Dec. 31, 2021 Unit: NT$'000

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income	Net income	EPS (NT$)
momo.com Inc.	1,820,761	22,835,295	14,076,304	8,758,991	88,360,085	3,975,659	3,280,300	18.02
Fu Sheng Travel Service Co., Ltd.	30,000	159,482	115,652	43,830	5,233	3,605	3,105	1.03
Fuli Life Insurance Agent Co., Ltd.	5,000	5,819	617	5,202	1,036	(1,920)	(1,917)	(3.83)
Fuli Property Insurance Agent Co., Ltd.	5,000	13,809	2,423	11,386	11,678	4,185	3,657	7.32
BEBE POSHE International Co., LTD.	100,000	38,809	1,496	37,313	47,398	(11,396)	(11,389)	(1.14)
Fu Sheng Logistics Co., Ltd.	250,000	428,186	119,173	309,013	438,998	77,328	62,486	2.50
MFS Co., Ltd.	100,000	125,187	19,033	106,154	174,463	7,136	5,972	0.60
Prosperous Living Co., Ltd	300,000	300,003	183	299,820	-	(182)	(180)	(0.01)
Asian Crown International Co., Ltd.	364,890	24,601	-	24,601	-	(85)	(13,303)	(1.12)
Fortune Kingdom Corporaten	356,500	20,548	-	20,548	-	-	(13,116)	(1.13)
Hong Kong Fubon Multimedia Technology Co., Ltd.	356,500	20,548	-	20,548	-	(111)	(13,116)	(1.13)
Fubon Gehua (Beijing) Enterprise Ltd.	336,428	22,603	8,777	13,826	22,108	(13,735)	(13,669)	Not applicable
Honest Development CO., Ltd.	670,448	643,897	-	643,897	-	-	(27,501)	(1.26)
Hongkong Yue Numerous Investment Co. Limited	66,035	643,897	-	643,897	-	-	(27,501)	(1.66)
Haobo Information Consulting(Shenzhen) Co., Ltd.	47,751	615,915	-	615,915	-	(139)	(27,559)	Not applicable
Note : Exchange rate of US$1=NT$27.66 and HKD$1=NT$3.547 and RMB1=NT$4.341 as of Dec. 31, 2021 Average exchange rate of US$1=NT$28.012 and HKD$1=NT$3.604 and RMB1=NT$4.294 for 2021								

Consolidated financial statements of affiliated companies

According to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", in 2021, the companies required to be included in the consolidated financial statements of affiliates by the Company are all the same as companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in Financial Accounting Criteria Gazette No. 10, and the relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the aforementioned consolidated financial statements of parent and subsidiary companies, as a result, a separate consolidated financial statements of affiliates is not prepared.

ii. Private Placement of Company Shares: None

iii. momo Shares held / Sold by Subsidiaries: None

iv. Other Supplementary Information: None

v. Other Significant Events Affecting Shareholders' Equity or Stock Price: None

momo.com Inc.

Financial Statements for the
Years Ended December 31, 2021 and 2020 and
Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
momo.com Inc.

Opinion

We have audited the accompanying financial statements of momo.com Inc. ("momo"), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of momo as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the momo's financial statements for the year ended December 31, 2021 are stated as follows:

Risk of Revenue Recognition

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

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 16, 2022

Notice to Readers

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

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

momo.com Inc.

BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021		2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 26)	$ 8,084,518	35	$ 4,598,947	26
Financial assets at fair value through other comprehensive income - current (Note 7)	15,179	-	8,533	-
Accounts receivable, net (Note 8)	115,456	1	146,893	1
Notes and accounts receivable from related parties (Note 26)	103,934	1	31,510	-
Other receivables, net (Note 8)	1,442,533	6	672,964	4
Other receivables from related parties (Note 26)	250,542	1	203,609	2
Inventories (Note 9)	3,684,463	16	3,356,854	19
Prepayments	55,037	-	38,732	-
Other financial assets - current (Notes 10 and 27)	64,000	-	64,000	-
Other current assets	14,253	-	17,602	-
Right to recover products - current (Note 19)	162,519	1	135,337	1
Total current assets	13,992,434	61	9,274,981	53
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Note 7)	61,177	-	70,252	-
Investments accounted for using equity method (Note 11)	1,512,478	7	1,738,913	10
Property, plant and equipment (Notes 12 and 26)	5,033,347	22	4,846,582	27
Right-of-use assets (Notes 13 and 26)	1,505,291	7	1,282,411	7
Intangible assets (Note 26)	75,506	-	91,436	1
Deferred tax assets (Note 21)	55,872	-	35,416	-
Prepayments for equipment (Note 26)	270,265	1	6,290	-
Refundable deposits (Note 26)	138,786	1	120,457	1
Net defined benefit assets - non-current (Note 17)	803	-	-	-
Other financial assets - non-current (Notes 10 and 27)	189,336	1	188,996	1
Total non-current assets	8,842,861	39	8,380,753	47
TOTAL	$ 22,835,295	100	$ 17,655,734	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Note 19)	$ 85,916	-	$ 35,452	-
Accounts payable (Note 14)	8,479,438	37	6,604,983	37
Accounts payable to related parties (Note 26)	614,388	3	485,192	3
Other payables (Note 15)	1,486,341	7	914,159	5
Other payables to related parties (Note 26)	71,621	-	23,363	-
Current tax liabilities	567,642	3	294,432	2
Lease liabilities - current (Notes 13, 23 and 26)	535,770	2	426,417	3
Refund liabilities - current (Note 19)	180,104	1	152,601	1
Other current liabilities (Note 16)	687,263	3	581,813	3
Total current liabilities	12,708,483	56	9,518,412	54
NON-CURRENT LIABILITIES				
Provisions - non-current	24,160	-	20,914	-
Deferred tax liabilities (Note 21)	15,055	-	7,548	-
Lease liabilities - non-current (Notes 13, 23 and 26)	998,402	4	877,867	5
Net defined benefit liabilities - non-current (Note 17)	-	-	279	-
Guarantee deposits received	330,204	2	296,721	2
Total non-current liabilities	1,367,821	6	1,203,329	7
Total liabilities	14,076,304	62	10,721,741	61
EQUITY (Note 18)				
Common stock	1,820,761	8	1,400,585	8
Capital surplus	2,446,415	11	2,624,386	15
Retained earnings				
Legal reserve	1,128,868	5	934,425	5
Special reserve	142,530	1	172,693	1
Unappropriated earnings	3,427,094	14	1,944,434	11
Total retained earnings	4,698,492	20	3,051,552	17
Other equity	(206,677)	(1)	(142,530)	(1)
Total equity	8,758,991	38	6,933,993	39
TOTAL	$ 22,835,295	100	$ 17,655,734	100

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

momo.com Inc.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 19 and 26)	$ 88,360,085	100	$ 67,160,246	100
OPERATING COSTS (Notes 9, 17, 20 and 26)	79,594,594	90	60,894,998	91
GROSS PROFIT FROM OPERATIONS	8,765,491	10	6,265,248	9
OPERATING EXPENSES (Notes 8, 17, 20 and 26)				
Marketing expenses	2,757,176	3	2,321,142	3
Administrative expenses	1,950,611	2	1,629,541	3
Research and development expenses	202,289	-	175,599	-
Expected credit loss	3,005	-	5,378	-
Total operating expenses	4,913,081	5	4,131,660	6
NET OTHER INCOME AND EXPENSES (Note 26)	123,249	-	104,416	-
OPERATING INCOME	3,975,659	5	2,238,004	3
NON-OPERATING INCOME AND EXPENSES				
Interest income	24,354	-	20,327	-
Other income	5,916	-	16,100	-
Other gains and losses, net (Notes 11 and 20)	97,361	-	60,809	-
Finance costs (Notes 20 and 26)	(12,669)	-	(9,729)	-
Share of profit or loss of subsidiaries and associates accounted for using equity method (Note 11)	(19,459)	-	67,741	-
Total non-operating income and expenses	95,503	-	155,248	-
PROFIT BEFORE INCOME TAX	4,071,162	5	2,393,252	3
INCOME TAX EXPENSE (Note 21)	790,862	1	449,948	-
NET PROFIT FOR THE YEAR	3,280,300	4	1,943,304	3
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 11, 17, 18 and 21)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	136	-	(466)	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(2,429)	-	5,916	-

(Continued)

momo.com Inc.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Share of remeasurement of defined benefit plans of associates accounted for using equity method	$ -	-	$ (1,077)	-
Share of unrealized gain on investments in equity instruments at fair value through other comprehensive income of associates accounted for using equity method	17,700	-	28,577	-
Income tax (expense) benefit related to items that will not be reclassified subsequently to profit or loss	(27)	-	93	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation	(21,133)	-	(4,493)	-
Share of other comprehensive (loss) income of subsidiaries and associates accounted for using equity method	(7,447)	-	5,454	-
Other comprehensive income (loss), net of tax	(13,200)	-	34,004	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 3,267,100	4	$ 1,977,308	3
EARNINGS PER SHARE (Note 22)				
Basic	$ 18.02		$ 10.67	
Diluted	$ 18.02		$ 10.67	

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

momo.com Inc.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity		
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2020	$ 1,400,585	$ 2,647,360	$ 803,491	$ 167,894	$ 1,309,339	$ (80,273)	$ (92,420)	$ 6,155,976
Distribution of 2019 earnings								
Legal reserve	-	-	130,934	-	(130,934)	-	-	-
Special reserve	-	-	-	4,799	(4,799)	-	-	-
Cash dividends	-	-	-	-	(1,173,606)	-	-	(1,173,606)
Changes in equity of associates accounted for using equity method	-	-	-	-	(2,711)	-	-	(2,711)
Issue of cash dividends from capital surplus	-	(16,891)	-	-	-	-	-	(16,891)
Net profit for the year ended December 31, 2020	-	-	-	-	1,943,304	-	-	1,943,304
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	(1,450)	961	34,493	34,004
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	1,941,854	961	34,493	1,977,308
Disposal of investments accounted for using equity method	-	(6,083)	-	-	4,879	-	(4,879)	(6,083)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	412	-	(412)	-
BALANCE AT DECEMBER 31, 2020	1,400,585	2,624,386	934,425	172,693	1,944,434	(79,312)	(63,218)	6,933,993
Distribution of 2020 earnings								
Legal reserve	-	-	194,443	-	(194,443)	-	-	-
Cash dividends	-	-	-	-	(1,400,585)	-	-	(1,400,585)
Stock dividends	280,117	-	-	-	(280,117)	-	-	-
Reversal of special reserve	-	-	-	(30,163)	30,163	-	-	-
Changes in equity of associates accounted for using equity method	-	4,940	-	-	(3,605)	-	-	1,335
Issue of stock dividends from capital surplus	140,059	(140,059)	-	-	-	-	-	-
Net profit for the year ended December 31, 2021	-	-	-	-	3,280,300	-	-	3,280,300
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	109	(28,580)	15,271	(13,200)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	3,280,409	(28,580)	15,271	3,267,100
Disposal of investments accounted for using equity method	-	(42,852)	-	-	50,838	-	(50,838)	(42,852)
BALANCE AT DECEMBER 31, 2021	$ 1,820,761	$ 2,446,415	$ 1,128,868	$ 142,530	$ 3,427,094	$ (107,892)	$ (98,785)	$ 8,758,991

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

momo.com Inc.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 4,071,162	$ 2,393,252
Adjustments for:		
Depreciation expenses	877,418	740,399
Amortization expenses	60,487	64,605
Expected credit loss	3,005	5,378
Finance costs	12,669	9,729
Interest income	(24,354)	(20,327)
Share of loss (profit) of subsidiaries and associates accounted for using equity method	19,459	(67,741)
Loss on disposal of property, plant and equipment	124	95
Gain on disposal of investments accounted for using equity method	(97,762)	(73,859)
Impairment loss on non-financial assets	-	13,332
Others	145	(5,227)
Changes in operating assets and liabilities		
Accounts receivable	30,894	(62,917)
Notes and accounts receivable from related parties	(51,830)	16,522
Other receivables	(771,581)	52,914
Other receivables from related parties	(75,599)	(57,888)
Inventories	(327,609)	(963,757)
Prepayments	(16,305)	14,454
Other current assets	3,349	(5,560)
Right to recover products	(27,182)	(10,643)
Contract liabilities	50,464	(7,187)
Accounts payable	1,874,455	1,563,604
Accounts payable to related parties	129,196	202,142
Other payables	333,237	227,927
Other payables to related parties	48,258	(2,307)
Refund liabilities	27,503	9,039
Other current liabilities	105,450	230,954
Net defined benefit plans	(946)	(1,394)
Cash generated from operations	6,254,107	4,265,539
Interest received	46	52
Income tax paid	(530,628)	(373,447)
Net cash generated from operating activities	5,723,525	3,892,144
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	-	(23,709)
Acquisition of investments accounted for using equity method	(220,850)	(543,964)
Disposal of investments accounted for using equity method	466,547	219,742
Repayment of capital reduction from associates	-	33,298
Acquisition of property, plant and equipment	(289,145)	(613,765)
Proceeds from disposal of property, plant and equipment	-	4,445

(Continued)

momo.com Inc.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
Increase in refundable deposits	$ (46,545)	$ (36,859)
Decrease in refundable deposits	28,029	4,693
Acquisition of intangible assets	(37,917)	(27,116)
Increase in other financial assets	(5,577)	(40,235)
Decrease in other financial assets	5,237	5,181
Increase in prepayments for equipment	(282,076)	(154,809)
Interest received	22,885	19,024
Dividends received	14,558	28,969
Net cash used in investing activities	(344,854)	(1,125,105)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in guarantee deposits received	68,529	60,050
Decrease in guarantee deposits received	(35,046)	(36,371)
Repayment of the principal portion of lease liabilities	(513,544)	(394,608)
Cash dividends paid	(1,400,585)	(1,190,497)
Interest paid	(12,454)	(9,178)
Net cash used in financing activities	(1,893,100)	(1,570,604)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,485,571	1,196,435
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4,598,947	3,402,512
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 8,084,518	$ 4,598,947

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

1. ORGANIZATION AND OPERATIONS

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company's Board of Directors on February 16, 2022.

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

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

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

b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 1)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

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

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17—Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

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

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

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

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

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

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

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

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using equity method, share of profit or loss of subsidiaries and associates accounted for using equity method, share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method and the related equity items, as appropriate, in these parent company only financial statements.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

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

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

d. Foreign currencies

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

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

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

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

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

On the disposal of the Company's entire interest in a foreign operation, all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

e. Inventories

Inventories are measured at the lower of cost or net realizable value. Inventories write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price in the ordinary course of business less the estimated selling expenses. Inventories are recorded at the weighted-average cost on the balance sheet date.

f. Investments accounted for using equity method

The Company uses the equity method to account for its investments in subsidiaries and associates.

1) Investment in subsidiaries

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are account for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

2) Investments in associates

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

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

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

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

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

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

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

g. Property, plant and equipment

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

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

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

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

h. Intangible assets

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

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

i. Impairment of property, plant and equipment, right-of-use assets, and intangible assets other than goodwill

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

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

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

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

j. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at amortized cost

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

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

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

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

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

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

ii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

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

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

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

For internal credit risk management purposes, the Company considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Company):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. Failure to meet the obligation associated with liabilities within the credit terms.

The impairment loss of the financial assets mentioned above is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

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

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

2) Equity instruments

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

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

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

k. Provisions

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

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

l. Revenue recognition

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

1) Revenue from sale of goods

The Company's primary source of revenue is generated from virtual channels. Revenues from sale of goods are recognized when the goods are transferred or delivered to the customers. Advance receipts obtained before goods are transferred or delivered to the customer are recognized as contract liabilities.

Under customer loyalty program, the Company offers mo coins or advance receipts from prepaid bonus for customers. Allocated transaction price is recognized as contract liabilities or other financial liabilities as collected and will be deducted when points or vouchers are redeemed. mo coins and advance receipts from prepaid bonus will be recognized as revenue when they are redeemed or expired.

2) Revenue from rendering of services

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

m. Leases

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

1) The Company as lessor

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Company as lessee

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

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

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

n. Government grants

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs that the grants intend to compensate.

o. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

3) Termination benefits

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

p. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Critical Accounting Judgements

a. Significant influence over associates

As stated in Note 11, several companies are associates of the Company although the Company holds less than 20% of the voting rights on each of these companies. The Company has significant influence over these companies by holding seats on Board of Directors of these companies.

b. Lease terms

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	**2020**
Cash in banks	$ 5,408,181	$ 3,222,393
Time deposits	2,676,337	1,376,554
	$ 8,084,518	$ 4,598,947
The market rate intervals of time deposits	0.07%-0.9%	0.08%-1%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity Instrument Investments

	December 31	
	2021	**2020**
Current		
Foreign unlisted stock	$ 15,179	$ 8,533
Non-current		
Domestic unlisted stock	$ 61,177	$ 70,252

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

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

8. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31	
	2021	2020
Accounts receivable		
Measured at amortized cost		
Gross carrying amount	$ 117,219	$ 149,252
Less: Allowance for impairment loss	(1,763)	(2,359)
	$ 115,456	$ 146,893
Other receivables		
Measured at amortized cost		
Gross carrying amount	$ 1,453,529	$ 683,023
Less: Allowance for impairment loss	(10,996)	(10,059)
	$ 1,442,533	$ 672,964

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

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

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

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

December 31, 2021

	Not Past Due	1 to 120 Days Past Due	121 to 365 Days Past Due	Over 365 Days Past Due	Total
Gross carrying amount	$ 1,531,554	$ 21,539	$ 7,390	$ 10,265	$ 1,570,748
Loss allowance (Lifetime ECLs)	(7)	(146)	(2,341)	(10,265)	(12,759)
Amortized cost	$ 1,531,547	$ 21,393	$ 5,049	$ -	$ 1,557,989

December 31, 2020

	Not Past Due	1 to 120 Days Past Due	121 to 365 Days Past Due	Over 365 Days Past Due	Total
Gross carrying amount	$ 749,900	$ 66,886	$ 5,729	$ 9,760	$ 832,275
Loss allowance (Lifetime ECLs)	(251)	(293)	(2,202)	(9,672)	(12,418)
Amortized cost	$ 749,649	$ 66,593	$ 3,527	$ 88	$ 819,857

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

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

	For the Year Ended December 31	
	2021	2020
Beginning balance	$ 12,418	$ 11,678
Add: Provision	3,005	5,378
Less: Write-off	(2,664)	(4,638)
Ending balance	$ 12,759	$ 12,418

9. INVENTORIES

	December 31	
	2021	2020
Merchandise	$ 3,684,463	$ 3,356,854

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2021 and 2020 were $75,399,512 thousand and $57,207,429 thousand, respectively, which included inventory write-downs of $7,497 thousand and $13,297 thousand, respectively.

10. OTHER FINANCIAL ASSETS

	December 31	
	2021	2020
Current		
Pledged time deposits and restricted deposits	$ 64,000	$ 64,000
Non-current		
Pledged time deposits and restricted deposits	$ 189,336	$ 188,996

a. momo estimates the expected credit risks of the above financial assets are not significant, and all the credit risks did not increase since initial recognition.

b. Refer to Note 27 for information relating to other financial assets pledged as security.

11. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2021	2020
Investments in subsidiaries	$ 1,392,132	$ 1,160,396
Investments in associates	120,346	578,517
	$ 1,512,478	$ 1,738,913

a. Investments in subsidiaries

	December 31			
	2021		2020	
Investee Company	Amount	% of Ownership	Amount	% of Ownership
Fu Sheng Travel Service Co., Ltd. (FST)	$ 43,830	100.00	$ 45,737	100.00
Fuli Life Insurance Agent Co., Ltd. (FLI)	5,202	100.00	7,119	100.00
Fuli Property Insurance Agent Co., Ltd. (FPI)	11,386	100.00	7,729	100.00
Bebe Poshe International Co., Ltd. (Bebe Poshe)	31,716	85.00	41,397	85.00
Fu Sheng Logistics Co., Ltd. (FSL)	309,059	100.00	246,559	100.00
MFS Co., Ltd. (MFS)	106,154	100.00	101,814	100.00
Prosperous Living Co., Ltd. (Prosperous Living) (Note)	220,718	73.62	-	-
Asian Crown International Co., Ltd. (Asian Crown (BVI))	20,170	81.99	31,343	81.99
Honest Development Co, Ltd. (Honest Development)	643,897	100.00	678,698	100.00
	$ 1,392,132		$ 1,160,396	

Note: momo established Prosperous Living with 73.62% holdings of its equity interest in November 2021.

Investments in subsidiary Bebe Poshe are accounted for using the equity method. The result of future operating did not perform as expected. The recoverable amount of Bebe Poshe was based on the estimated cash flows for the next 5 years, and the discount rate was 10.48% per annum as of December 31, 2020. Based on assessment, the Company recognized impairment losses of $13,332 thousand in other gains and losses for the year ended December 31, 2020.

Refer to Table 6 and Table 7 for the details of the subsidiaries indirectly held by the Company.

b. Investments in associates

	December 31			
	2021		2020	
Investee Company	Amount	% of Ownership	Amount	% of Ownership
TV Direct Public Company Limited (TV Direct)	$ 120,346	21.35	$ 192,103	24.99
Taiwan Pelican Express Co., Ltd. (TPE)	-	-	386,414	15.50
	$ 120,346		$ 578,517	

Refer to Table 6 for the nature of activities, principal places of business and countries of incorporation of the associates.

1) TV Direct

During the period from June to July 2020, momo acquired 20% equity interest of TV Direct. In November 2020, momo's shareholding in TV Direct increased to 24.99% due to the acquisition of additional 4.99% equity interest of TV Direct.

In January and April 2021, momo's shareholding in TV Direct decreased to 21.35%, due to non-subscription to the exercise of the share options, which were granted by TV Direct. The portion that had previously been recognized in other comprehensive income relating to the deduction in ownership interest has reclassified to loss on the disposal of investment was $1,290 thousand.

2) TPE

During the period from May to July 2020, momo's shareholding in TPE decreased from 17.70% to 15.50%, due to the selling of 2,100 thousand shares of TPE for $72,970 thousand, and gain on the disposal of investment was $24,844 thousand. As of December 31, 2020, momo had significant influence on TPE due to momo's holding of two seats in TPE's Board of Directors after disposal of its shares of TPE in 2020.

In March 2021, momo sold all of its remaining shares of TPE for $466,547 thousand, and gain on the disposal of investment was $99,052 thousand.

3) TVD Shopping Co., Ltd.

In January 2020, TVD Shopping Co., Ltd. (collectively, the "TVD Shopping") held an interim shareholders meeting to resolve a capital reduction. In March 2020, momo had received the refund of the capital reduction of $33,298 thousand (equal to THB35,000 thousand).

In June 2020, momo sold all of its shares in TVD Shopping to TV Direct for $146,772 thousand, and gain on the disposal of investment was $49,015 thousand.

4) Summarized financial information of the Company's associates was as follows:

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

	For the Year Ended December 31	
	2021	**2020**
The Company's share of:		
Net (loss) profit for the year	$ (44,555)	$ 38,284
Other comprehensive income	17,819	27,435
Total comprehensive (loss) income for the year	$ (26,736)	$ 65,719

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

	December 31	
Name of Associate	**2021**	**2020**
TV Direct	$ 175,566	$ 197,341
TPE	$ -	$ 503,702

All the associates are accounted for using the equity method.

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery	Office Equipment	Lease Improvement	Other Equipment	Property in Construction	Total
Cost								
Balance at January 1, 2020	$ 1,717,927	$ 1,769,264	$ 1,436,809	$ 117,143	$ 281,761	$ 79,250	$ 20,468	$ 5,422,622
Additions	431,785	1,200	136,588	15,397	27,107	4,529	17,058	633,664
Disposals	-	-	(33,864)	(275)	(181)	(5,255)	-	(39,575)
Reclassifications	188,443	-	38,004	-	638	948	(34,081)	193,952
Balance at December 31, 2020	$ 2,338,155	$ 1,770,464	$ 1,577,537	$ 132,265	$ 309,325	$ 79,472	$ 3,445	$ 6,210,663
Accumulated depreciation and impairment								
Balance at January 1, 2020	$ -	$ 166,898	$ 647,803	$ 67,322	$ 166,813	$ 17,371	$ -	$ 1,066,207
Depreciation expenses	-	81,160	174,546	27,085	40,574	9,544	-	332,909
Disposals	-	-	(33,856)	(198)	(118)	(863)	-	(35,035)
Balance at December 31, 2020	$ -	$ 248,058	$ 788,493	$ 94,209	$ 207,269	$ 26,052	$ -	$ 1,364,081
Carrying amount at December 31, 2020	$ 2,338,155	$ 1,522,406	$ 789,044	$ 38,056	$ 102,056	$ 53,420	$ 3,445	$ 4,846,582
Cost								
Balance at January 1, 2021	$ 2,338,155	$ 1,770,464	$ 1,577,537	$ 132,265	$ 309,325	$ 79,472	$ 3,445	$ 6,210,663
Additions	-	5,798	113,887	27,059	36,980	6,396	340,287	530,407
Disposals	-	-	(72,513)	(625)	-	(625)	-	(73,763)
Reclassifications	-	-	12,319	-	-	-	-	12,319
Balance at December 31, 2021	$ 2,338,155	$ 1,776,262	$ 1,631,230	$ 158,699	$ 346,305	$ 85,243	$ 343,732	$ 6,679,626
Accumulated depreciation and impairment								
Balance at January 1, 2021	$ -	$ 248,058	$ 788,493	$ 94,209	$ 207,269	$ 26,052	$ -	$ 1,364,081
Depreciation expenses	-	81,581	200,707	20,772	44,054	8,723	-	355,837
Disposals	-	-	(72,488)	(526)	-	(625)	-	(73,639)
Balance at December 31, 2021	$ -	$ 329,639	$ 916,712	$ 114,455	$ 251,323	$ 34,150	$ -	$ 1,646,279
Carrying amount at December 31, 2021	$ 2,338,155	$ 1,446,623	$ 714,518	$ 44,244	$ 94,982	$ 51,093	$ 343,732	$ 5,033,347

No impairment loss or reversal of impairment loss was recognized for the years ended December 31, 2021 and 2020.

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	3-10 years
Lease improvement	1-10 years
Other equipment	2-15 years

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

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
Carrying amount		
Land	$ 1,386	$ 2,772
Buildings	1,498,805	1,269,844
Office equipment	3,506	6,748
Transportation equipment	1,594	3,047
	$ 1,505,291	$ 1,282,411

	For the Year Ended December 31	
	2021	2020
Additions to right-of-use assets	$ 600,789	$ 603,856
Depreciation charge for right-of-use assets		
Land	$ 1,386	$ 1,386
Buildings	515,500	401,119
Office equipment	3,242	3,739
Transportation equipment	1,453	1,246
	$ 521,581	$ 407,490

Except for the aforementioned addition and recognized depreciation, the Company did not have significant sublease or impairment of right-of-use assets for the years ended December 31, 2021 and 2020.

b. Lease liabilities

	December 31	
	2021	2020
Carrying amount		
Current	$ 535,770	$ 426,417
Non-current	$ 998,402	$ 877,867

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

c. Material leasing activities and terms

The Company leases buildings for the use of offices and warehouses with lease terms of 1 to 10.1 years. The Company does not have bargain purchase options to acquire the buildings at the end of the lease terms. In addition, the Company 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 Year Ended December 31	
	2021	2020
Expenses relating to short-term leases	$ 30,170	$ 30,974
Expenses relating to low-value asset leases	$ 1,628	$ 1,259
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 94,116	$ 88,061
Total cash outflow for leases	$ (651,912)	$ (524,080)

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

The amounts of lease commitments for short-term leases for which the recognition exemption is applied (including lease commitments for short-term leases with lease terms commencing after the balance sheet dates) were both $18,960 thousand as of December 31, 2021 and 2020.

14. ACCOUNTS PAYABLE

	December 31	
	2021	2020
Suppliers	$ 8,479,438	$ 6,604,983

15. OTHER PAYABLES

	December 31	
	2021	2020
Payables for salaries and bonus	$ 465,594	$ 415,284
Payables for equipment and construction	276,223	25,330
Payables for business tax	110,667	120,854
Payables for pension	25,958	23,102
Others	607,899	329,589
	$ 1,486,341	$ 914,159

16. OTHER CURRENT LIABILITIES

	December 31	
	2021	2020
Other financial liabilities	$ 505,229	$ 309,348
Others	182,034	272,465
	$ 687,263	$ 581,813

17. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

momo 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.

Accordingly, momo recognized expenses of $96,531 thousand and $90,992 thousand for the years ended December 31, 2021 and 2020, respectively.

b. Defined benefit plans

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

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

	December 31	
	2021	2020
Present value of defined benefit obligation	$ 14,218	$ 14,115
Fair value of plan assets	(15,021)	(13,836)
Net defined benefit (assets) liabilities	$ (803)	$ 279

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2020	$ 13,181	$ (11,974)	$ 1,207
Net interest expense (income)	132	(127)	5
Recognized in profit or loss	132	(127)	5
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(336)	(336)
Actuarial loss (gain)			
Changes in financial assumptions	1,125	-	1,125
Experience adjustments	(323)	-	(323)
Recognized in other comprehensive income	802	(336)	466
Contributions from the employer	-	(1,399)	(1,399)
Balance at December 31, 2020	14,115	(13,836)	279
Net interest expense (income)	71	(73)	(2)
Recognized in profit or loss	71	(73)	(2)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(168)	(168)
Actuarial loss (gain)			
Changes in demographic assumptions	421	-	421
Experience adjustments	(389)	-	(389)
Recognized in other comprehensive income	32	(168)	(136)
Contributions from the employer	-	(944)	(944)
Balance at December 31, 2021	$ 14,218	$ (15,021)	$ (803)

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

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

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

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

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

	December 31	
	2021	**2020**
Discount rate(s)	0.5%	0.5%
Expected rate(s) of salary increase	2.5%	2.5%

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

	December 31	
	2021	**2020**
Discount rate(s)		
0.25% increase	$ (549)	$ (577)
0.25% decrease	$ 575	$ 606
Expected rate(s) of salary increase		
0.25% increase	$ 556	$ 585
0.25% decrease	$ (534)	$ (561)

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

	December 31	
	2021	**2020**
Expected contributions to the plans for the next year	$ -	$ 1,411
Average duration of the defined benefit obligation	15.7 years	16.6 years

18. EQUITY

a. Common stock

As of December 31, 2021 and 2020, momo had authorized 300,000 thousand and 200,000 thousand common shares, respectively, with 182,076 thousand and 140,059 thousand shares issued and outstanding at par value $10 per share.

On May 18, 2021, the Company's shareholders resolved in the shareholders' meeting to issue 42,017 thousand common shares with a par value of $10 from earnings and capital surplus. After the issuance, the Company's paid-in capital increased to $1,820,761 thousand. On June 9, 2021, the above transaction was approved by the Securities and Futures Bureau, FSC, and the subscription base date was determined by the Board of Directors on July 11, 2021.

b. Capital surplus

	December 31	
	2021	2020
Issuance of common shares	$ 2,316,014	$ 2,456,073
Changes in percentage of ownership interests in subsidiaries	125,291	125,291
Share of changes in capital surplus of associates	4,940	42,852
Expired employee share options	170	170
	$ 2,446,415	$ 2,624,386

Under the ROC Company Act, the capital surplus generated from the excess of the issuance price over the par value of common stock may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends up to a certain percentage of momo's paid-in capital. Changes in percentage of ownership interests in subsidiaries, share of changes in capital surplus of associates and expired employee share options may be used to offset a deficit.

c. Retained earnings and dividends policy

momo's Articles of Incorporation provide that, in the event that momo, according to the financial report, earns profits in a fiscal year, such profits shall first be applied to pay the applicable taxes, recover losses, set aside legal reserve pursuant to laws and regulations until the accumulated legal reserves equal momo's paid-in capital, and set aside or reverse a special reserve in accordance with the law or to satisfy the business needs of momo. The remaining balance and any unappropriated earnings of the previous fiscal years shall be distributed to the shareholders with more than 10% as dividends in accordance with resolutions of the shareholders' meetings. For information about the accrual basis of the compensation of employees and remuneration of directors and the actual appropriations, please refer to Note 20(d).

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

Dividends are distributed in the form of stock dividends or cash dividends, of which, cash dividends shall amount to at least to 10%, in order to sustain company operations and growth while balancing the need for dividend distribution and shareholders rights.

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

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

The appropriations of earnings for 2020 and 2019 that had been resolved by the shareholders in their meetings on May 18, 2021 and May 15, 2020, respectively, were as follows:

	For the Year Ended December 31	
	2020	2019
Legal reserve	$ 194,443	$ 130,934
Special reserve	$ (30,163)	$ 4,799
Cash dividends	$ 1,400,585	$ 1,173,606
Share dividends	$ 280,117	$ -
Cash dividends per share (NT$)	$ 10	$ 8.3794
Share dividends per share (NT$)	$ 2	$ -

The Company's shareholders resolved in the shareholders' meeting on May 18, 2021 and May 15, 2020 to issue share dividends of $140,059 thousand and cash dividends of $16,891 thousand, respectively, from capital surplus.

d. Other equity items

1) Exchange differences on translation

	For the Year Ended December 31	
	2021	2020
Beginning balance	$ (79,312)	$ (80,273)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(21,133)	(4,493)
Share from subsidiaries and associates accounted for using equity method	(7,447)	5,454
Other comprehensive (loss) income recognized for the year	(28,580)	961
Ending balance	$ (107,892)	$ (79,312)

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

	For the Year Ended December 31	
	2021	2020
Beginning balance	$ (63,218)	$ (92,420)
Recognized for the year		
Unrealized (loss) gain - equity instruments	(2,429)	5,916
Share from associates accounted for using equity method	17,700	28,577
Other comprehensive income recognized for the year	15,271	34,493
Disposal of associates accounted for using equity method	(50,838)	(4,879)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	-	(412)
Ending balance	$ (98,785)	$ (63,218)

19. OPERATING REVENUE

	For the Year Ended December 31	
	2021	2020
TV and magazine	$ 5,287,247	$ 5,524,849
E-commerce	83,066,858	61,585,749
Others	5,980	49,648
	$ 88,360,085	$ 67,160,246

Please refer to Note 4(l) for the details of revenue.

Contract Information

momo'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 momo's accumulated historical experience. The refund liabilities and the related right to recover products from customers are recorded accordingly.

Revenue in the current year that was recognized from the contract liabilities balance at the beginning of the year was summarized as follows:

	For the Year Ended December 31	
	2021	2020
Sale of goods	$ 28,026	$ 33,752
Others	7,408	7,705
	$ 35,434	$ 41,457

20. PROFIT BEFORE INCOME TAX

a. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Gain on disposal of investments accounted for using equity method (Note 11)	$ 97,762	$ 73,859
Impairment loss on investments accounted for using equity method	-	(13,332)
Net foreign exchange (losses) gains	(311)	377
Loss on disposal of property, plant and equipment	(124)	(95)
Others	34	-
	$ 97,361	$ 60,809

b. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on lease liabilities	$ 12,598	$ 9,684
Others	71	45
	$ 12,669	$ 9,729

c. Employee benefits expense, depreciation and amortization

Function / Nature	For the Year Ended December 31, 2021			For the Year Ended December 31, 2020		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salary	$ 777,387	$ 1,261,635	$ 2,039,022	$ 719,311	$ 1,136,096	$ 1,855,407
Insurance expense	81,565	125,912	207,477	74,996	107,413	182,409
Pension	37,136	59,393	96,529	36,162	54,835	90,997
Compensation of directors	-	13,682	13,682	-	9,180	9,180
Other employee benefits	52,956	79,485	132,441	48,987	63,504	112,491
Depreciation	681,974	195,444	877,418	577,056	163,343	740,399
Amortization	7,750	52,737	60,487	8,815	55,790	64,605

As of December 31, 2021 and 2020, the Company had the average number of employees 2,547 and 2,425, respectively, and there were the average number of non-employee directors 7 for both years. The calculation basis was consistent with employee benefits expenses.

The Company's average employee benefits expenses for the years ended December 31, 2021 and 2020 were $975 thousand and $927 thousand, respectively; average employee salary were $803 thousand and $767 thousand, respectively, and the change in the average employee salary was 4.7%.

Compliance with the Securities and Exchange Act in the ROC, the Company set up an Audit Committee with all of the independent directors to replace supervisors.

The compensation policies for directors and managers were as follows:

1) The policies, standards, and portfolios of the payment of remuneration for the directors, the procedures for determining remuneration, and the correlation with business performance:

   a) The policies, standards, and portfolios for the payment of remuneration

      The remuneration and compensation of the directors (including the independent directors) shall be handled in accordance with the Articles of Association and the "Regulations Governing the Remuneration of Directors" approved by the Board of Directors.

      i. Remuneration of the directors: Resolved by considering degree of participation in and contribution to the Company's operations and based on the normal remuneration standard of the industry; also, by taking into account the board members' attendance at board meetings, serving in functional committees such as the Remuneration Committee and Audit Committee, and the risks assumed by them as the payment standard.

      ii. Compensation of the directors: A fixed ratio based on the Articles of Association, when the Company's operation is profitable.

b) The procedures of remuneration distribution

i. Compensation of the directors shall be in accordance with the Articles of Association of the Company. If the Company is profitable, no more than 0.3 percent of the profit shall be appropriated for the directors' compensation. A sum shall be set aside in advance to pay down any outstanding cumulative losses of the Company before director's compensation can be appropriated according to such percentage.

ii. The fixed remuneration of the directors shall be handled in accordance with the "Regulations Governing the Remuneration of Directors" approved by the Board of Directors.

c) The correlation with operation performance and future risks

The remuneration of the directors of the Company is in accordance with the Company's Articles of Incorporation and is paid subject to the Company's annual profit-earning status; as a result, it is closely related to the business performance. Also, with reference to the evaluation items of the Regulations Governing Performance Evaluation of the Board of Directors and Functional Committees, individual directors are given reasonable remuneration based on their contribution to the Company's operational performance. Furthermore, the Company's Remuneration Committee reviews the remuneration system regularly based on the contribution of individual directors to the Board and to the Company's operations (including the future business risks of the Company, strategic planning, and corporate social responsibility, etc.).

2) The policies, standards, and portfolios of the payment of remuneration for the employees (including internal managers), the procedures for determining remuneration, and the correlation with business performance:

a) The policies, standards, and portfolios for the payment of remuneration

The salary structure includes mainly the monthly salary, year-end bonus, and employee compensation. Among which, the payment standard for the amount of year-end bonus and employee compensation is made considering the contribution to the Company's operations, the achievement rate and the annual performance appraisal based on the management indicators set in accordance with the employee performance management measures. The year-end bonus of internal managers shall be proposed by the Remuneration Committee and be paid upon approval by the Board of Directors.

b) The procedures of remuneration distribution

i. Employee compensation shall be handled in accordance with the Company's Articles of Incorporation. If the Company makes an annual profit, it shall allocate 0.1% to 1% as employee compensation (employees include internal managers), however, the Company's accumulated losses, if any, shall have been covered in advance.

ii. For year-end bonus, the distribution amount shall be determined based on the annual business performance.

c) The correlation with operation performance and future risks

The employee compensation of the Company (employees including internal managers) is allocated in accordance with the Company's Articles of Incorporation and subject to the Company's profit-earning status, as a result, it is closely related to the business performance. Furthermore, the Company's Remuneration Committee, ex officio, performs inspection on the compensation of internal managers on a yearly basis and regularly reviews the justifiability of the compensation and remuneration, and reports to the Board of Directors by the convener.

d. Compensation of employees and remuneration of directors

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

1) A maximum of 0.3% as director remuneration
2) 0.1% to 1% as employee compensation

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

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

The Company's estimated compensation of employees and remuneration of directors were made by applying the rates to the aforementioned regulation. The compensation of employees and the remuneration of directors for the years ended December 31, 2021 and 2020, which were approved by the Board of Directors on February 16, 2022 and February 18, 2021, respectively, were as follows:

	For the Year Ended December 31	
	2021	2020
	Cash	Cash
Compensation of employees	$ 4,081	$ 2,420
Remuneration of directors	$ 6,122	$ 2,420

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

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

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

21. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Year Ended December 31	
	2021	2020
Current tax		
In respect of the current year	$ 804,420	$ 471,720
Adjustments for prior years	(582)	(16,574)
	803,838	455,146
Deferred tax		
In respect of the current year	(12,976)	(5,198)
Income tax expense recognized in profit or loss	$ 790,862	$ 449,948

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

	For the Year Ended December 31	
	2021	2020
Profit before tax	$ 4,071,162	$ 2,393,252
Income tax expense calculated at the statutory rate (20%)	$ 814,232	$ 478,650
Share of loss of domestic investments accounted for using equity method	(13,924)	(4,032)
Adjustment items in determining taxable profit	2,484	1,602
Disposal of domestic marketable securities	(19,810)	(4,969)
Temporary differences	21,438	469
Deferred tax	(12,976)	(5,198)
Adjustments for prior years' tax	(582)	(16,574)
Income tax expense recognized in profit or loss	$ 790,862	$ 449,948

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2021	2020
Deferred tax		
Remeasurement of defined benefit plans	$ (27)	$ 93
Income tax (expense) benefit recognized in other comprehensive income	$ (27)	$ 93

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2021

Deferred Tax Assets	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Ending Balance
Temporary differences				
Defined benefit obligation	$ 56	$ (56)	$ -	$ -
Allowance for inventory valuation loss	11,360	(242)	-	11,118
Others	24,000	20,754	-	44,754
	$ 35,416	$ 20,456	$ -	$ 55,872

Deferred Tax Liabilities	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Ending Balance
Temporary differences				
Defined benefit obligation	$ -	$ 134	$ 27	$ 161
Unrealized valuation gain on financial assets at fair value through other comprehensive income	3,774	-	-	3,774
Others	3,774	7,346	-	11,120
	$ 7,548	$ 7,480	$ 27	$ 15,055

For the year ended December 31, 2020

Deferred Tax Assets	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Ending Balance
Temporary differences				
Defined benefit obligation	$ 241	$ (278)	$ 93	$ 56
Allowance for inventory valuation loss	10,660	700	-	11,360
Others	16,432	7,568	-	24,000
	$ 27,333	$ 7,990	$ 93	$ 35,416

Deferred Tax Liabilities	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Ending Balance
Temporary differences				
Unrealized valuation gain on financial assets at fair value through other comprehensive income	$ 3,774	$ -	$ -	$ 3,774
Others	982	2,792	-	3,774
	$ 4,756	$ 2,792	$ -	$ 7,548

d. Income tax assessments

The tax authorities have examined income tax returns of the Company through 2019.

22. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2021	**2020**
Basic earnings per share	$ 18.02	$ 10.67
Diluted earnings per share	$ 18.02	$ 10.67

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares on July 11, 2021. The basic and diluted earnings per share adjusted retrospectively for the year ended December 31, 2020 were as follows:

Unit: NT$ Per Share

	Before Retrospective Adjustment	**After Retrospective Adjustment**
Basic earnings per share	$ 13.87	$ 10.67
Diluted earnings per share	$ 13.87	$ 10.67

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 Year

	For the Year Ended December 31	
	2021	**2020**
Earnings used in the computation of basic and diluted earnings per share	$ 3,280,300	$ 1,943,304

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

	For the Year Ended December 31	
	2021	**2020**
Weighted average number of common shares used in the computation of basic earnings per share	182,076	182,076
Effect of potentially dilutive common shares:		
Compensation of employees	3	4
Weighted average number of common shares used in the computation of diluted earnings per share	182,079	182,080

If momo may settle the compensation of employees in cash or shares, momo 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.

23. CASH FLOW INFORMATION

Changes in liabilities arising from financing activities:

For the year ended December 31, 2021

	Beginning Balance	Cash Flows	Non-cash Changes		Ending Balance
			New Leases	Others	
Lease liabilities	$ 1,304,284	$ (525,998)	$ 599,652	$ 156,234	$ 1,534,172

For the year ended December 31, 2020

	Beginning Balance	Cash Flows	Non-cash Changes		Ending Balance
			New Leases	Others	
Lease liabilities	$ 1,095,997	$ (403,786)	$ 602,964	$ 9,109	$ 1,304,284

24. CAPITAL RISK MANAGEMENT

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

25. FINANCIAL INSTRUMENTS

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

Management of momo believes the carrying amounts of financial assets and financial liabilities not measured at fair value recognized in the financial statements approximate their fair values or their fair values cannot be reliably measured.

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

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
Unlisted stock - foreign	$ -	$ 15,179	$ -	$ 15,179
Unlisted stock - domestic	-	-	61,177	61,177
	$ -	$ 15,179	$ 61,177	$ 76,356

December 31, 2020

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

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

2) Valuation techniques and assumptions used in fair value determination

a) Valuation techniques and inputs applied for Level 2 fair value measurement: momo uses market comparison approach to evaluate fair values on observable closing price of the stock, volatility, risk-free interest rate and liquidity risk at the end of the year.

b) Valuation techniques and inputs applied for Level 3 fair value measurement: momo uses market comparison approach, comparing the net value per share with other public companies among the similar industries and evaluating some factors like stock price, volatility, risk-free interest rate and liquidity risk based on average price-book ratio and EV/EBITDA of other competitors, to capture the average present value of the expected future economic benefits which are derived from the ownership of these investees.

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

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

	For the Year Ended December 31	
	2021	2020
Beginning balance	$ 70,252	$ 49,584
Recognized in other comprehensive (loss) income (included in unrealized valuation (loss) gain on financial assets at fair value through other comprehensive income)	(9,075)	4,378
Purchases	-	16,290
Ending balance	$ 61,177	$ 70,252

c. Categories of financial instruments

	December 31	
	2021	2020
Financial assets		
Financial assets at fair value through other comprehensive income		
Investments in equity instruments	$ 76,356	$ 78,785
Financial assets at amortized cost (Note 1)	10,389,105	6,027,376
	$ 10,465,461	$ 6,106,161
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	$ 11,487,221	$ 8,633,766

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) momo 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 momo's risk exposure and momo'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 momo's operating target and performance to meet momo'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 momo 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 momo if a customer or counterparty of a financial instrument fails to meet its contractual obligations, which arises principally from momo's receivables from customers and financial instruments. momo deals with customers with good reputation and monitors customers' credit risk and credit ratings continuously. momo transacts with a large number of unrelated customers and, thus, credit risk is not highly concentrated.

momo'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 momo fails to meet the obligations associated with its financial liabilities that are settled by delivering cash and cash equivalents or other financial asset. momo'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 momo's reputation.

momo manages and maintains sufficient cash and cash equivalents to ensure the requirements of paying estimated operating expenditures, including financial obligations on each contract. momo also monitors its bank credit facilities to ensure that the provisions of loan contracts are all complied with properly. As of December 31, 2021 and 2020, momo had unused bank facilities of $100,000 thousand and $600,000 thousand, respectively.

The following table details momo'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 momo can be required to pay. The table includes both interest and principal cash flows.

December 31, 2021

	On Demand or Less than 1 Month	**1-3 Months**	**3 Months to 1 Year**	**1-5 Years**	**5+ Years**
Non-derivative financial liabilities					
Lease liabilities	$ 49,000	$ 95,347	$ 403,578	$ 856,519	$ 157,834

December 31, 2020

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

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

5) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect momo'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.

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

a) Exchange rate risk

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

For momo's foreign-currency financial assets and liabilities exposed to significant exchange rate risk, please refer to Note 29.

Sensitivity analysis

momo was mainly exposed to the USD and RMB.

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

	For the Year Ended December 31	
	2021	**2020**
Appreciated 5%	$ (2,383)	$ (2,306)
Depreciated 5%	$ 2,383	$ 2,306

b) Interest rate risk

momo was exposed to interest rate risk because momo 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 momo's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31	
	2021	**2020**
Fair value interest rate risk		
Financial assets	$ 3,036,023	$ 1,589,767
Financial liabilities	1,534,172	1,304,284
Cash flow interest rate risk		
Financial assets	5,416,227	3,261,925

Sensitivity analysis

The sensitivity analysis below was determined based on momo's exposure to interest rates for non-derivative instruments at the end of the year. For floating rate assets and liabilities, the analysis was prepared assuming the amount of the assets and liabilities outstanding at the end of the year were outstanding for the whole year. 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, momo's profit for the years ended December 31, 2021 and 2020 would have increased or decreased by $27,081 thousand and $16,310 thousand, respectively.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 5% higher or lower, the post-tax other comprehensive income for the years ended December 31, 2021 and 2020 would have increased or decreased by $3,818 thousand and $3,939 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

26. TRANSACTIONS WITH RELATED PARTIES

momo's parent is Wealth Media Technology Co., Ltd. (WMT), which held 45.01% of common stocks of momo as of December 31, 2021 and 2020, respectively. momo's ultimate parent and ultimate controlling party is Taiwan Mobile Co., Ltd. (TWM).

Besides information disclosed elsewhere in the other notes, details of transactions between momo and other related parties are disclosed below.

a. Related party name and categories

Related Party Name	Related Party Categories
Taiwan Mobile Co., Ltd. (TWM)	Ultimate parent entity
Wealth Media Technology Co., Ltd. (WMT)	Parent entity
FST	Subsidiary
FLI	Subsidiary
FPI	Subsidiary
Bebe Poshe	Subsidiary
FSL	Subsidiary
MFS	Subsidiary
Fubon Gehua (Beijing) Enterprise Ltd. (FGE)	Subsidiary
Global Home Shopping Co., Ltd. (GHS)	Associates

(Continued)

Related Party Name	Related Party Categories
GHS Trading Ltd.	Associates
Citruss Saudi Trading Company LLC	Associates
TPE	Associates (Note 1)
TV Direct	Associates
TVD Shopping	Associates (Note 2)
Taipei New Horizon Co., Ltd.	Same ultimate parent entity
Taiwan Fixed Network Co., Ltd. (TFN)	Same ultimate parent entity
Taiwan Digital Service Co., Ltd.	Same ultimate parent entity
TFN Media Co., Ltd.	Same ultimate parent entity
Win TV Broadcasting Co., Ltd.	Same ultimate parent entity
Taiwan Kuro Times Co., Ltd.	Same ultimate parent entity
Yeong Jia Leh Cable TV Co., Ltd.	Same ultimate parent entity
Mangrove Cable TV Co., Ltd.	Same ultimate parent entity
Phoenix Cable TV Co., Ltd.	Same ultimate parent entity
Union Cable TV Co., Ltd.	Same ultimate parent entity
Globalview Cable TV Co., Ltd.	Same ultimate parent entity
AppWorks Ventures Co., Ltd.	Related party in substance
kbro Media Co., Ltd.	Related party in substance
Mistake Entertainment Co., Ltd.	Related party in substance
AppWorks School Co., Ltd.	Related party in substance
Xi Guo Co., Ltd.	Related party in substance
Good Image Co., Ltd.	Related party in substance
Fubon Life Insurance Co., Ltd. (Fubon Life)	Related party in substance
Fubon Insurance Co., Ltd.	Related party in substance
Taipei Fubon Commercial Bank Co., Ltd. (TFCB)	Related party in substance
Fubon Securities Co., Ltd.	Related party in substance
Fubon Securities Investment Trust Co., Ltd.	Related party in substance
Fubon Investment Services Co., Ltd.	Related party in substance
Fubon Financial Venture Capital Co., Ltd.	Related party in substance
Fubon Financial Holding Co., Ltd.	Related party in substance
Fubon Futures Co., Ltd.	Related party in substance
Fubon Marketing Co., Ltd.	Related party in substance
Fubon Sports & Entertainment Co., Ltd.	Related party in substance
Fubon Gymnasium Co., Ltd.	Related party in substance
Fubon Asset Management Co., Ltd.	Related party in substance
Fubon Property Management Co., Ltd. (FPM)	Related party in substance
Fubon Land Development Co., Ltd.	Related party in substance
Fubon Real Estate Management Co., Ltd.	Related party in substance
Fubon Hospitality Management Co., Ltd.	Related party in substance
Fubon Insurance Agency Co., Ltd. (formerly known as Fu-Sheng General Insurance Agency Co., Ltd.)	Related party in substance
Fu-Sheng Insurance Agency Co., Ltd. (formerly known as Fu-Sheng Life Insurance Agency Co., Ltd.)	Related party in substance
TFB Capital Co., Ltd.	Related party in substance
P. League+ Co., Ltd.	Related party in substance
Jih Sun Securities Co., Ltd.	Related party in substance
Jih Sun International Bank, Ltd.	Related party in substance
Jih Sun Futures Co., Ltd.	Related party in substance
Jih Sun Securities Investment Consulting Co., Ltd.	Related party in substance

(Continued)

Related Party Name	Related Party Categories
Jih Sun Life Insurance Agent Co., Ltd.	Related party in substance
Chung Hsing Constructions Co., Ltd.	Related party in substance
Fu Yi Health Management Co., Ltd.	Related party in substance
Chen Feng Investment Ltd.	Related party in substance
Chen Yun Co., Ltd.	Related party in substance
Cho Pharma Inc.	Related party in substance
kbro Co., Ltd. (kbro)	Related party in substance
One Production Film Co., Ltd.	Related party in substance
Ming Dong Co., Ltd.	Related party in substance
Daanwenshan CATV Co., Ltd.	Related party in substance
North Taoyuan CATV Co., Ltd.	Related party in substance
Yangmingshan CATV Co., Ltd.	Related party in substance
Hsin Taipei CATV Co., Ltd.	Related party in substance
Chinpingtao CATV Co., Ltd.	Related party in substance
Hsintangcheng CATV Co., Ltd.	Related party in substance
Chuanlien CATV Co., Ltd.	Related party in substance
Chen Tao Cable TV Co., Ltd.	Related party in substance
Fengmeng Cable TV Co., Ltd.	Related party in substance
Hsinpingtao CATV Co., Ltd.	Related party in substance
Kuansheng CATV Co., Ltd.	Related party in substance
Nantien CATV Co., Ltd.	Related party in substance
Taiwan Win TV Media Co., Ltd.	Related party in substance
Far Eastern Memorial Hospital	Related party in substance (Note 3)
Taiwan Mobile Foundation	Related party in substance
Fubon Cultural & Educational Foundation	Related party in substance
Fubon Charity Foundation	Related party in substance
Fubon Art Foundation	Related party in substance
Taipei Fubon Bank Charity Foundation	Related party in substance
Taipei New Horizon Management Agency	Related party in substance

(Concluded)

Note 1: Not a related party since March 2021.

Note 2: TVD Shopping was originally a subsidiary of TV Direct, and not a related party since November 2020.

Note 3: Not a related party since September 2021.

b. Operating revenues

		For the Year Ended December 31	
Line Items	**Related Party Categories**	**2021**	**2020**
Sales	Ultimate parent entity	$ 227,911	$ 227,770
	Subsidiaries	11,765	36,112
	Associates	988	3,591
		$ 240,664	$ 267,473

momo renders sales service to other related parties. The transaction terms with related parties were not significantly different from those with third parties.

c. Purchases

Related Party Categories	For the Year Ended December 31 2021	2020
Ultimate parent entity	$ 2,583,974	$ 1,877,152
Subsidiaries	652,542	181,698
Associates	127,694	810,126
Other related parties	272,956	125,181
	$ 3,637,166	$ 2,994,157

The entities mentioned above provide sales, logistics, play video program and other services. The transaction terms with related parties were not significantly different from those with third parties.

d. Receivables from related parties

Line Items	Related Party Categories/Name	December 31 2021	2020
Accounts receivable	Ultimate parent entity	$ 58,675	$ 19,897
	Subsidiaries	166	975
	Associates	-	104
	Other related parties		
	TFCB	43,255	682
	Others	1,838	1,780
		45,093	2,462
		$ 103,934	$ 23,438
Other receivables	Ultimate parent entity	$ 45,248	$ 27,060
	Subsidiaries	5,481	4,003
	Associates	-	63,168
	Other related parties		
	TFCB	199,813	109,378
		$ 250,542	$ 203,609

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

Receivables from related parties mentioned above exclude notes receivable arising from non-operating activities.

e. Payables to related parties

Line Items	Related Party Categories	December 31 2021	December 31 2020
Accounts payable	Ultimate parent entity	$ 284,803	$ 337,324
	Subsidiaries	167,093	47,562
	Associates	-	99,280
	Other related parties	162,492	1,026
		$ 614,388	$ 485,192
Other payables	Ultimate parent entity	$ 50,743	$ 9,143
	Parent entity	3,673	1,376
	Subsidiaries	250	-
	Associates	-	481
	Other related parties	16,955	12,363
		$ 71,621	$ 23,363

The outstanding trade payables to related parties are unsecured.

f. Bank deposits

Line Items	Related Party Categories/Name	December 31 2021	December 31 2020
Cash and cash equivalents	Other related parties		
	TFCB	$ 816,228	$ 461,297

g. Disposal of property, plant and equipment

Related Party Categories/Name	Proceeds For the Year Ended December 31 2021	Proceeds For the Year Ended December 31 2020	Gain (Loss) on Disposal For the Year Ended December 31 2021	Gain (Loss) on Disposal For the Year Ended December 31 2020
Subsidiaries				
FSL	$ -	$ 4,445	$ -	$ -

h. Lease arrangements

	Related Party Categories/Name	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Acquisition of right-of-use assets	Ultimate parent entity	$ 13,405	$ -
	Other related parties		
	Fubon Life	64,999	30,621
		$ 78,404	$ 30,621

Line Items	Related Party Categories/Name	December 31 2021	December 31 2020
Lease liabilities	Ultimate parent entity	$ 11,174	$ 2,139
	Other related parties		
	Fubon Life	270,497	358,247
		$ 281,671	$ 360,386

Line Items	Related Party Categories/Name	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Finance costs	Ultimate parent entity	$ 43	$ 38
	Other related parties		
	Fubon Life	2,767	3,495
		$ 2,810	$ 3,533

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

i. Acquisition of other assets

Line Items	Related Party Categories/Name	Purchase Price For the Year Ended December 31 2021	Purchase Price For the Year Ended December 31 2020
Intangible assets	Other related parties	$ -	$ 514
Prepayments for equipment	Other related parties TFN	$ 4,271	$ 19,495

j. Others

1) Refundable deposits

Related Party Categories/Name	December 31 2021	December 31 2020
Ultimate parent entity	$ 736	$ 747
Associates	-	4,740
Other related parties		
Fubon Life	41,000	38,757
Others	572	541
	41,572	39,298
	$ 42,308	$ 44,785

2) Operating expenses

Related Party Categories/Name	For the Year Ended December 31 2021	2020
Ultimate parent entity	$ 53,466	$ 42,580
Subsidiaries	7	-
Associates	1,241	6,242
Other related parties		
FPM	14,742	13,950
Others	177,581	119,993
	192,323	133,943
	$ 247,037	$ 182,765

3) Other income and expenses

Related Party Categories/Name	For the Year Ended December 31 2021	2020
Ultimate parent entity	$ 893	$ -
Subsidiaries	396	762
Associates		
GHS	14,785	10,643
Others	24	159
	14,809	10,802
Other related parties		
TFCB	37,388	66,439
	$ 53,486	$ 78,003

k. Compensation of key management personnel

	For the Year Ended December 31 2021	2020
Short-term employee benefits	$ 76,085	$ 57,445
Post-employment benefits	2,314	1,938
	$ 78,399	$ 59,383

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

27. ASSETS PLEDGED

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

	December 31 2021	2020
Other financial assets - current	$ 64,000	$ 64,000
Other financial assets - non-current	189,336	188,996
	$ 253,336	$ 252,996

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of momo 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 $197,112 thousand, electronic tickets of $130,907 thousand, and physical tickets of $70,960 thousand as of December 31, 2021, respectively.

b. As of December 31, 2021 and 2020, the amounts of lease commitments commencing after the balance sheet date were $1,896,117 thousand and $324,574 thousand, respectively.

c. Due to the business development needs, the Company's Board of Directors resolved the logistics warehouse construction and equipment procurement in Southern District in July 2020. As of December 31, 2021, contract amount not yet paid for the logistics warehouse construction and equipment were $1,956,608 thousand and $226,667 thousand, respectively. In September 2021, the Company's Board of Directors resolved the land procurement for the logistics warehouse in Central District with total contract price of $1,321,137 thousand. As of December 31, 2021, contract amount not yet paid for the land was $1,056,910 thousand.

29. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
RMB	$ 8,876	4.341 (RMB:NTD)	$ 38,531
USD	400	27.66 (USD:NTD)	11,064
			$ 49,595
Non-monetary items			
Financial assets at fair value through other comprehensive income			
HKD	4,279	3.547 (HKD:NTD)	$ 15,179
Investments accounted for using equity method			
THB	144,178	0.835 (THB:NTD)	120,346
			$ 135,525
Foreign currency liabilities			
Monetary items			
USD	70	27.66 (USD:NTD)	$ 1,944

December 31, 2020

	Foreign Currencies	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
RMB	$ 7,658	4.372 (RMB:NTD)	$ 33,482
USD	444	28.48 (USD:NTD)	12,643
			$ 46,125
Non-monetary items			
Financial assets at fair value through other comprehensive income			
HKD	2,323	3.673 (HKD:NTD)	$ 8,533
Investments accounted for using equity method			
THB	201,029	0.956 (THB:NTD)	192,103
			$ 200,636

For the years ended December 31, 2021 and 2020, realized and unrealized net foreign exchange (losses) gains were $(311) thousand and $377 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of foreign currency transactions of the Company.

30. 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. (Table 2)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (Table 3)

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 4)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 5)

9) Trading in derivative instruments. (None)

b. Information on investees (Table 6)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 7)

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

d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 8)

31. SEGMENT INFORMATION

Please refer to the consolidated financial statements for the year ended December 31, 2021.

momo.com Inc.

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Units/Shares (Thousands)	Carrying Amount	% of Ownership	Fair Value	
momo	Stock							
	Media Asia Group Holdings Limited	-	Financial assets at fair value through other comprehensive income - current	4,367	$ 15,179	0.15	$ 15,179	
	We Can Medicines Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	3,140	61,177	7.85	61,177	

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

momo.com Inc.

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

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

Note 1: Sold in open market.

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

momo.com Inc.

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Buyer	Property	Event Date	Transaction Amount (Tax Excluded)	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
momo	Warehousing	2021.05.05	$2,276,190	$115,129 has been paid, the remaining payment will be settled monthly in accordance with the construction process and acceptance	Li Jin Engineering Co., Ltd.	-	-	-	-	$ -	According to the budget commitments approved by the Board of Directors, determined by the price comparison and price negotiation	Business development needs	-
	Land	2021.09.03	1,321,137	$264,227 has been paid, the remaining payment will be settled in accordance with the contract	Tung Chin Textile Co., Ltd.	-	-	-	-	-	According to the professional appraisal report and market condition	Increase the logistics warehouse in Central District in response to the operational needs	-

momo.com Inc.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
momo	TWM	Ultimate parent entity	Sale	$ 227,911	-	Based on contract terms	-	-	$ 58,675	27	
	TWM	Ultimate parent entity	Purchase	2,583,974	3	Based on contract terms	-	-	(284,803)	(3)	
	TPE	Associates	Purchase	127,694	-	Based on contract terms	-	-	-	-	Note
	FSL	Subsidiaries	Purchase	438,968	1	Based on contract terms	-	-	(142,499)	(2)	
	MFS	Subsidiaries	Purchase	171,392	-	Based on contract terms	-	-	(21,950)	-	
	kbro	Related party in substance	Purchase	136,736	-	Based on contract terms	-	-	(112,054)	(1)	

Note: Not a related-party since March 2021.

momo.com Inc.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance		Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
						Amount	Actions Taken		
momo	TWM	Ultimate parent entity	Accounts receivable	$ 58,675	5.8	$ -	-	$ 57,895	$ -
			Other receivables	45,248	-	-	-	30,163	-
	TFCB	Related party in substance	Accounts receivable	43,255	Note	-	-	28,620	-
			Other receivables	199,813	-	-	-	199,813	-
FSL	momo	Parent entity	Accounts receivable	142,499	4.79	-	-	139,068	-

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

momo.com Inc.

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2021	December 31, 2020	Shares (Thousands)	%	Carrying Amount			
momo	FST	Taiwan	Travel agent	$ 6,000	$ 6,000	3,000	100.00	$ 43,830	$ 3,105	$ 3,105	
	FLI	Taiwan	Life insurance agent	3,000	3,000	500	100.00	5,202	(1,917)	(1,917)	
	FPI	Taiwan	Property insurance agent	3,000	3,000	500	100.00	11,386	3,657	3,657	
	Asian Crown (BVI)	British Virgin Islands	Investment	885,285	885,285	9,735	81.99	20,170	(13,303)	(10,907)	
	TPE	Taiwan	Logistics industry	-	295,860	-	-	-	-	6,114	Note 3
	Honest Development	Samoa	Investment	670,448	670,448	21,778	100.00	643,897	(27,501)	(27,501)	
	Bebe Poshe	Taiwan	Wholesale of cosmetics	85,000	85,000	8,500	85.00	31,716	(11,389)	(9,681)	
	FSL	Taiwan	Logistics industry	250,000	250,000	25,000	100.00	309,059	62,486	62,500	
	MFS	Taiwan	Wholesaling	100,000	100,000	10,000	100.00	106,154	5,972	5,972	
	Prosperous Living	Taiwan	Wholesale and retail sales	220,850	-	22,085	73.62	220,718	(180)	(132)	Note 4
	TV Direct	Thailand	Wholesale and retail sales	175,413 (THB 210,151)	175,413 (THB 210,151)	191,213	21.35	120,346	(210,911)	(50,669)	Note 5
Asian Crown (BVI)	Fortune Kingdom	Samoa	Investment	1,132,789	1,132,789	11,594	100.00	20,548	(13,116)	Note 2	
Fortune Kingdom	HK Fubon Multimedia	Hong Kong	Investment	1,132,789	1,132,789	11,594	100.00	20,548	(13,116)	Note 2	
Honest Development	HK Yue Numerous	Hong Kong	Investment	670,448	670,448	16,600	100.00	643,897	(27,501)	Note 2	

Note 1: Except for TPE and TV Direct, share of profit (loss) was eliminated in consolidation.

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

Note 3: momo sold all of its shares of TPE in March 2021.

Note 4: momo established Prosperous Living with 73.62% holdings of its equity interest in November 2021.

Note 5: momo's shareholding in TV Direct decreased to 21.35% due to non-subscription to the exercise of the share options, which were granted by TV Direct, in January and April 2021.

Note 6: The exchange rate on December 31, 2021 is THB1=NT$0.835.

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

momo.com Inc.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance For Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance For Investment from Taiwan as of December 31, 2021	Net Income (Loss) of Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outward	Inward							
FGE	Wholesaling	$ 336,428 (RMB 77,500)	b.	$ 774,748 (USD 14,000) (RMB 89,267)	$ -	$ -	$ 774,748 (USD 14,000) (RMB 89,267)	$ (13,669)	76.70	$ (10,484)	$ 10,604	$ -	
Haobo	Investment	47,751 (RMB 11,000)	b.	-	-	-	-	(27,559)	100.00	(27,559)	615,915	-	
GHS	Wholesaling	217,050 (RMB 50,000)	b.	-	-	-	-	154,537	20.00	(27,863)	571,213	-	

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2021	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
$1,372,556 (USD14,000, RMB89,267 and HKD168,539)	$1,372,556 (USD14,000, RMB89,267 and HKD168,539)	$5,309,408

Note 1: Methods of investment are as follows:

a. Direct investment in mainland China.

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

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

c. Others.

Note 2: The exchange rates on December 31, 2021 are USD1=NT$27.66, RMB1=NT$4.341 and HKD1=NT$3.547.

TABLE 8

momo.com Inc.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2021

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

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

momo.com Inc. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2021 and 2020 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the combined financial statements of momo.com Inc. as of and for the year ended December 31, 2021, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No. 10 "Consolidated Financial Statements". In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, momo.com Inc. and subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

momo.com Inc.

By

C.F. LIN
Chairman

February 16, 2022

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
momo.com Inc.

Opinion

We have audited the accompanying consolidated financial statements of momo.com Inc. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China (ROC).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2021 are stated as follows:

Risk of Revenue Recognition

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

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

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

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

Other Matter

We have also audited the parent company only financial statements of momo.com Inc. as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified report.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 16, 2022

Notice to Readers

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

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

momo.com Inc. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021		2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 28)	$ 8,804,124	38	$ 5,054,973	29
Financial assets at fair value through other comprehensive income - current (Note 7)	15,179	-	8,533	-
Notes and accounts receivable, net (Note 8)	116,728	1	149,191	1
Notes and accounts receivable from related parties (Note 28)	104,783	1	31,547	-
Other receivables, net (Note 8)	1,443,069	6	673,771	4
Other receivables from related parties (Note 28)	246,496	1	199,619	1
Inventories (Note 9)	3,728,410	16	3,390,012	19
Prepayments	69,244	-	53,995	-
Other financial assets - current (Notes 10 and 29)	217,047	1	214,999	1
Other current assets	15,955	-	20,703	-
Right to recover products - current (Note 21)	162,519	1	135,337	1
Total current assets	14,923,554	65	9,932,680	56
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Note 7)	61,177	-	70,252	-
Investments accounted for using equity method (Note 12)	691,559	3	1,184,893	7
Property, plant and equipment (Note 13)	5,079,849	22	4,873,389	27
Right-of-use assets (Notes 14 and 28)	1,505,291	7	1,282,411	7
Intangible assets (Note 28)	77,801	-	94,071	1
Deferred tax assets (Note 23)	57,298	-	36,322	-
Prepayments for equipment (Note 28)	270,265	1	6,290	-
Refundable deposits (Note 28)	142,913	1	124,531	1
Net defined benefit assets - non-current (Note 19)	803	-	-	-
Other financial assets - non-current (Notes 10 and 29)	204,536	1	204,195	1
Total non-current assets	8,091,492	35	7,876,354	44
TOTAL	$ 23,015,046	100	$ 17,809,034	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Note 21)	$ 85,916	-	$ 35,452	-
Accounts payable (Note 16)	8,537,131	37	6,619,620	37
Accounts payable to related parties (Note 28)	447,295	2	437,630	3
Other payables (Note 17)	1,551,731	7	955,170	5
Other payables to related parties (Note 28)	71,686	-	30,341	-
Current tax liabilities	585,583	3	294,890	2
Lease liabilities - current (Notes 14, 25 and 28)	535,770	2	426,417	2
Refund liabilities - current (Note 21)	180,104	1	152,601	1
Other current liabilities (Note 18)	798,388	4	699,354	4
Total current liabilities	12,793,604	56	9,651,475	54
NON-CURRENT LIABILITIES				
Provisions - non-current	24,160	-	20,914	-
Deferred tax liabilities (Note 23)	15,064	-	7,548	-
Lease liabilities - non-current (Notes 14, 25 and 28)	998,402	4	877,867	5
Net defined benefit liabilities - non-current (Note 19)	-	-	279	-
Guarantee deposits received	334,803	2	300,971	2
Total non-current liabilities	1,372,429	6	1,207,579	7
Total liabilities	14,166,033	62	10,859,054	61
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)				
Common stock	1,820,761	8	1,400,585	8
Capital surplus	2,446,415	11	2,624,386	15
Retained earnings				
Legal reserve	1,128,868	5	934,425	5
Special reserve	142,530	1	172,693	1
Unappropriated earnings	3,427,094	14	1,944,434	11
Total retained earnings	4,698,492	20	3,051,552	17
Other equity	(206,677)	(1)	(142,530)	(1)
Total equity attributable to owners of the Company	8,758,991	38	6,933,993	39
NON-CONTROLLING INTERESTS (Note 20)	90,022	-	15,987	-
Total equity	8,849,013	38	6,949,980	39
TOTAL	$ 23,015,046	100	$ 17,809,034	100

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

momo.com Inc. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 21 and 28)	$ 88,396,696	100	$ 67,198,104	100
OPERATING COSTS (Notes 9, 19, 22 and 28)	79,451,893	90	60,883,619	90
GROSS PROFIT FROM OPERATIONS	8,944,803	10	6,314,485	10
OPERATING EXPENSES (Notes 8, 19, 22 and 28)				
Marketing expenses	2,857,970	3	2,374,531	4
Administrative expenses	1,963,051	2	1,643,659	2
Research and development expenses	202,289	-	175,599	-
Expected credit loss	2,983	-	5,317	-
Total operating expenses	5,026,293	5	4,199,106	6
NET OTHER INCOME AND EXPENSES (Note 28)	123,562	-	103,711	-
OPERATING INCOME	4,042,072	5	2,219,090	4
NON-OPERATING INCOME AND EXPENSES				
Interest income	26,834	-	22,882	-
Other income	4,317	-	14,721	-
Other gains and losses, net (Notes 12, 15 and 22)	96,577	-	60,978	-
Finance costs (Notes 22 and 28)	(12,669)	-	(9,754)	-
Share of profit or loss of associates accounted for using equity method (Note 12)	(72,418)	-	82,876	-
Total non-operating income and expenses	42,641	-	171,703	-
PROFIT BEFORE INCOME TAX	4,084,713	5	2,390,793	4
INCOME TAX EXPENSE (Note 23)	809,447	1	451,855	1
NET PROFIT FOR THE YEAR	3,275,266	4	1,938,938	3
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 12, 19, 20 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	136	-	(466)	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(2,429)	-	5,916	-

(Continued)

momo.com Inc. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Share of remeasurement of defined benefit plans of associates accounted for using equity method	$ -	-	$ (1,077)	-
Share of unrealized gain on investments in equity instruments at fair value through other comprehensive income of associates accounted for using equity method	17,700	-	28,577	-
Income tax (expense) benefit related to items that will not be reclassified subsequently to profit or loss	(27)	-	93	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation	(26,147)	-	6,422	-
Share of other comprehensive loss of associates accounted for using equity method	(2,514)	-	(5,365)	-
Other comprehensive income (loss), net of tax	(13,281)	-	34,100	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 3,261,985	4	$ 1,973,038	3
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 3,280,300	4	$ 1,943,304	3
Non-controlling interests	(5,034)	-	(4,366)	-
	$ 3,275,266	4	$ 1,938,938	3
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 3,267,100	4	$ 1,977,308	3
Non-controlling interests	(5,115)	-	(4,270)	-
	$ 3,261,985	4	$ 1,973,038	3
EARNINGS PER SHARE (Note 24)				
Basic	$ 18.02		$ 10.67	
Diluted	$ 18.02		$ 10.67	

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

momo.com Inc. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company									
			Retained Earnings			Other Equity				
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2020	$ 1,400,585	$ 2,647,360	$ 803,491	$ 167,894	$ 1,309,339	$ (80,273)	$ (92,420)	$ 6,155,976	$ 20,257	$ 6,176,233
Distribution of 2019 earnings										
Legal reserve	-	-	130,934	-	(130,934)	-	-	-	-	-
Special reserve	-	-	-	4,799	(4,799)	-	-	-	-	-
Cash dividends	-	-	-	-	(1,173,606)	-	-	(1,173,606)	-	(1,173,606)
Changes in equity of associates accounted for using equity method	-	-	-	-	(2,711)	-	-	(2,711)	-	(2,711)
Issue of cash dividends from capital surplus	-	(16,891)	-	-	-	-	-	(16,891)	-	(16,891)
Net profit (loss) for the year ended December 31, 2020	-	-	-	-	1,943,304	-	-	1,943,304	(4,366)	1,938,938
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	(1,450)	961	34,493	34,004	96	34,100
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	1,941,854	961	34,493	1,977,308	(4,270)	1,973,038
Disposal of investments accounted for using equity method	-	(6,083)	-	-	4,879	-	(4,879)	(6,083)	-	(6,083)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	412	-	(412)	-	-	-
BALANCE AT DECEMBER 31, 2020	1,400,585	2,624,386	934,425	172,693	1,944,434	(79,312)	(63,218)	6,933,993	15,987	6,949,980
Distribution of 2020 earnings										
Legal reserve	-	-	194,443	-	(194,443)	-	-	-	-	-
Cash dividends	-	-	-	-	(1,400,585)	-	-	(1,400,585)	-	(1,400,585)
Stock dividends	280,117	-	-	-	(280,117)	-	-	-	-	-
Reversal of special reserve	-	-	-	(30,163)	30,163	-	-	-	-	-
Changes in equity of associates accounted for using equity method	-	4,940	-	-	(3,605)	-	-	1,335	-	1,335
Issue of stock dividends from capital surplus	140,059	(140,059)	-	-	-	-	-	-	-	-
Net profit (loss) for the year ended December 31, 2021	-	-	-	-	3,280,300	-	-	3,280,300	(5,034)	3,275,266
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	109	(28,580)	15,271	(13,200)	(81)	(13,281)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	3,280,409	(28,580)	15,271	3,267,100	(5,115)	3,261,985
Disposal of investments accounted for using equity method	-	(42,852)	-	-	50,838	-	(50,838)	(42,852)	-	(42,852)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	79,150	79,150
BALANCE AT DECEMBER 31, 2021	$ 1,820,761	$ 2,446,415	$ 1,128,868	$ 142,530	$ 3,427,094	$ (107,892)	$ (98,785)	$ 8,758,991	$ 90,022	$ 8,849,013

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

momo.com Inc. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 4,084,713	$ 2,390,793
Adjustments for:		
Depreciation expenses	887,563	748,698
Amortization expenses	62,232	66,413
Expected credit loss	2,983	5,317
Finance costs	12,669	9,754
Interest income	(26,834)	(22,882)
Share of loss (profit) of associates accounted for using equity method	72,418	(82,876)
Loss on disposal of property, plant and equipment	124	95
Gain on disposal of investments accounted for using equity method	(97,762)	(73,859)
Impairment loss on non-financial assets	-	13,332
Others	564	(5,792)
Changes in operating assets and liabilities		
Notes and accounts receivable	31,942	(54,910)
Notes and accounts receivable from related parties	(52,642)	12,299
Other receivables	(771,311)	52,672
Other receivables from related parties	(75,545)	(65,942)
Inventories	(338,398)	(984,078)
Prepayments	(15,249)	8,488
Other current assets	4,963	(4,222)
Right to recover products	(27,182)	(10,643)
Contract liabilities	50,464	(7,210)
Accounts payable	1,917,511	1,565,714
Accounts payable to related parties	9,665	157,238
Other payables	353,433	246,617
Other payables to related parties	41,345	3,201
Refund liabilities	27,503	9,039
Other current liabilities	99,034	128,314
Net defined benefit plans	(946)	(1,394)
Cash generated from operations	6,253,257	4,104,176
Interest received	46	52
Income tax paid	(532,456)	(378,546)
Net cash generated from operating activities	5,720,847	3,725,682
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	-	(23,709)
Acquisition of investments accounted for using equity method	-	(193,964)
Disposal of investments accounted for using equity method	466,547	219,742
Repayment of capital reduction from associates	-	33,298
Acquisition of property, plant and equipment	(291,966)	(626,208)
Increase in refundable deposits	(46,616)	(37,595)

(Continued)

momo.com Inc. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
Decrease in refundable deposits	$ 28,029	$ 6,063
Acquisition of intangible assets	(37,917)	(28,464)
Increase in other financial assets	(54,424)	(195,149)
Decrease in other financial assets	51,616	56,360
Increase in prepayments for equipment	(306,552)	(163,784)
Interest received	25,368	21,632
Dividends received	7,914	20,164
Net cash used in investing activities	(158,001)	(911,614)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in guarantee deposits received	69,729	61,000
Decrease in guarantee deposits received	(35,746)	(37,571)
Repayment of the principal portion of lease liabilities	(513,544)	(394,999)
Cash dividends paid	(1,400,585)	(1,190,497)
Interest paid	(12,454)	(9,183)
Changes in non-controlling interests	79,150	-
Net cash used in financing activities	(1,813,450)	(1,571,250)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(245)	313
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,749,151	1,243,131
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5,054,973	3,811,842
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 8,804,124	$ 5,054,973

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

1. ORGANIZATION AND OPERATIONS

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

The consolidated financial statements of the Company as of and for the year ended December 31, 2021, comprise the Company and its subsidiaries (collectively, the "Group").

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's Board of Directors on February 16, 2022.

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

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

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

b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 1)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

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

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

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

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

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

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

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 11, Table 7 and Table 8 for detailed information of subsidiaries (including percentages of ownership and main business).

e. Business combinations

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

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

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

f. Foreign currencies

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

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

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

Non-monetary items denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

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

On the disposal of the Group's entire interest in a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

g. Inventories

Inventories are measured at the lower of cost or net realizable value. Inventories write-downs are made by item, except those where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price in the ordinary course of business less the estimated selling expenses. Inventories are recorded at the weighted-average cost on the balance sheet date.

h. Investments in associates

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

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

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

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

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

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

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

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

i. Property, plant and equipment

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

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

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

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

j. Goodwill

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

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

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount.

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

k. Intangible assets

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

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

l. Impairment of property, plant and equipment, right-of-use assets, and intangible assets other than goodwill

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

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

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

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

m. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at amortized cost

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

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

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

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

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

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

ii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

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

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

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

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. Failure to meet the obligation associated with liabilities within the credit terms.

The impairment loss of the financial assets mentioned above is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

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

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

2) Equity instruments

Equity instruments issued by the Group are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

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

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

n. Provisions

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

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

o. Revenue recognition

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

1) Revenue from sale of goods

The Group's primary source of revenue is generated from virtual channels. Revenues from sale of goods are recognized when the goods are transferred of delivered to the customers. Advance receipts obtained before the goods are transferred or delivered to the customers.

Under customer loyalty program, the Group offers mo coins or advance receipts from prepaid bonus for customers. Allocated transaction price is recognized as contract liabilities or other financial liabilities as collected and will be deducted when points or vouchers are redeemed. mo coins and advance receipts from prepaid bonus will be recognized as revenue when they are redeemed or expired.

2) Revenue from rendering of services

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

p. Leases

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

1) The Group as lessor

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

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

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

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease and (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

q. Government grants

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate.

r. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

3) Termination benefits

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

s. Taxation

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

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Critical Accounting Judgements

a. Significant influence over associates

As stated in Note 12, several companies are associates of the Group although the Group holds less than 20% of the voting rights on each of these companies. The Group has significant influence over these companies by holding seats on Board of Directors of these companies.

b. Lease terms

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	2020
Cash on hand and revolving funds	$ 16	$ 16
Cash in banks	5,850,979	3,361,735
Time deposits	2,953,129	1,693,222
	$ 8,804,124	$ 5,054,973
The market rate intervals of time deposits	0.07%-0.9%	0.08%-1%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity Instrument Investments

	December 31	
	2021	2020
Current		
Foreign unlisted stock	$ 15,179	$ 8,533
Non-current		
Domestic unlisted stock	$ 61,177	$ 70,252

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

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

8. NOTES AND ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31	
	2021	2020
Notes and accounts receivable		
Measured at amortized cost		
Gross carrying amount	$ 118,504	$ 151,586
Less: Allowance for impairment loss	(1,776)	(2,395)
	$ 116,728	$ 149,191
Other receivables		
Measured at amortized cost		
Gross carrying amount	$ 1,454,065	$ 683,830
Less: Allowance for impairment loss	(10,996)	(10,059)
	$ 1,443,069	$ 673,771

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

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

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

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

December 31, 2021

	Not Past Due	1 to 120 Days Past Due	121 to 365 Days Past Due	Over 365 Days Past Due	Total
Gross carrying amount	$ 1,533,251	$ 21,649	$ 7,391	$ 10,278	$ 1,572,569
Loss allowance (Lifetime ECLs)	(7)	(146)	(2,341)	(10,278)	(12,772)
Amortized cost	$ 1,533,244	$ 21,503	$ 5,050	$ -	$ 1,559,797

December 31, 2020

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

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

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

	For the Year Ended December 31	
	2021	2020
Beginning balance	$ 12,454	$ 11,776
Add: Provision	2,983	5,317
Less: Write-off	(2,665)	(4,639)
Ending balance	$ 12,772	$ 12,454

9. INVENTORIES

	December 31	
	2021	2020
Merchandise	$ 3,728,410	$ 3,390,012

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2021 and 2020 were $75,342,971 thousand and $57,198,338 thousand, respectively, which included inventory write-downs of $13,346 thousand and $16,300 thousand, respectively.

10. OTHER FINANCIAL ASSETS

	December 31	
	2021	2020
Current		
Pledged time deposits and restricted deposits	$ 65,900	$ 64,187
Time deposits with original maturities of more than 3 months	151,147	150,812
	$ 217,047	$ 214,999
Non-current		
Pledged time deposits and restricted deposits	$ 204,536	$ 204,195

a. The ranges of interest rates for time deposits with original maturities of more than 3 months were both 0.09%-1.75% per annum as of December 31, 2021 and 2020.

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

c. Refer to Note 29 for information relating to other financial assets pledged as security.

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Subsidiary	Nature of Activities	% of Ownership December 31 2021	% of Ownership December 31 2020	Note
momo	Fu Sheng Travel Service Co., Ltd. (FST)	Travel agent	100.00	100.00	-
momo	Fuli Life Insurance Agent Co., Ltd. (FLI)	Life insurance agent	100.00	100.00	-
momo	Fuli Property Insurance Agent Co., Ltd. (FPI)	Property insurance agent	100.00	100.00	-
momo	Bebe Poshe International Co., Ltd. (Bebe Poshe)	Wholesale of cosmetics	85.00	85.00	-
momo	Fu Sheng Logistics Co., Ltd. (FSL)	Logistics industry	100.00	100.00	-
momo	MFS Co., Ltd. (MFS)	Wholesaling	100.00	100.00	-
momo	Prosperous Living Co., Ltd. (Prosperous Living)	Wholesale and retail sales	73.62	-	Note
momo	Asian Crown International Co., Ltd. (Asian Crown (BVI))	Investment	81.99	81.99	-
Asian Crown (BVI)	Fortune Kingdom Corporation (Fortune Kingdom)	Investment	100.00	100.00	-
Fortune Kingdom	Hong Kong Fubon Multimedia Technology Co., Ltd. (HK Fubon Multimedia)	Investment	100.00	100.00	-
HK Fubon Multimedia	Fubon Gehua (Beijing) Enterprise Ltd. (FGE)	Wholesaling	93.548	93.548	-
momo	Honest Development Co, Ltd. (Honest Development)	Investment	100.00	100.00	-
Honest Development	Hong Kong Yue Numerous Investment Co., Ltd. (HK Yue Numerous)	Investment	100.00	100.00	-
HK Yue Numerous	Haobo Information Consulting (Shenzhen) Co., Ltd. (Haobo)	Investment	100.00	100.00	-

Note: momo established Prosperous Living with 73.62% holdings of its equity interest in November 2021.

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

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Associates

Investee Company	December 31 2021 Amount	2021 % of Ownership	2020 Amount	2020 % of Ownership
Global Home Shopping Co., Ltd. (GHS)	$ 571,213	20.00	$ 606,376	20.00
TV Direct Public Company Limited (TV Direct)	120,346	21.35	192,103	24.99
Taiwan Pelican Express Co., Ltd. (TPE)	-	-	386,414	15.50
	$ 691,559		$ 1,184,893	

Refer to Table 7 and Table 8 for the nature of activities, principal places of business and countries of incorporation of the associates.

a. GHS

In June 2015, momo acquired 20% equity interests of GHS through its subsidiary - Honest Development.

b. TV Direct

During the period from June to July 2020, momo acquired 20% equity interest of TV Direct. In November 2020, momo's shareholding in TV Direct increased to 24.99% due to the acquisition of additional 4.99% equity interest of TV Direct.

In January and April 2021, momo's shareholding in TV Direct decreased to 21.35%, due to non-subscription to the exercise of the share options, which were granted by TV Direct. The portion that had previously been recognized in other comprehensive income relating to the deduction in ownership interest has reclassified to loss on the disposal of investment was $1,290 thousand.

c. TPE

During the period from May to July 2020, momo's shareholding in TPE decreased from 17.70% to 15.50%, due to the selling of 2,100 thousand shares of TPE for $72,970 thousand, and gain on the disposal of investment was $24,844 thousand. As of December 31, 2020, momo had significant influence on TPE due to momo's holding of two seats in TPE's Board of Directors after disposal of its shares of TPE in 2020.

In March 2021, momo sold all of its remaining shares of TPE for $466,547 thousand, and gain on the disposal of investment was $99,052 thousand.

d. TVD Shopping Co., Ltd.

In January 2020, TVD Shopping Co., Ltd. (collectively, the "TVD Shopping") held an interim shareholders meeting to resolve a capital reduction. In March 2020, momo had received the refund of the capital reduction of $33,298 thousand (equal to THB35,000 thousand).

In June 2020, momo sold all of its shares in TVD Shopping to TV Direct for $146,772 thousand, and gain on the disposal of investment was $49,015 thousand.

e. Summarized financial information of the Group's associates was as follows:

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

	For the Year Ended December 31	
	2021	2020
The Group's share of:		
Net (loss) profit for the year	$ (72,418)	$ 82,876
Other comprehensive income	15,186	22,135
Total comprehensive (loss) income for the year	$ (57,232)	$ 105,011

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

	December 31	
Name of Associate	2021	2020
TV Direct	$ 175,566	$ 197,341
TPE	$ -	$ 503,702

All the associates are accounted for using the equity method.

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery	Office Equipment	Lease Improvement	Other Equipment	Property in Construction	Total
Cost								
Balance at January 1, 2020	$ 1,717,927	$ 1,769,264	$ 1,574,431	$ 119,149	$ 284,365	$ 79,527	$ 21,610	$ 5,566,273
Additions	431,785	1,200	138,553	15,397	27,107	13,863	17,487	645,392
Disposals	-	-	(33,864)	(206)	(181)	-	-	(34,251)
Reclassifications	188,443	-	38,004	-	638	9,923	(34,081)	202,927
Effect of foreign currency exchange differences	-	-	1,295	34	44	5	-	1,378
Balance at December 31, 2020	$ 2,338,155	$ 1,770,464	$ 1,718,419	$ 134,374	$ 311,973	$ 103,318	$ 5,016	$ 6,381,719
Accumulated depreciation and impairment								
Balance at January 1, 2020	$ -	$ 166,898	$ 778,970	$ 69,234	$ 168,670	$ 17,632	$ -	$ 1,201,404
Depreciation expenses	-	81,160	178,468	27,096	41,092	11,927	-	339,743
Disposals	-	-	(33,856)	(182)	(118)	-	-	(34,156)
Effect of foreign currency exchange differences	-	-	1,260	32	43	4	-	1,339
Balance at December 31, 2020	$ -	$ 248,058	$ 924,842	$ 96,180	$ 209,687	$ 29,563	$ -	$ 1,508,330
Carrying amount at December 31, 2020	$ 2,338,155	$ 1,522,406	$ 793,577	$ 38,194	$ 102,286	$ 73,755	$ 5,016	$ 4,873,389
Cost								
Balance at January 1, 2021	$ 2,338,155	$ 1,770,464	$ 1,718,419	$ 134,374	$ 311,973	$ 103,318	$ 5,016	$ 6,381,719
Additions	-	5,798	116,715	27,059	36,980	9,992	340,287	536,831
Disposals	-	-	(72,513)	(625)	(2,616)	(625)	-	(76,379)
Reclassifications	-	-	12,319	-	-	24,476	(1,000)	35,795
Effect of foreign currency exchange differences	-	-	(550)	(15)	(32)	(2)	-	(599)
Balance at December 31, 2021	$ 2,338,155	$ 1,776,262	$ 1,774,390	$ 160,793	$ 346,305	$ 137,159	$ 344,303	$ 6,877,367
Accumulated depreciation and impairment								
Balance at January 1, 2021	$ -	$ 248,058	$ 924,842	$ 96,180	$ 209,687	$ 29,563	$ -	$ 1,508,330
Depreciation expenses	-	81,581	204,400	20,888	44,279	14,834	-	365,982
Disposals	-	-	(72,488)	(526)	(2,616)	(625)	-	(76,255)
Effect of foreign currency exchange differences	-	-	(497)	(13)	(27)	(2)	-	(539)
Balance at December 31, 2021	$ -	$ 329,639	$ 1,056,257	$ 116,529	$ 251,323	$ 43,770	$ -	$ 1,797,518
Carrying amount at December 31, 2021	$ 2,338,155	$ 1,446,623	$ 718,133	$ 44,264	$ 94,982	$ 93,389	$ 344,303	$ 5,079,849

No impairment loss or reversal of impairment loss was recognized for the years ended December 31, 2021 and 2020.

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

Buildings	5-50 years
Machinery	1-12 years
Office equipment	2-10 years
Lease improvement	1-10 years
Other equipment	2-15 years

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

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	**2020**
Carrying amount		
Land	$ 1,386	$ 2,772
Buildings	1,498,805	1,269,844
Office equipment	3,506	6,748
Transportation equipment	1,594	3,047
	$ 1,505,291	$ 1,282,411

	For the Year Ended December 31	
	2021	**2020**
Additions to right-of-use assets	$ 600,789	$ 603,856
Depreciation charge for right-of-use assets		
Land	$ 1,386	$ 1,386
Buildings	515,500	402,574
Office equipment	3,242	3,749
Transportation equipment	1,453	1,246
	$ 521,581	$ 408,955

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

b. Lease liabilities

	December 31	
	2021	**2020**
Carrying amount		
Current	$ 535,770	$ 426,417
Non-current	$ 998,402	$ 877,867

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

c. Material leasing activities and terms

The Group leases buildings for the use of offices and warehouses with lease terms of 1 to 10.1 years. The Group does not have bargain purchase options to acquire the buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Year Ended December 31	
	2021	2020
Expenses relating to short-term leases	$ 34,359	$ 34,305
Expenses relating to low-value asset leases	$ 1,747	$ 1,377
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 94,116	$ 88,157
Total cash outflow for leases	$ (656,220)	$ (528,021)

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

The amounts of lease commitments for short-term leases for which the recognition exemption is applied (including lease commitments for short-term leases with lease terms commencing after the balance sheet dates) were $18,960 thousand and $20,098 thousand as of December 31, 2021 and 2020, respectively.

15. GOODWILL

	For the Year Ended December 31, 2020
Cost	
Balance at January 1	$ 26,664
Balance at December 31	$ 26,664
Accumulated impairment losses	
Balance at January 1	$ 13,332
Impairment losses recognized	13,332
Balance at December 31	$ 26,664
Carrying amount at December 31	$ -

The Group acquired the shares of Bebe Poshe in September 2018 and resulting in the goodwill of $26,664 thousand relating to expected benefit from the cosmetic sales growth of E-commerce. The actual sales growth after the business combination did not perform as expected. The recoverable amount of Bebe Poshe was based on the estimated cash flows for the next 5 years, and the discount rate was 10.48% per annum as of December 31, 2020. Based on assessment, the Group recognized impairment losses of $13,332 thousand in other gains and losses for the year ended December 31, 2020.

16. ACCOUNTS PAYABLE

	December 31	
	2021	2020
Suppliers	$ 8,537,131	$ 6,619,620

17. OTHER PAYABLES

	December 31	
	2021	2020
Payables for salaries and bonus	$ 505,030	$ 441,611
Payables for equipment and construction	280,906	25,780
Payables for business tax	112,808	122,287
Payables for pension	27,791	24,408
Others	625,196	341,084
	$ 1,551,731	$ 955,170

18. OTHER CURRENT LIABILITIES

	December 31	
	2021	2020
Collection about travelling merchandise	$ 110,262	$ 117,436
Other financial liabilities	505,229	309,348
Others	182,897	272,570
	$ 798,388	$ 699,354

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.

Accordingly, the Group recognized expenses of $106,261 thousand and $95,807 thousand for the years ended December 31, 2021 and 2020, respectively.

b. Defined benefit plans

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

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

	December 31	
	2021	**2020**
Present value of defined benefit obligation	$ 14,218	$ 14,115
Fair value of plan assets	(15,021)	(13,836)
Net defined benefit (assets) liabilities	$ (803)	$ 279

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities (Assets)**
Balance at January 1, 2020	$ 13,181	$ (11,974)	$ 1,207
Net interest expense (income)	132	(127)	5
Recognized in profit or loss	132	(127)	5
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(336)	(336)
Actuarial loss (gain)			
Changes in financial assumptions	1,125	-	1,125
Experience adjustments	(323)	-	(323)
Recognized in other comprehensive income	802	(336)	466
Contributions from the employer	-	(1,399)	(1,399)
Balance at December 31, 2020	14,115	(13,836)	279
Net interest expense (income)	71	(73)	(2)
Recognized in profit or loss	71	(73)	(2)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	$ -	$ (168)	$ (168)
Actuarial loss (gain)			
Changes in demographic assumptions	421	-	421
Experience adjustments	(389)	-	(389)
Recognized in other comprehensive income	32	(168)	(136)
Contributions from the employer	-	(944)	(944)
Balance at December 31, 2021	$ 14,218	$ (15,021)	$ (803)

(Concluded)

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

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

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

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

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

	December 31	
	2021	2020
Discount rate(s)	0.5%	0.5%
Expected rate(s) of salary increase	2.5%	2.5%

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

	December 31	
	2021	2020
Discount rate(s)		
0.25% increase	$ (549)	$ (577)
0.25% decrease	$ 575	$ 606
Expected rate(s) of salary increase		
0.25% increase	$ 556	$ 585
0.25% decrease	$ (534)	$ (561)

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

	December 31	
	2021	2020
Expected contributions to the plans for the next year	$ -	$ 1,411
Average duration of the defined benefit obligation	15.7 years	16.6 years

20. EQUITY

a. Common stock

As of December 31, 2021 and 2020, momo had authorized 300,000 thousand and 200,000 thousand common shares, respectively, with 182,076 thousand and 140,059 thousand shares issued and outstanding at par value $10 per share.

On May 18, 2021, the Company's shareholders resolved in the shareholders' meeting to issue 42,017 thousand common shares with a par value of $10 from earnings and capital surplus. After the issuance, the Company's paid-in capital increased to $1,820,761 thousand. On June 9, 2021, the above transaction was approved by the Securities and Futures Bureau, FSC, and the subscription base date was determined by the Board of Directors on July 11, 2021.

b. Capital surplus

	December 31	
	2021	2020
Issuance of common shares	$ 2,316,014	$ 2,456,073
Changes in percentage of ownership interests in subsidiaries	125,291	125,291
Share of changes in capital surplus of associates	4,940	42,852
Expired employee share options	170	170
	$ 2,446,415	$ 2,624,386

Under the ROC Company Act, the capital surplus generated from the excess of the issuance price over the par value of common stock may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends up to a certain percentage of momo's paid-in capital. Changes in percentage of ownership interests in subsidiaries, share of changes in capital surplus of associates and expired employee share options may be used to offset a deficit.

c. Retained earnings and dividends policy

momo's Articles of Incorporation provide that, in the event that momo, according to the financial report, earns profits in a fiscal year, such profits shall first be applied to pay the applicable taxes, recover losses, set aside legal reserve pursuant to laws and regulations until the accumulated legal reserves equal momo's paid-in capital, and set aside or reverse a special reserve in accordance with the law or to satisfy the business needs of momo. The remaining balance and any unappropriated earnings of the previous fiscal years shall be distributed to the shareholders with more than 10% as dividends in accordance with resolutions of the shareholders' meetings. For information about the accrual basis of the compensation of employees and remuneration of directors and the actual appropriations, please refer to Note 22(d).

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

Dividends are distributed in the form of stock dividends or cash dividends, of which, cash dividends shall amount to at least to 10%, in order to sustain company operations and growth while balancing the need for dividend distribution and shareholders rights.

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

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

The appropriations of earnings for 2020 and 2019 that had been resolved by the shareholders in their meetings on May 18, 2021 and May 15, 2020, respectively, were as follows:

	For the Year Ended December 31	
	2020	**2019**
Legal reserve	$ 194,443	$ 130,934
Special reserve	$ (30,163)	$ 4,799
Cash dividends	$ 1,400,585	$ 1,173,606
Share dividends	$ 280,117	$ -
Cash dividends per share (NT$)	$ 10	$ 8.3794
Share dividends per share (NT$)	$ 2	$ -

The Company's shareholders resolved in the shareholders' meeting on May 18, 2021 and May 15, 2020 to issue share dividends of $140,059 thousand and cash dividends of $16,891 thousand, respectively, from capital surplus.

d. Other equity items

1) Exchange differences on translation

	For the Year Ended December 31	
	2021	**2020**
Beginning balance	$ (79,312)	$ (80,273)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(26,066)	6,326
Share from associates accounted for using equity method	(2,514)	(5,365)
Other comprehensive (loss) income recognized for the year	(28,580)	961
Ending balance	$ (107,892)	$ (79,312)

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

	For the Year Ended December 31	
	2021	2020
Beginning balance	$ (63,218)	$ (92,420)
Recognized for the year		
Unrealized (loss) gain - equity instruments	(2,429)	5,916
Share from associates accounted for using equity method	17,700	28,577
Other comprehensive income recognized for the year	15,271	34,493
Disposal of associates accounted for using equity method	(50,838)	(4,879)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	-	(412)
Ending balance	$ (98,785)	$ (63,218)

e. Non-controlling interests

	For the Year Ended December 31	
	2021	2020
Beginning balance	$ 15,987	$ 20,257
Share in loss for the year	(5,034)	(4,366)
Other comprehensive (loss) income during the year		
Exchange differences on the translation of the financial statements of foreign entities	(81)	96
Increase in non-controlling interests	79,150	-
Ending balance	$ 90,022	$ 15,987

21. OPERATING REVENUE

	For the Year Ended December 31	
	2021	2020
TV and magazine	$ 5,281,608	$ 5,524,849
E-commerce	83,066,465	61,585,749
Others	48,623	87,506
	$ 88,396,696	$ 67,198,104

Please refer to Note 4(o) and Note 33 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.

Revenue in the current year that was recognized from the contract liabilities balance at the beginning of the year was summarized as follows:

	For the Year Ended December 31	
	2021	2020
Sale of goods	$ 28,026	$ 33,752
Others	7,408	7,728
	$ 35,434	$ 41,480

22. PROFIT BEFORE INCOME TAX

a. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Gain on disposal of investments accounted for using equity method (Note 12)	$ 97,762	$ 73,859
Impairment loss on goodwill	-	(13,332)
Net foreign exchange (losses) gains	(1,095)	896
Loss on disposal of property, plant and equipment	(124)	(95)
Others	34	(350)
	$ 96,577	$ 60,978

b. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on lease liabilities	$ 12,598	$ 9,709
Others	71	45
	$ 12,669	$ 9,754

c. Employee benefits expense, depreciation and amortization

Function / Nature	For the Year Ended December 31, 2021			For the Year Ended December 31, 2020		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salary	$ 936,888	$ 1,298,024	$ 2,234,912	$ 811,299	$ 1,163,329	$ 1,974,628
Insurance expense	99,139	128,697	227,836	83,770	109,058	192,828
Pension	45,302	60,957	106,259	40,286	55,526	95,812
Other employee benefits	59,760	82,428	142,188	53,628	70,493	124,121
Depreciation	688,171	199,392	887,563	579,449	169,249	748,698
Amortization	7,750	54,482	62,232	8,815	57,598	66,413

d. Compensation of employees and remuneration of directors

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

1) A maximum of 0.3% as director remuneration.

2) 0.1% to 1% as employee compensation.

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

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

The Company's estimated compensation of employees and remuneration of directors were made by applying the rates to the aforementioned regulation. The compensation of employees and the remuneration of directors for the years ended December 31, 2021 and 2020, which were approved by the Board of Directors on February 16, 2022 and February 18, 2021, respectively, were as follows:

	For the Year Ended December 31	
	2021	2020
	Cash	Cash
Compensation of employees	$ 4,081	$ 2,420
Remuneration of directors	$ 6,122	$ 2,420

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.

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

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

23. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Year Ended December 31	
	2021	2020
Current tax		
In respect of the current year	$ 823,513	$ 474,489
Adjustments for prior years	(579)	(16,565)
	822,934	457,924
Deferred tax		
In respect of the current year	(13,487)	(6,069)
Income tax expense recognized in profit or loss	$ 809,447	$ 451,855

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

	For the Year Ended December 31	
	2021	2020
Profit before tax	$ 4,084,713	$ 2,390,793
Income tax expense calculated at the statutory rate (20%)	$ 816,943	$ 478,159
Share of loss of domestic investments accounted for using equity method	(1,223)	(5,536)
Adjustment items in determining taxable profit	2,555	2,002
Disposal of domestic marketable securities	(19,810)	(4,969)
Temporary differences	19,534	(192)
Deferred tax	(13,487)	(6,069)
Adjustments for prior years' tax	(579)	(16,565)
Unrecognized loss carryforwards/deductible temporary differences	6,113	5,561
Effect of different tax rates of group entities operating in other jurisdictions	(599)	(536)
Income tax expense recognized in profit or loss	$ 809,447	$ 451,855

The applicable tax rate used by subsidiaries in China is 25%. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2021	2020
Deferred tax		
Remeasurement of defined benefit plans	$ (27)	$ 93
Income tax (expense) benefit recognized in other comprehensive income	$ (27)	$ 93

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2021

Deferred Tax Assets	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Ending Balance
Temporary differences				
Defined benefit obligation	$ 56	$ (56)	$ -	$ -
Allowance for inventory valuation loss	11,360	528	-	11,888
Others	24,906	20,504	-	45,410
	$ 36,322	$ 20,976	$ -	$ 57,298

Deferred Tax Liabilities	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Ending Balance
Temporary differences				
Defined benefit obligation	$ -	$ 134	$ 27	$ 161
Unrealized valuation gain on financial assets at fair value through other comprehensive income	3,774	-	-	3,774
Others	3,774	7,355	-	11,129
	$ 7,548	$ 7,489	$ 27	$ 15,064

For the year ended December 31, 2020

Deferred Tax Assets	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Ending Balance
Temporary differences				
Defined benefit obligation	$ 241	$ (278)	$ 93	$ 56
Allowance for inventory valuation loss	10,660	700	-	11,360
Others	16,467	8,439	-	24,906
	$ 27,368	$ 8,861	$ 93	$ 36,322

Deferred Tax Liabilities	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Ending Balance
Temporary differences				
Unrealized valuation gain on financial assets at fair value through other comprehensive income	$ 3,774	$ -	$ -	$ 3,774
Others	982	2,792	-	3,774
	$ 4,756	$ 2,792	$ -	$ 7,548

d. Unused loss carryforwards for which no deferred tax assets have been recognized

	December 31	
	2021	2020
Loss carryforwards	$ 127,594	$ 154,690

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

As of December 31, 2021, the Group had not recognized the prior years' loss carryforwards, totaling $127,594 thousand, as deferred tax assets. The expiry years are from 2022 to 2031.

e. Income tax assessments

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

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

24. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2021	**2020**
Basic earnings per share	$ 18.02	$ 10.67
Diluted earnings per share	$ 18.02	$ 10.67

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares on July 11, 2021. The basic and diluted earnings per share adjusted retrospectively for the year ended December 31, 2020 were as follows:

Unit: NT$ Per Share

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earnings per share	$ 13.87	$ 10.67
Diluted earnings per share	$ 13.87	$ 10.67

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 Year

	For the Year Ended December 31	
	2021	**2020**
Earnings used in the computation of basic and diluted earnings per share	$ 3,280,300	$ 1,943,304

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

	For the Year Ended December 31	
	2021	2020
Weighted average number of common shares used in the computation of basic earnings per share	182,076	182,076
Effect of potentially dilutive common shares:		
Compensation of employees	3	4
Weighted average number of common shares used in the computation of diluted earnings per share	182,079	182,080

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

25. CASH FLOW INFORMATION

Changes in liabilities arising from financing activities:

For the year ended December 31, 2021

	Beginning Balance	Cash Flows	Non-cash Changes		Ending Balance
			New Leases	Others	
Lease liabilities	$ 1,304,284	$ (525,998)	$ 599,652	$ 156,234	$ 1,534,172

For the year ended December 31, 2020

	Beginning Balance	Cash Flows	Non-cash Changes		Ending Balance
			New Leases	Others	
Lease liabilities	$ 1,096,361	$ (404,182)	$ 602,964	$ 9,141	$ 1,304,284

26. CAPITAL RISK MANAGEMENT

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

27. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
Unlisted stock - foreign	$ -	$ 15,179	$ -	$ 15,179
Unlisted stock - domestic	-	-	61,177	61,177
	$ -	$ 15,179	$ 61,177	$ 76,356

December 31, 2020

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

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

2) Valuation techniques and assumptions used in fair value determination

a) Valuation techniques and inputs applied for Level 2 fair value measurement: The Group uses market comparison approach to evaluate fair values on observable closing price of the stock, volatility, risk-free interest rate and liquidity risk at the end of the year.

b) Valuation techniques and inputs applied for Level 3 fair value measurement: The Group uses market comparison approach, comparing the net value per share with other public companies among the similar industries and evaluating some factors like stock price, volatility, risk-free interest rate and liquidity risk based on average price-book ratio and EV/EBITDA of other competitors, to capture the average present value of the expected future economic benefits which are derived from the ownership of these investees.

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

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

	For the Year Ended December 31	
	2021	2020
Beginning balance	$ 70,252	$ 49,584
Recognized in other comprehensive (loss) income (included in unrealized valuation (loss) gain on financial assets at fair value through other comprehensive income)	(9,075)	4,378
Purchases	-	16,290
Ending balance	$ 61,177	$ 70,252

c. Categories of financial instruments

	December 31	
	2021	2020
Financial assets		
Financial assets at fair value through other comprehensive income		
Investments in equity instruments	$ 76,356	$ 78,785
Financial assets at amortized cost (Note 1)	11,279,696	6,652,826
	$ 11,356,052	$ 6,731,611
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	$ 11,447,875	$ 8,653,080

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 cash and cash equivalents to ensure the requirements of paying estimated operating expenditures, including financial obligations on each contract. The Group also monitors its bank credit facilities to ensure that the provisions of loan contracts are all complied with properly. As of December 31, 2021 and 2020, the Group had unused bank facilities of $150,000 thousand and $600,000 thousand, respectively.

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Lease liabilities	$ 49,000	$ 95,347	$ 403,578	$ 856,519	$ 157,834

December 31, 2020

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

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

5) Market risk

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

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

a) Exchange rate risk

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

For the Group's foreign-currency financial assets and liabilities exposed to significant exchange rate risk, please refer to Note 31.

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 Year Ended December 31	
	2021	2020
Appreciated 5%	$ (6,604)	$ (6,494)
Depreciated 5%	$ 6,604	$ 6,494

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 year were as follows:

	December 31	
	2021	2020
Fair value interest rate risk		
Financial assets	$ 3,371,093	$ 1,959,435
Financial liabilities	1,534,172	1,304,284
Cash flow interest rate risk		
Financial assets	5,969,319	3,514,335

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the year. For floating rate assets and liabilities, the analysis was prepared assuming the amount of the assets and liabilities outstanding at the end of the year were outstanding for the whole year. A 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit for the years ended December 31, 2021 and 2020 would have increased or decreased by $29,847 thousand and $17,572 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 year.

If equity prices had been 5% higher or lower, the post-tax other comprehensive income for the years ended December 31, 2021 and 2020 would have increased or decreased by $3,818 thousand and $3,939 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

28. TRANSACTIONS WITH RELATED PARTIES

momo's parent is Wealth Media Technology Co., Ltd. (WMT), which held 45.01% of common stocks of momo as of December 31, 2021 and 2020, respectively. momo's ultimate parent and ultimate controlling party is Taiwan Mobile Co., Ltd. (TWM).

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

a. Related party name and categories

Related Party Name	Related Party Categories
Taiwan Mobile Co., Ltd. (TWM)	Ultimate parent entity
Wealth Media Technology Co., Ltd. (WMT)	Parent entity
GHS	Associates
Beijing Global JiuSha Media Technology Co., Ltd.	Associates
Beijing YueShih JiuSha Media Technology Co., Ltd.	Associates
GHS Trading Ltd.	Associates
Citruss Saudi Trading Company LLC	Associates
TPE	Associates (Note 1)
TV Direct	Associates
TVD Shopping	Associates (Note 2)

(Continued)

Related Party Name	Related Party Categories
Taipei New Horizon Co., Ltd.	Same ultimate parent entity
Taiwan Fixed Network Co., Ltd. (TFN)	Same ultimate parent entity
Taiwan Digital Service Co., Ltd.	Same ultimate parent entity
TFN Media Co., Ltd.	Same ultimate parent entity
Win TV Broadcasting Co., Ltd.	Same ultimate parent entity
Taiwan Kuro Times Co., Ltd.	Same ultimate parent entity
Yeong Jia Leh Cable TV Co., Ltd.	Same ultimate parent entity
Mangrove Cable TV Co., Ltd.	Same ultimate parent entity
Phoenix Cable TV Co., Ltd.	Same ultimate parent entity
Union Cable TV Co., Ltd.	Same ultimate parent entity
Globalview Cable TV Co., Ltd.	Same ultimate parent entity
AppWorks Ventures Co., Ltd.	Related party in substance
kbro Media Co., Ltd.	Related party in substance
Mistake Entertainment Co., Ltd.	Related party in substance
AppWorks School Co., Ltd.	Related party in substance
Good Image Co., Ltd.	Related party in substance
Xi Guo Co., Ltd.	Related party in substance
Fubon Life Insurance Co., Ltd. (Fubon Life)	Related party in substance
Fubon Insurance Co., Ltd.	Related party in substance
Taipei Fubon Commercial Bank Co., Ltd. (TFCB)	Related party in substance
Fubon Bank (China) Co., Ltd.	Related party in substance
Fubon Securities Co., Ltd.	Related party in substance
Fubon Securities Investment Trust Co., Ltd.	Related party in substance
Fubon Investment Services Co., Ltd.	Related party in substance
Fubon Financial Venture Capital Co., Ltd.	Related party in substance
Fubon Financial Holding Co., Ltd.	Related party in substance
Fubon Futures Co., Ltd.	Related party in substance
Fubon Marketing Co., Ltd.	Related party in substance
Fubon Sports & Entertainment Co., Ltd.	Related party in substance
Fubon Gymnasium Co., Ltd.	Related party in substance
Fubon Asset Management Co., Ltd.	Related party in substance
Fubon Property Management Co., Ltd. (FPM)	Related party in substance
Fubon Land Development Co., Ltd.	Related party in substance
Fubon Real Estate Management Co., Ltd.	Related party in substance
Fubon Hospitality Management Co., Ltd.	Related party in substance
Fubon Insurance Agency Co., Ltd. (formerly known as Fu-Sheng General Insurance Agency Co., Ltd.)	Related party in substance
Fu-Sheng Insurance Agency Co., Ltd. (formerly known as Fu-Sheng Life Insurance Agency Co., Ltd.)	Related party in substance
TFB Capital Co., Ltd.	Related party in substance
P. League+ Co., Ltd.	Related party in substance
Jih Sun Securities Co., Ltd.	Related party in substance
Jih Sun International Bank, Ltd.	Related party in substance
Jih Sun Futures Co., Ltd.	Related party in substance
Jih Sun Securities Investment Consulting Co., Ltd.	Related party in substance
Jih Sun Life Insurance Agent Co., Ltd.	Related party in substance
Chung Hsing Constructions Co., Ltd.	Related party in substance
Fu Yi Health Management Co., Ltd.	Related party in substance
Chen Feng Investment Ltd.	Related party in substance
Chen Yun Co., Ltd.	Related party in substance

(Continued)

Related Party Name	Related Party Categories
Cho Pharma Inc.	Related party in substance
kbro Co., Ltd. (kbro)	Related party in substance
One Production Film Co., Ltd.	Related party in substance
Ming Dong Co., Ltd.	Related party in substance
Daanwenshan CATV Co., Ltd.	Related party in substance
North Taoyuan CATV Co., Ltd.	Related party in substance
Yangmingshan CATV Co., Ltd.	Related party in substance
Hsin Taipei CATV Co., Ltd.	Related party in substance
Chinpingtao CATV Co., Ltd.	Related party in substance
Hsintangcheng CATV Co., Ltd.	Related party in substance
Chuanlien CATV Co., Ltd.	Related party in substance
Chen Tao Cable TV Co., Ltd.	Related party in substance
Fengmeng Cable TV Co., Ltd.	Related party in substance
Hsinpingtao CATV Co., Ltd.	Related party in substance
Kuansheng CATV Co., Ltd.	Related party in substance
Nantien CATV Co., Ltd.	Related party in substance
Taiwan Win TV Media Co., Ltd.	Related party in substance
Far Eastern Memorial Hospital	Related party in substance (Note 3)
Taiwan Mobile Foundation	Related party in substance
Fubon Cultural & Educational Foundation	Related party in substance
Fubon Charity Foundation	Related party in substance
Fubon Art Foundation	Related party in substance
Taipei Fubon Bank Charity Foundation	Related party in substance
Taipei New Horizon Management Agency	Related party in substance

(Concluded)

Note 1: Not a related party since March 2021.

Note 2: TVD Shopping was originally a subsidiary of TV Direct, and not a related party since November 2020.

Note 3: Not a related party since September 2021.

b. Operating revenues

		For the Year Ended December 31	
Line Items	**Related Party Categories**	**2021**	**2020**
Sales	Ultimate parent entity	$ 228,337	$ 227,770
	Associates	6,960	26,299
	Other related parties	12,510	6,811
		$ 247,807	$ 260,880

The Group renders sales service to other related parties. The transaction terms with related parties were not significantly different from those with third parties.

c. Purchases

Related Party Categories	For the Year Ended December 31 2021	2020
Ultimate parent entity	$ 2,584,095	$ 1,877,152
Associates	127,694	810,126
Other related parties	275,829	126,452
	$ 2,987,618	$ 2,813,730

The entities mentioned above provide sales, logistics, play video program and other services. The transaction terms with related parties were not significantly different from those with third parties.

d. Receivables from related parties

Line Items	Related Party Categories/Name	December 31 2021	2020
Accounts receivable	Ultimate parent entity	$ 58,675	$ 19,897
	Associates	373	787
	Other related parties		
	TFCB	43,255	682
	Others	2,480	2,109
		45,735	2,791
		$ 104,783	$ 23,475
Other receivables	Ultimate parent entity	$ 45,248	$ 27,060
	Associates	-	63,168
	Other related parties		
	TFCB	201,248	109,391
		$ 246,496	$ 199,619

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

Receivables from related parties mentioned above exclude notes receivable arising from non-operating activities.

e. Payables to related parties

Line Items	Related Party Categories	December 31 2021	2020
Accounts payable	Ultimate parent entity	$ 284,803	$ 337,324
	Associates	-	99,280
	Other related parties	162,492	1,026
		$ 447,295	$ 437,630

(Continued)

Line Items	Related Party Categories	December 31 2021	December 31 2020
Other payables	Ultimate parent entity	$ 50,743	$ 9,143
	Parent entity	3,673	1,376
	Associates	-	481
	Other related parties	17,270	19,341
		$ 71,686	$ 30,341

(Concluded)

The outstanding trade payables to related parties are unsecured.

f. Bank deposits

Line Items	Related Party Categories/Name	December 31 2021	December 31 2020
Cash and cash equivalents	Other related parties		
	TFCB	$ 1,270,658	$ 608,772
	Others	10,554	24,798
		$ 1,281,212	$ 633,570

g. Lease arrangements

	Related Party Categories/Name	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Acquisition of right-of-use assets	Ultimate parent entity	$ 13,405	$ -
	Other related parties		
	Fubon Life	64,999	30,621
		$ 78,404	$ 30,621

Line Items	Related Party Categories/Name	December 31 2021	December 31 2020
Lease liabilities	Ultimate parent entity	$ 11,174	$ 2,139
	Other related parties		
	Fubon Life	270,497	358,247
		$ 281,671	$ 360,386

Line Items	Related Party Categories/Name	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Finance costs	Ultimate parent entity	$ 43	$ 38
	Other related parties		
	Fubon Life	2,767	3,495
		$ 2,810	$ 3,533

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

h. Acquisition of other assets

Line Items	Related Party Categories/Name	Purchase Price For the Year Ended December 31 2021	2020
Intangible assets	Other related parties	$ -	$ 514
Prepayments for equipment	Other related parties		
	TFN	$ 4,271	$ 19,495

i. Others

1) Refundable deposits

Related Party Categories/Name	December 31 2021	2020
Ultimate parent entity	$ 736	$ 747
Associates	1,556	6,308
Other related parties		
Fubon Life	41,000	38,757
Others	572	541
	41,572	39,298
	$ 43,864	$ 46,353

2) Operating expenses

Related Party Categories/Name	For the Year Ended December 31 2021	2020
Ultimate parent entity	$ 53,468	$ 42,583
Associates	2,398	8,044
Other related parties		
FPM	14,742	13,950
Others	177,890	120,052
	192,632	134,002
	$ 248,498	$ 184,629

3) Other income and expenses

Related Party Categories/Name	For the Year Ended December 31 2021	2020
Ultimate parent entity	$ 893	$ -
Associates		
GHS	14,785	10,643
Others	24	159
	14,809	10,802

(Continued)

Related Party Categories/Name	For the Year Ended December 31 2021	2020
Other related parties		
TFCB	$ 37,388	$ 66,439
Others	-	13
	37,388	66,452
	$ 53,090	$ 77,254

(Concluded)

j. Compensation of key management personnel

	For the Year Ended December 31 2021	2020
Short-term employee benefits	$ 78,696	$ 60,116
Post-employment benefits	2,386	2,011
	$ 81,082	$ 62,127

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

29. ASSETS PLEDGED

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

	December 31 2021	2020
Other financial assets - current	$ 65,900	$ 64,187
Other financial assets - non-current	204,536	204,195
	$ 270,436	$ 268,382

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group 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 $197,112 thousand, electronic tickets of $130,907 thousand, and physical tickets of $70,960 thousand as of December 31, 2021, respectively.

b. As of December 31, 2021 and 2020, the amounts of lease commitments commencing after the balance sheet date were $1,896,117 thousand and $324,574 thousand, respectively.

c. Due to the business development needs, the Company's Board of Directors resolved the logistics warehouse construction and equipment procurement in Southern District in July 2020. As of December 31, 2021, contract amount not yet paid for the logistics warehouse construction and equipment were $1,956,608 thousand and $226,667 thousand, respectively. In September 2021, the Company's Board of Directors resolved the land procurement for the logistics warehouse in Central District with total contract price of $1,321,137 thousand. As of December 31, 2021, contract amount not yet paid for the land was $1,056,910 thousand.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2021

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

December 31, 2020

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

For the years ended December 31, 2021 and 2020, realized and unrealized net foreign exchange (losses) gains were $(1,095) thousand and $896 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the functional currencies of the Group's foreign entities.

32. 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. (Table 2)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (Table 3)

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 4)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 5)

9) Trading in derivative instruments. (None)

10) Intercompany relationships and significant intercompany transactions. (Table 6)

b. Information on investees. (Table 7)

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 year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 8)

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 9)

33. SEGMENT INFORMATION

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

Other segments include FST - travel agent, FLI - life insurance agent, FPI - property insurance agent, Bebe Poshe - wholesale of cosmetics, FSL - logistics industry, MFS - wholesaling, Prosperous Living - wholesale and retail sales, Asian Crown (BVI) - investment, and Honest Development - investment; for the years ended December 31, 2021 and 2020, the above segments did not exceed the quantitative threshold for separate reporting.

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

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

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

a. Segment revenue and results

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

	TV and Magazine	E-commerce	Others	Adjustments and Eliminations	Total
For the year ended December 31, 2021					
Revenues					
Non-inter-company revenues	$ 5,287,247	$ 83,066,858	$ 706,892	$ (664,301)	$ 88,396,696
Segment profits	$ 504,305	$ 3,506,924	$ (6,867)	$ 80,351	$ 4,084,713

(Continued)

	TV and Magazine	E-commerce	Others	Adjustments and Eliminations	Total
For the year ended December 31, 2020					
Revenues					
Non-inter-company revenues	$ 5,524,849	$ 61,585,749	$ 305,313	$ (217,807)	$ 67,198,104
Segment profits	$ 540,203	$ 1,747,988	$ 103,433	$ (831)	$ 2,390,793

(Concluded)

b. Geographical information

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

momo.com Inc. AND SUBSIDIARIES

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Units/Shares (Thousands)	Carrying Amount	% of Ownership	Fair Value	
momo	Stock							
	Media Asia Group Holdings Limited	-	Financial assets at fair value through other comprehensive income - current	4,367	$ 15,179	0.15	$ 15,179	
	We Can Medicines Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	3,140	61,177	7.85	61,177	

Note: Refer to Table 7 and Table 8 for the information on investment in subsidiaries and associates.

momo.com Inc. AND SUBSIDIARIES

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

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

Note 1: Sold in open market.

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

momo.com Inc. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Buyer	Property	Event Date	Transaction Amount (Tax Excluded)	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
momo	Warehousing	2021.05.05	$ 2,276,190	$115,129 has been paid, the remaining payment will be settled monthly in accordance with the construction process and acceptance	Li Jin Engineering Co., Ltd.	-	-	-	-	$ -	According to the budget commitments approved by the Board of Directors, determined by the price comparison and price negotiation	Business development needs	-
	Land	2021.09.03	1,321,137	$264,227 has been paid, the remaining payment will be settled in accordance with the contract	Tung Chin Textile Co., Ltd.	-	-	-	-	-	According to the professional appraisal report and market condition	Increase the logistics warehouse in Central District in response to the operational needs	-

momo.com Inc. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
momo	TWM	Ultimate parent entity	Sale	$ 227,911	-	Based on contract terms	-	-	$ 58,675	27	
	TWM	Ultimate parent entity	Purchase	2,583,974	3	Based on contract terms	-	-	(284,803)	(3)	
	TPE	Associates	Purchase	127,694	-	Based on contract terms	-	-	-	-	Note
	FSL	Subsidiaries	Purchase	438,968	1	Based on contract terms	-	-	(142,499)	(2)	
	MFS	Subsidiaries	Purchase	171,392	-	Based on contract terms	-	-	(21,950)	-	
	kbro	Related party in substance	Purchase	136,736	-	Based on contract terms	-	-	(112,054)	(1)	

Note: Not a related party since March 2021.

momo.com Inc. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance		Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
						Amount	Actions Taken		
momo	TWM	Ultimate parent entity	Accounts receivable	$ 58,675	5.8	$ -	-	$ 57,895	$ -
			Other receivables	45,248	-	-	-	30,163	-
	TFCB	Related party in substance	Accounts receivable	43,255	Note	-	-	28,620	-
			Other receivables	199,813	-	-	-	199,813	-
FSL	momo	Parent entity	Accounts receivable	142,499	4.79	-	-	139,068	-

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

momo.com Inc. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Number	Investee Company	Counterparty	Relationship (Note)	Transaction Details			% of Consolidated Total Operating Revenues or Total Assets
				Financial Statement Accounts	Amount	Payment Terms	
0	momo	Bebe Poshe	1	Operating costs	$ 42,182	The terms of transaction are determined in accordance with mutual agreements or general business practices	0.05
		FSL	1	Accounts payable	142,499		0.62
		FSL	1	Operating costs	438,968		0.50
		MFS	1	Accounts payable	21,950		0.10
		MFS	1	Operating costs	171,392		0.19

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

momo.com Inc. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2021	December 31, 2020	Shares (Thousands)	%	Carrying Amount			
momo	FST	Taiwan	Travel agent	$ 6,000	$ 6,000	3,000	100.00	$ 43,830	$ 3,105	$ 3,105	
	FLI	Taiwan	Life insurance agent	3,000	3,000	500	100.00	5,202	(1,917)	(1,917)	
	FPI	Taiwan	Property insurance agent	3,000	3,000	500	100.00	11,386	3,657	3,657	
	Asian Crown (BVI)	British Virgin Islands	Investment	885,285	885,285	9,735	81.99	20,170	(13,303)	(10,907)	
	TPE	Taiwan	Logistics industry	-	295,860	-	-	-	-	6,114	Note 3
	Honest Development	Samoa	Investment	670,448	670,448	21,778	100.00	643,897	(27,501)	(27,501)	
	Bebe Poshe	Taiwan	Wholesale of cosmetics	85,000	85,000	8,500	85.00	31,716	(11,389)	(9,681)	
	FSL	Taiwan	Logistics industry	250,000	250,000	25,000	100.00	309,059	62,486	62,500	
	MFS	Taiwan	Wholesaling	100,000	100,000	10,000	100.00	106,154	5,972	5,972	
	Prosperous Living	Taiwan	Wholesale and retail sales	220,850	-	22,085	73.62	220,718	(180)	(132)	Note 4
	TV Direct	Thailand	Wholesale and retail sales	175,413 (THB 210,151)	175,413 (THB 210,151)	191,213	21.35	120,346	(210,911)	(50,669)	Note 5
Asian Crown (BVI)	Fortune Kingdom	Samoa	Investment	1,132,789	1,132,789	11,594	100.00	20,548	(13,116)	Note 2	
Fortune Kingdom	HK Fubon Multimedia	Hong Kong	Investment	1,132,789	1,132,789	11,594	100.00	20,548	(13,116)	Note 2	
Honest Development	HK Yue Numerous	Hong Kong	Investment	670,448	670,448	16,600	100.00	643,897	(27,501)	Note 2	

Note 1: Except for TPE and TV Direct, share of profit (loss) was eliminated in consolidation.

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

Note 3: momo sold all of its shares of TPE in March 2021.

Note 4: momo established Prosperous Living with 73.62% holdings of its equity interest in November 2021.

Note 5: momo's shareholding in TV Direct decreased to 21.35% due to non-subscription to the exercise of the share options, which were granted by TV Direct, in January and April 2021.

Note 6: The exchange rate on December 31, 2021 is THB1=NT$0.835.

Note 7: Please refer to Table 8 for information on investments in mainland China.

momo.com Inc. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance For Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance For Investment from Taiwan as of December 31, 2021	Net Income (Loss) of Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outward	Inward							
FGE	Wholesaling	$ 336,428 (RMB 77,500)	b.	$ 774,748 (USD 14,000) (RMB 89,267)	$ -	$ -	$ 774,748 (USD 14,000) (RMB 89,267)	$ (13,669)	76.70	$ (10,484)	$ 10,604	$ -	
Haobo	Investment	47,751 (RMB 11,000)	b.	-	-	-	-	(27,559)	100.00	(27,559)	615,915	-	
GHS	Wholesaling	217,050 (RMB 50,000)	b.	-	-	-	-	154,537	20.00	(27,863)	571,213	-	

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2021	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
$1,372,556 (USD14,000, RMB89,267 and HKD168,539)	$1,372,556 (USD14,000, RMB89,267 and HKD168,539)	$5,309,408

Note 1: Methods of investment are as follows:

a. Direct investment in mainland China.

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

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

c. Others.

Note 2: The exchange rates on December 31, 2021 are USD1=NT$27.66, RMB1=NT$4.341 and HKD1=NT$3.547.

TABLE 9

momo.com Inc.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2021

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

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