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momo.com Inc.

## 2023 Annual Report

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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**

As the COVID-19 dividend receded and consumer lifestyles changed after the pandemic, being the leading virtual channel brand in Taiwan, momo.com Inc. (8454-TW) adjusted its operating direction in a timely manner and launched corresponding products and services in response to the lifestyle changes, demonstrating operational resilience while continuing to work on ESG, actively creating sustainable competitiveness of the enterprise. In 2023, thanks to the efforts of the management team and all colleagues, momo's operations reached a new peak, with an annual revenue reaching NT\$109.2 billion and a net income after tax of approximately NT\$3.6 billion. In the new retail showdown, momo regards itself to be Taiwan's green e-commerce leader, by connecting the core of e-commerce industry, digital empowerment and sustainable value chain, momo turns the green circular economy and develops a new sustainable look for the industry.

The key actions of the Company in 2023 were as follows:

### **I. Enhance service competitiveness by being “more, faster, better and cheaper”**

Faced with the challenging environment of rapid changes in the retail market, momo has adopted the concept of “more, faster, better, and cheaper” for its channel to enhance the product and service capabilities of the platform. momo continues to expand the breadth and depth of its products and services while actively gathers green products. So far, there are millions of products available for purchase on the website to meet the diverse needs of consumers. At the same time, momo strictly controls the quality of products and services, so that consumers can buy and use with confidence. We also speed up the logistics, distribution, and return and exchange processes to provide consumers with a fast and convenient shopping experience. All along, momo adheres to the principle of “affordable quality products”, offering consumers the best service while shopping. Only in this way can we win the trust and support of consumers in the fierce market competition.

### **II. Accelerate the expansion of multiple scene services with the “mo coins ecosystem”**

mo coins actively expands its application in multiple scenarios and accelerates the economic scale-up of the “mo coins ecosystem”. In 2023, the issuance volume had exceeded NT\$10 billion. Starting from the redemption of e-commerce, mo coins connects group resources to expand its usage scenarios. This year, in the Taipei Fubon Bank momo co-branded credit card consumption service, momo integrated 2,500 major brand marketing resources and launched various mo coin purchase reward campaigns. In terms of TWM services, in addition to telecom bill discount and redemption of TWM-owned audio-visual entertainment services, mo coins entered the physical channel and can be used for discounts and purchases in direct stores of TWM. Meanwhile, discount and redemption service can also be applied to Kbro cable TV and Taiwan Fixed Network bills. mo coins continues to expand its circulation plan,

including collaboration in marketing campaigns with life insurance, property insurance, securities, etc. under Fubon Financial Holdings; at the same time, it also steps into cross-industry joint marketing, corporate welfare committees, corporate year-end raffle gifting, and other business expansions, being committed to increasing the economic influence of mo coins.

### **III. Low-carbon transition through green e-commerce, having sustainable logistics is the key to success in new retail**

AI intelligent short-chain layout accelerates the rapid delivery of goods across Taiwan; sustainable green logistics is the key to the success of the new generation of e-commerce. Net-zero carbon emissions are a global consensus. momo is committed to moving towards “low-carbon transition” in line with the international standards, actively deploying short-chain logistics, and striving to complete the last mile of carbon emission reduction. In 2023, momo sped up the completion of the entire short-chain logistics layout by having a total of 58 main satellite warehouses. The “southern logistics center” will join operations in 2024; and the “central logistics center” will start construction in the fourth quarter of this year and is expected to join the logistics service lineup in year 2027. momo is also leading the industry in building green fleet and introducing new commercial electric tricycles to reduce carbon emissions from parcel transportation. momo also continues to develop environmentally friendly packaging materials, and use big data to assist the packaging material reduction and the carton weight reduction project to ensure the safety of product distribution and the ability to improve environmental protection.

With the advent of the online shopping era, momo launched the “Green Living Membership” program in the third quarter to work with consumers to build a “packaging recycling ecosystem”, providing a new carbon-reducing logistics option with “centralized delivery” for fast-delivery goods and “no missed green living promotions”, hoping to make full use of the power of the platform to promote green consumption and environmental protection awareness, and start a brand new sustainable look for the online shopping journey side by side with consumers.

### **IV. Live-streaming e-commerce transformation project**

Live-streaming commerce is a prominent subject in the new generation of retail sales. momo has entered the field of online live-streaming since 2016, combining the advantages of TV shopping to create the first cross-channel live-streaming model in Taiwan. In recent years, the development trend of live streaming has been strong and momo continues to adjust its pace. This year, it has further expanded its scale and launched the “live-streaming e-commerce transformation project”. In addition to creating a new “momo-themed live stream room” operating model, it has planned a “synchronized” and “uninterrupted live-streaming” LIVE channel with diverse themes and actively participates in Taiwan’s new generation live-streaming talent cultivation plan; at the same time, cross-border exchanges and collaborations on the MCN influencer economy model also injects new momentum into the upgrade of momo's live-streaming e-commerce.

## **V.Inject innovative energy and develop new business models**

momo keeps pace with the times and continuously accumulates innovation energy. In the digital era, consumers are good at searching for product information through digital channels, and brand suppliers are also actively investing in the online marketing environment. In view of the importance of digital media advertising in today's retail industry, momo officially launched the "retail media advertising" platform in the second half of the year to implement its core competency in monetizing data traffic.

## **VI. ESG leader in Taiwan's e-commerce industry**

In the face of a treacherous and ever-changing environment, momo adheres to the goal of "No. 1 green e-commerce company in Taiwan", improves corporate governance and green operation efficiency, practices ethical management, and establishes long-term trust with all stakeholders. momo's performance in sustainability speaks for itself. In 2023, it won a number of international and official certifications, including being awarded the "Asia Responsible Enterprise Awards (AREA)" for the first time, winning the "MSCI ESG Rating: AA" for the first time, being selected as a "constituent stock of FTSE4Good TIP Taiwan ESG Index" by Taiwan Index Plus Corporation and FTSE Russell for the fourth time, winning the highest honor of "being ranked top 5% in the TWSE corporate governance evaluation" for 7 consecutive years, and winning the "5th National Enterprise Environmental Protection Award". At the same time, it also won recognition from multiple awards, including the "Corporate Social Responsibility and ESG Award by Global Views Monthly", the "Excellence in Corporate Social Responsibility Award presented by the CommonWealth Magazine", the "TSAA Taiwan Sustainability Action Award", the "TCSA Taiwan Corporate Sustainability Awards", and the "2023 Business Weekly Carbon Competitiveness Top 100". momo leverages the influence of Taiwan's leading brand and continues to create sustainable value for society.

Looking forward to 2024, while taking into account risk management and stable operational development, momo will start from strengthening the core competitiveness of services, prepare capacity for innovative services, and continue to create the company's long-term investment value to improve customer satisfaction and safeguard shareholder interests, moving towards becoming the preferred shopping platform for consumers and suppliers.

Chairman



## II. Company Profile

**Date of Incorporation:** Sep. 27<sup>th</sup>, 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.
Jan. 2008	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 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.

Year	Milestones
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 North Automated Distribution 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 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



Year	Milestones
	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 North Automated Distribution 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. 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.

Year	Milestones
Oct. 2019	<p>Passed 2019 ISO/IEC 27001:2013 Information Security Management System Mark.</p> <p>Passed third party verification of the BS 10012 Personal Information Management System.</p> <p>Awarded 3th place "2019 Top Service Awards - Online Shopping" by Next Magazine.</p> <p>Awarded energy saving full champion "2019 Energy-Saving Products Promotion - momoshop" by Taipei City Government.</p>
Nov. 2019	<p>Awarded Silver Prize "Taiwan Corporate Sustainability Awards - Corporate Sustainability Report of the Service Industry Group" by the Taiwan Institute for Sustainable Energy.</p> <p>Awarded Sustainability Excellence Award "2019 BSI AWARD" by British Standards Institution (BSI) Taiwan branch.</p> <p>Awarded 4th place "Taipei Outstanding Healthy Workplaces" by the Department of Health of Taipei City Government.</p> <p>Passed the "Badge of Accredited Healthy Workplace" by the Ministry of Health and Welfare.</p>
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	<p>Set up Fu Sheng Logistics Co., Ltd.</p> <p>Ranked top 5% in the 6th Corporate Governance Evaluation.</p>
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	<p>Passed the verification of ISO 45001:2018 Occupational Health and Safety Management System.</p> <p>Passed the verification of ISO/IEC 27001:2013 Information Security Management System.</p> <p>Passed the verification of BS 10012: 2017 Personal Information Management System.</p> <p>Awarded "Energy-saving and Contribution Award" by the Taipei City Government.</p>
Nov. 2020	<p>Awarded "13th Taiwan Corporate Sustainability Awards of year 2020" by the committee of Taiwan Corporate Sustainability Awards.</p> <p>"Top 50 Taiwanese Corporate Sustainability Award" under corporate sustainability composite performance.</p> <p>"Gold Award for Wholesale and Retail Industry" under Taiwan corporate sustainability report.</p> <p>"Creative Communication Award" and "Climate Leader Award" under corporate excellence category.</p>
Dec. 2020	Awarded British Standards Institution's "BSI Sustainability Resistance Leading Award."
Jan. 2021	<p>Certified as the "Badge of Accredited Healthy Workplace - Linkou Warehouse" by the Ministry of Health and Welfare.</p> <p>momoshop launched a "5h supermarket," offering a five-hour-delivery service for over 5,000 products.</p> <p>momo officially opened its Yongkang Logistics Center in Tainan.</p>
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	<p>Groundbreaking ceremony of the South Distribution Center.</p> <p>Awarded Annual Growth Top100 by the [2021 Top 2,000 Survey] of the CommonWealth Magazine.</p>
Jun. 2021	2020 Corporate Social Responsibility Report was verified by the British Standards Association.

Year	Milestones
Aug. 2021	<p>Passed the verification of ISO 45001:2018 Occupational Health and Safety Management System.</p> <p>Passed the verification of ISO 14001:2015 Environmental Management System.</p> <p>Passed the verification of ISO/IEC 27001:2013 Information Security Management System.</p> <p>Passed the verification of ISO/IEC 27001:2019 Privacy Information Management System.</p>
Sep. 2021	<p>Won the "2021 Excellence in Corporate Social Responsibility Award" presented by the CommonWealth Magazine.</p> <p>momo spent 1.32 billion to build the Central Distribution Center in Hemei Township, Changhua County.</p>
Oct. 2021	<p>Awarded Gold Prize "2021 Taiwanese Services Evaluation - Large Shopping Site" by Commercial Times.</p>
Nov. 2021	<p>Set up subsidiary Prosperous Living Co., Ltd.</p> <p>Awarded the "14th TCSA Taiwan Corporate Sustainability Awards of 2021" presented by the Taiwan Academy of Corporate Sustainability.</p> <p>Awarded the "Top 50 Taiwanese Corporate Sustainability Award" under corporate sustainability composite performance presented by the Taiwan Academy of Corporate Sustainability.</p> <p>Awarded the "Gold Award (for Wholesale and Retail Industry)" under Taiwan Corporate Sustainability Report presented by the Taiwan Academy of Corporate Sustainability.</p> <p>Awarded the "Creative Communication Leadership Award" in the Sustainable Individual Performance Category presented by the Taiwan Academy of Corporate Sustainability.</p> <p>Awarded the "Gender Equality Leadership Award" in the Sustainable Individual Performance Category presented by the Taiwan Academy of Corporate Sustainability.</p> <p>Awarded British Standards Institution's "2021BSI Sustainability Resistance Leading Award."</p>
Dec. 2021	<p>Awarded the "CG6013(2021) Corporate Governance System Assessment Excellent Certification" presented by the Taiwan Corporate Governance Association.</p>
Mar. 2022	<p>Participated in the "Digital Charity" trend and created the new "Enjoy Charity" social welfare section on the momoshop network</p> <p>momo vowed to become "Taiwan's NO.1 ESG green e-commerce" and was the first one in the industry to introduce SBTi</p>
Apr. 2022	<p>Beam-raising ceremony of the South Distribution Center, symbolizing the successful completion of the main project of momo's largest logistics center in southern Taiwan.</p> <p>Ranked top 5% in the 8th Corporate Governance Evaluation.</p> <p>Awarded "2022 18th GLOBAL VIEWS CSR &amp; ESG AWARD Integrated Performance Category of Service Industry_Excellent" by Global View Monthly.</p>
May 2022	<p>Cash capital increase of NT\$375,000,000 to invest in Line Bank Taiwan Limited.</p> <p>Awarded "Energy-efficient Innovation Award" by Taipei City Government.</p> <p>Awarded "ISO 14064-1:2018 Greenhouse Gas Emissions" by BSI Taiwan.</p> <p>Awarded "ISO/IEC 27001:2013 Information Security Management System, ISMS" by BSI Taiwan.</p> <p>Passed the verification of Privacy Information Management System by SGS.</p>
Jun. 2022	<p>Mr. C.F. Lin resigned from his post as the Chairman of the momo.com Inc. and was appointed as a senior consultant.</p> <p>Mr. Daniel M. Tsai took office as the Chairman of the momo.com Inc.</p> <p>Awarded "2022 Gold Medal Award for Large Shopping Site in the Taiwan Service Survey" by Commercial Times.</p> <p>As one of FTSE Russell and partnered with Taiwan Index Plus (TIP) Corporation.</p> <p>2021 Corporate Social Responsibility Report was verified by the British Standards Association.</p>

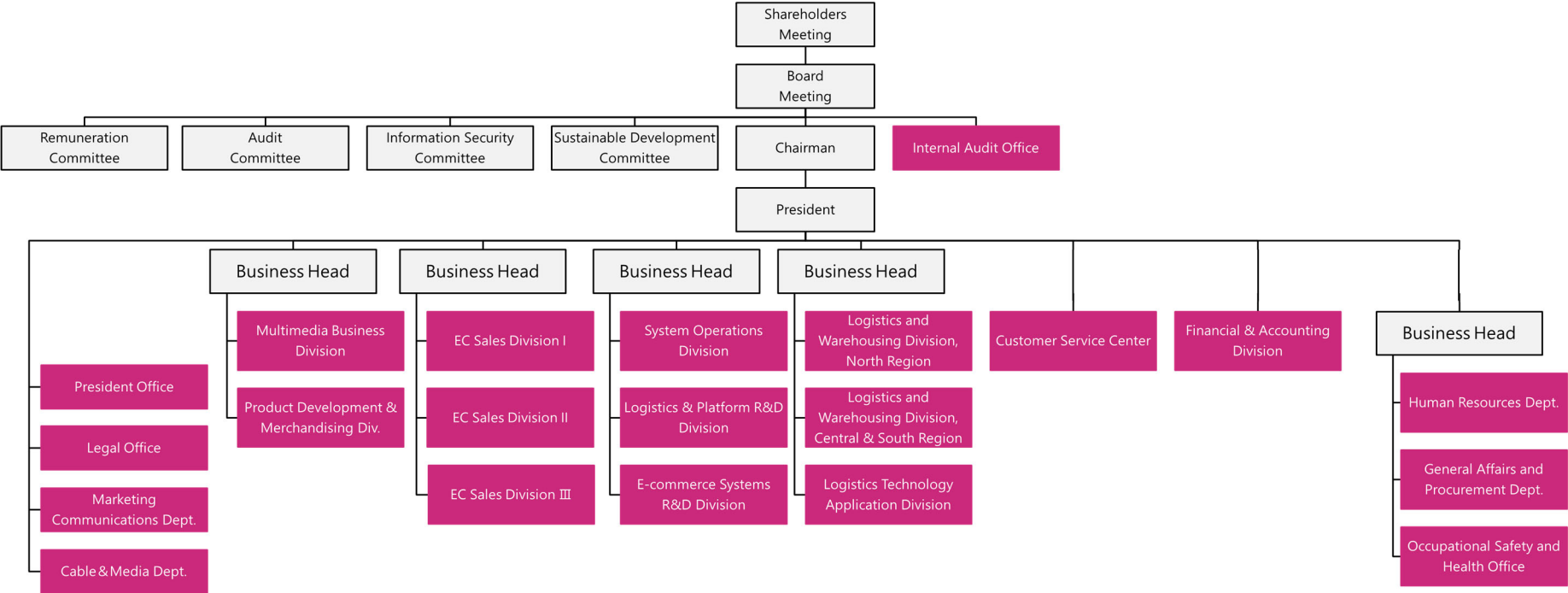
Year	Milestones
Aug. 2022	Awarded "2022 Taiwan Sustainability Action Award (TSAA)_case 'momo Circular Packaging for Eco Friendliness and Sustainable Living" and "2022 Taiwan Sustainability Action Award (TSAA)_case 'Closing the Gender Gap: Walking Towards a Healthy, Equal Life Together" by TAISE.
Sep. 2022	<p>Awarded "2022 Excellence in Corporate Social Responsibility" by CommonWealth Magazine.</p> <p>Mr. Jeff Ku received the award of "2022 Ding- Ge Digital Transforming Award_Business Leader of the year" by Harvard Business Review.</p> <p>Mr. Jeff Ku received the award of "Better Business Awards 2022_Business Leader of the year_Finalist" by BCCT.</p> <p>Passed the verification of ISO 14001:2015 Environmental Management System.</p> <p>Passed the verification of ISO 45001:2018 Occupational Health and Safety Management System.</p>
Oct. 2022	Awarded "Diversity for Better Tomorrow Awards_Local Enterprise_Golden" and "Diversity for Better Tomorrow Awards_Best Female Empowerment Enterprise" by Womany.
Nov. 2022	<p>Awarded "National Sustainable Development Award_Enterprise" by National Council For Sustainable Development.</p> <p>Awarded "2022 National Enterprise Environmental Protection Award_Bronze Award" by Environmental Protection Administration R.O.C.</p> <p>Awarded "Taipei Workplace Gender Equality Certification" by Department of Labor, Taipei City Government.</p> <p>Awarded "2022 Best Reviewed Online Awards" by Daily View.</p> <p>Awarded "TCSA_Corporate Sustainability Comprehensive Performance_Top 100 Taiwanese Corporates Sustainability Award by Taiwan Institute for Sustainable Energy" 、 "TCSA_Corporate Sustainability Reports_General Merchandise Retail_Golden by Taiwan Institute for Sustainable Energy" 、 "TCSA_Corporate Sustainable Individual Performance_Information Security Leadership Award" and "TCSA_Corporate Sustainable Individual Performance_Innovation Growth Leadership Award" by TAISE.</p>
Dec. 2022	Fu Sheng Logistics Transportation Co., Ltd., a subsidiary of momo, and Gaius Automotive Inc. worked together and launched the "momo electric 3-wheelers" to join the short-chain transportation fleet.
Jan. 2023	momo reached a new milestone for the e-commerce industry in Taiwan when creating annual revenue of NT\$103.4 billion.
Mar. 2023	Awarded "2023 19th Global Views CSR & ESG Award Integrated Performance Category of Service Industry_Excellent."
Apr. 2023	<p>Ranked top 5% in the 9th Corporate Governance Evaluation.</p> <p>Joined "TALENT, in Taiwan" by CommonWealth Magazine.</p>
Jun. 2023	<p>Passed the verification of ISO 14064-1 2018 Greenhouse Gas Emissions by BSI.</p> <p>Awarded "Asia Responsible Entrepreneurship Awards Green Leadership category" and "Asia Responsible Entrepreneurship Awards Social Empowerment category" by Enterprise Asia.</p> <p>As one of FTSE Russell and partnered with Taiwan Index Plus (TIP) Corporation.</p> <p>Awarded Institutional Investor Research 2023 Asia Pacific ( Ex-Japan) #2 of Most honored company, #1 of Best CEO, #3 of Best CFO, #1 of Best IR professional, #1 of IR team, #2 of IR program, #2 of Best ESG, #2 of company board in internet sector, Asia ex-Mainland China area.</p>
Jul. 2023	<p>Passed MSCI ESG Rating : AA</p> <p>Awarded "2023 Taiwan Sustainability Action Awards (TSAA) " 、 "SDG17 momo's online shopping cart for charity_Bronze" and "SDG12 Green E-commerce Low-Carbon Transformation Project_Golden" by Taiwan Institute for Sustainable Energy.</p> <p>Passed the verification of ISO 14067 2018 Product Carbon Footprint by BSI Taiwan.</p>

Year	Milestones
	<p>Passed the verification of ISO/IEC 27001 2013 Information Security Management System by UKAS.</p> <p>Passed the verification of ISO/IEC 27701 2019 Personal Information Management System by ANAB.</p> <p>Awarded "2023 Gold Medal Award for Large Shopping Site in the Taiwan Service Survey " by Commercial Times.</p>
Aug. 2023	<p>The "momo-themed live stream room" went online, filling consumers' spare time with content that covers education, entertainment and consumption.</p> <p>The certificate of "Online Shopping Packaging Reduction Mark 2.0"</p>
Sep. 2023	<p>The "Green Living Membership" was officially launched, working with consumers to create a new look of sustainable online shopping.</p> <p>Awarded "2023 Excellence in Corporate Social Responsibility" by CommonWealth Magazine.</p> <p>Awarded "2023 Taiwan Best-in-Class 100" by Taiwan Institute of Directors.</p>
Oct. 2023	<p>Passed the verification of ISO 45001 2018 Occupational Health &amp; Safety Management System by BSI Taiwan.</p> <p>Awarded "Diversity for Better Tomorrow Awards_Best DEI Enterprise_Golden" and "Diversity for Better Tomorrow Awards_Best Female Empowerment Enterprise" by Womany.</p> <p>Awarded "IT Matters Awards-Best IT Employee" and "IT Matters Awards-IT Director of the Year" by Information Management Association.</p> <p>Awarded "Best Reviewed Online Awards 2023" by DailyView.</p>
Nov. 2023	<p>Awarded "2023 National Enterprise Environmental Protection Award_Bronze Award" by Ministry of Environment.</p> <p>Awards "2023 Taiwan Corporate Sustainability Awards_Corporate Sustainability Comprehensive Performance_Top 100 Taiwanese Corporates Sustainability Award" 、 "2023 Taiwan Corporate Sustainability Awards_Corporate Sustainability Reports_General Merchandise Retail_Platinum" 、 "2023 Taiwan Corporate Sustainability Awards_Corporate Sustainable Individual Performance_Circular Economy Leadership Award" and "2023 Taiwan Corporate Sustainability Awards_Corporate Sustainable Individual Performance_Human Rights Development Leadership Award" by TAISE.</p> <p>Awarded "2023 Carbon Competitiveness 100" by Business Weekly.</p>
Dec. 2023	<p>The certificate of "Product Carbon Footprint Label" by Ministry of Environment.</p> <p>The groundbreaking ceremony kicked off the start of construction for the Central Distribution Center.</p> <p>Awarded "Green Procurement for Private enterprises and organizations" by Ministry of Environment.</p>

### III. Organization and Corporate Governance

#### i. Organization

##### Organizational Chart



## Divisional Scope of Responsibilities

Division	Scope of responsibilities
Internal Audit Office	<ol style="list-style-type: none"> <li>1. Execution of the internal audit of momo and the respective subsidiary companies</li> <li>2. Inspection and assessment of the execution of internal control in this company and the respective subsidiary companies</li> <li>3. Supervision and review of the self-inspection procedures of internal control in this company and the respective subsidiary companies</li> </ol>
Logistics and Warehousing Division, North Region  Logistics and Warehousing Division, Central & South Region	<ol style="list-style-type: none"> <li>1. Performance of order procedures ranging from entry of goods, inspection and acceptance, release, shipment, and return</li> <li>2. Order reply, tracking, and management</li> <li>3. Planning and implementation of consolidated shipping</li> <li>4. Inventory management</li> <li>5. Data analysis and optimization of inventories</li> <li>6. Introduction and application of automated equipment</li> <li>7. Management of logistics centers' operations</li> <li>8. Human resource planning and systematic talent cultivation</li> </ol>
Logistics Technology Application Division	<ol style="list-style-type: none"> <li>1. Integration of logistics related system platform, software and hardware, and process planning</li> <li>2. Logistics operation data analysis, application, and optimization proposal</li> <li>3. Supplier and third-party merchant management, service promotion, education and training, and contract signing and control</li> <li>4. Procurement of goods in each channel, warehousing coordination and fulfillment, warehouse inventory scheduling, and product processing</li> <li>5. Product quality audit and management, return process control, and market price research</li> <li>6. Product distribution, shipping status tracking, exception handling, and distributor management, adjustment and configuration</li> <li>7. Warehouse capacity and inventory management optimization</li> </ol>
System Operations Division	<ol style="list-style-type: none"> <li>1. Planning and operations of the operational system, network system, and operating host resources</li> <li>2. Program testing operations, system (software and hardware) integration testing, system performance testing and launch</li> <li>3. Business continuity service indicator monitoring and IT front-line maintenance and operation</li> <li>4. Obstacle reporting, tracking, and analysis</li> <li>5. OA environment management</li> <li>6. Operations and management of telecommunications system</li> <li>7. Operations and management of database</li> <li>8. Operations and management of cloud services</li> </ol>
Logistics & Platform R&D Division	<ol style="list-style-type: none"> <li>1. Supplier management system functional architecture planning, development and maintenance</li> <li>2. Operation backend system functional architecture planning, development and maintenance</li> <li>3. Warehousing management, inventory transshipment and allocation related system design, development and maintenance</li> <li>4. Logistics and transportation platform architecture planning, design, development and maintenance</li> <li>5. Financial and accounting-related system functional architecture planning,</li> </ol>

Division	Scope of responsibilities
	<p>development and maintenance</p> <p>6. Cash flow services' functional architecture planning, development and maintenance</p> <p>7. Search system, data and recommendation analysis and intelligent system functional architecture development and maintenance</p>
E-commerce Systems R&D Division	<p>1. Functional architecture planning and design of momoshop and momo TV shopping website</p> <p>2. Planning and design of content management system and shared services' framework</p> <p>3. Planning and design of cloud marketing campaign system framework</p> <p>4. Planning and design of the back-end function structure of momoshop and momo channels' website</p> <p>5. Planning and design of the checkout service function structure of momoshop</p> <p>6. New system development and technology introduction such as Ecommerce push notification system, discount coupon platform and tracking list</p> <p>7. Company website page design and new framework specification and construction</p> <p>8. Development and maintenance of the Company's externally operated apps, including ec app / tv app / mall app / scm app</p> <p>9. Development and maintenance of apps used within the company, including real-time pricing monitoring system / audit and write off app / fntpush app</p> <p>10. Development and maintenance of app live-streaming</p> <p>11. E-book platform and reader development and maintenance</p> <p>12. momomall system middle and backend development and maintenance</p> <p>13. Internet insurance system development and maintenance</p>
EC Sales Division I、Division II and Division III	<p>1. Planning and execution of operating strategy</p> <p>2. Development and management of supplier and product</p> <p>3. Expansion and management of membership</p> <p>4. Improvement and innovation of channel service</p>
Multimedia Business Division	<p>1. Sales management of TV, Catalogue, Live Stream and TV APP channels</p> <p>2. Development and management of supplier and product</p> <p>3. Production of TV Live program and VCR commercials</p> <p>4. Issue and management of TV / EC products in catalogue</p> <p>5. Launching and performance management of TV product on momoshop</p> <p>6. Scheduling and execution of live stream programs</p>
Product Development & Merchandising Division	<p>1. Development and import of overseas (mainly Korean) products</p> <p>2. Sales of overseas products through channels such as TV shopping, the Internet, and live broadcasts</p> <p>3. Business execution and management from development to sales for private brands</p> <p>4. Development of domestic and overseas factories for private brands to enhance competitive advantage</p>
Financial & Accounting Division	<p>1. Preparation of financial statements, accounting information management, tax planning and compliance</p> <p>2. Cost accounting, management of supplier accounts and accounting service to clients</p> <p>3. Operating performance analysis and budget management</p> <p>4. Financial management and evaluation of investment</p> <p>5. Maintain two-way communication between the Company and investors,</p>



Division	Scope of responsibilities
	<ul style="list-style-type: none"> <li>organization of institutional investor conferences</li> <li>6. Planning and target promotion of sustainable development, and maintenance of public information</li> </ul>
Customer Service Center	<ul style="list-style-type: none"> <li>1. Planning, integration and execution of services strategy</li> <li>2. Development of intelligent customer service system</li> <li>3. Service quality and satisfaction management</li> <li>4. Collecting customer advice, then analysis and improvement</li> <li>5. Management of major customer complains</li> <li>6. 24 hours service (including consulting, ordering and after-sales service)</li> <li>7. Reactivating dormant users and product telemarketing</li> </ul>
Human Resources Dept.	<ul style="list-style-type: none"> <li>1. Utilization and integration of human resources</li> <li>2. Remuneration and benefits</li> <li>3. Recruitment and selection</li> <li>4. Educational training and employee development</li> <li>5. Performance management</li> <li>6. Labor relations and negotiations</li> </ul>
General Affairs and Procurement Dept.	<ul style="list-style-type: none"> <li>1. Asset / Construction procurement 、contract and management</li> <li>2. Procurement, repair, and management of equipment/appliances</li> <li>3. Development and management of suppliers</li> <li>4. Seal management</li> <li>5. Receipt and dispatch management of official documents and mails</li> <li>6. Environmental maintenance</li> </ul>
Occupational Safety and Health Office	<ul style="list-style-type: none"> <li>1. Labor safety and health management</li> <li>2. Labor health management</li> <li>3. Environmental promotion and maintenance management</li> </ul>
President office	<ul style="list-style-type: none"> <li>1. Strategy planning and project management</li> <li>2. Development of new business and strategic alliance</li> <li>3. Improvement of management mechanism and management of cross-department project</li> </ul>
Legal Office	<ul style="list-style-type: none"> <li>1. Review contracts</li> <li>2. Legal consultant</li> <li>3. Mitigate litigation cases.</li> <li>4. Clarification of training regulation</li> <li>5. Management of intellectual property rights</li> </ul>
Marketing Communications Dept.	<ul style="list-style-type: none"> <li>1. Media relationship management</li> <li>2. Maintenance and brand management for media relations</li> <li>3. Crisis management and handling of major customer complaints</li> <li>4. Maintenance Fubon Group relations</li> </ul>
Cable & Media Dept.	<ul style="list-style-type: none"> <li>1. Contracts for broadcasting on advertising channels of cable TVs (system operators)</li> <li>2. Planning and management of signal transmission contract</li> </ul>

## ii. Board of Directors and Executive Management

### Board of Directors

The Board of Directors consists of 9 members, all of whom have a great breadth of experience. Average age of Directors is 58 years old. Including, the three independent directors possess professional qualifications in the areas of information technology, 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. 16<sup>th</sup>, 2024

Title	Nationality/ Country of Origin	Name	Gender (Age range)	Date Elected	Term Expires	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.	-	2023.5.19	2026.5.18	2011.7.29	98,353,639	45.01%	108,189,002	45.01%	-	-	-	-	-	-	-	-	-	-
	ROC	Wealth Media Technology Co. Ltd. Representative: Daniel M. Tsai	Male (60-69)	2023.5.19	2026.5.18	2022.6.21	244,000	0.11%	268,400	0.11%	-	-	-	-	1.J. D. honoris causa, Fu Jen Catholic University 2.D.B.A. honoris causa, Tunghai University 3.LLM, Georgetown University 4.LLB, National Taiwan University 5.Chairman, Fubon Financial Holding Co., Ltd. 6.Chairman, Taipei Fubon Commercial Bank Co., Ltd. 7.Chairman, Fubon Insurance Co., Ltd.  1.J. D. honoris causa, Fu Jen Catholic University 2.D.B.A. honoris causa, Tunghai University 3.LLM, Georgetown University 4.LLB, National Taiwan University 5.Chairman, Fubon Financial Holding Co., Ltd. 6.Chairman, Taipei Fubon Commercial Bank Co., Ltd. 7.Chairman, Fubon Insurance Co., Ltd.	1.Sustainable Development Committee Convener, momo.com Inc. 2.Director, Fubon Financial Holding Co., Ltd. 3.Chairman, Taiwan Mobile Co., Ltd. 4.Chairman, Dao Ying Co., Ltd. 5.Chairman, Ming Dong Co., Ltd. 6.Chairman, Kuo Chi Investment Co., Ltd. 7.Director, Lucky Way Limited 8.Director, Rainbow Cheer Limited 9.Director, Key Gain Limited 10.Director, Ultimate Epoch Limited 11.Director, Orientland International Limited 12.Director, Globotex International Limited 13.Director, Cosgrove Global Limited 14. Chairman, Fubon Bank (Hong Kong) Ltd. 15.Director, Giver Concept Limited 16.Chairman, Chung Shing Development Co., Ltd. 17.Chairman, Fubon Realtors Co., Ltd. 18.Chairman, TCC Investment Co., Ltd. 19.Chairman, TCCI Investment and Development Co., Ltd. 20.Chairman, TFN Union Investment Co., Ltd. 21.Chairman, TFN Media Co., Ltd. 22.Chairman, Taiwan Cellular Co., Ltd. 23.Director, Fubon Life Insurance Co., Ltd. 24.Director, Win TV Broadcasting Co., Ltd. 25.Chairman, Taiwan Fixed Network Co., Ltd. 26.Chairman, Wealth Media Technology Co., Ltd. 27.Director, Fubon Construction Co., Ltd. 28.Chairman, Ti Kun Co., Ltd. 29.Chairman, Tien Chien Co., Ltd. 30.Chairman, Hsi Po Lai Co., Ltd. 31.Chairman, Yi Fu So Co., Ltd. 32.Director, Taiwan Digital Service Co., Ltd. 33.Chairman, Dun Fu Co., Ltd. 34.Director, Taiwan Teleservices & TechnologiesCo., Ltd. 35.Chairman, TWM Venture Co., Ltd. 36.Director, Fubon Bank (China) Co., Ltd.	Director	Douglas Tsai	Son	-

Title	Nationality/ Country of Origin	Name	Gender (Age range)	Date Elected	Term Expires	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.	-	2023.5.19	2026.5.18	2011.7.29	98,353,639	45.01%	108,189,002	45.01%	-	-	-	-	-	-	-	-	-	-
	ROC	Wealth Media Technology Co. Ltd. Representative: Jeff Ku	Male (60-69)	2023.5.19	2026.5.18	2019.6.1	6,161	0.00% (Note 3)	8,856	0.00% (Note 3)	-	-	-	-	1.EMBA, National Taiwan University 2.MBA, University of Wollongong, Australia 3.Senior Vice President and Chief Business Officer, Taiwan Mobile Co., Ltd. 4.Vice President, Taiwan High Speed Rail Corp.	1.President and Sustainable Development Committee Member, momo.com Inc. 2.Chairman, BEBE POSHE International Co.,Ltd. 3.Chairman, Full Insurance Agent Co., Ltd. 4.Chairman, 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.Chairman, Haobo Information Consulting (Shenzhen) Co., Ltd. 9.Chairman, Prosperous Living Co., Ltd 10.Director, Hong Kong Fubon Multimedia Technology Co., Limited 11.Director, Hongkong Yue Numerous Investment Co. Limited 12.Director, Beijing Global Guoguang Media Technology Co., Ltd. 13.Director, Gaius Automotive Inc.	-	-	-	-
Director	ROC	Wealth Media Technology Co. Ltd. Representative: Jamie Lin	Male (40-49)	2023.5.19	2026.5.18	2019.4.1	47,880	0.02%	52,668	0.02%	-	-	-	-	1.MBA, NYU Stern School of Business 2.BS in Chemical Engineering and minor in Economic, National Taiwan University 3.Co-founder and product manager, Social Sauce 4.Co-founder and General Manager of Greater China, Intumit Inc.	1.Chairman, AppWorks Ventures Co., Ltd. 2.Chairman, AppWorks Fund IV(TW) Admin Global Ltd. 3.Chairman, AppWorks Fund II Co., Ltd. 4.Chairman, AppWorks Fund III Co., Ltd. 5.Chairman, AppWorks School Co., LTD. 6.Chairman, Chen Feng Investment 7.Chairman, Chen Yun Co., Ltd. 8.Chairman, Chen Men Ltd. 9.Director, AppWorks Ventures II Limited 10.Director, AppWorks Ventures III Limited 11.Director, AppWorks IV Limited 12.Director, AppWorks Fund IV Admin Global Limited 13.Director, AppWorks Global Limited 14.Director, AWTH Limited 15.Director, 91APP-KY(Cayman) 16.Director, Dcard Holdings Ltd. (Cayman) 17.Director, EZTable, Ltd. (Cayman) 18.Director, VIV3 Inc. 19.Director, WeMo Corp. (Cayman) 20.Director, WeMo Corp. 21.Director, Winbond Electronics Corp. 22.Director, Line Bank Taiwan Ltd. 23.Director and President, Taiwan Mobile Co., Ltd. 24.Director, Bridge Mobile Pte Ltd. 25.Director and President, Taiwan Cellular Co., Ltd. 26.President, TWM Venture Co., Ltd. 27.Chairman, Taiwan Mobile Film Co., Ltd. 28.Chairman and President, Taiwan Stampede Franchise Film Co., Ltd 29.Director and President, Wealth Media Technology Co., Ltd.	-	-	-	-

Title	Nationality/ Country of Origin	Name	Gender (Age range)	Date Elected	Term Expires	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	
																30.Director, Taipei New Horizon Co., Ltd. 31.Chairman, Fu Sheng Digital Co., Ltd. 32.Chairman, TWM Power CO., LTD. 33.Chairman, FullSynergy New Retail CO., LTD. 34.President, Taiwan Fixed Network Co., Ltd. 35.Chairman, Taiwan Teleservices & Technologies Co., Ltd. 36.President, TCC Investment Co., Ltd. 37.Chairman, Taiwan Digital Service Co., Ltd. 38.Chairman, Taihsin Property Insurance Agent Co., Ltd. 39.Director and President, TFN Media Co., Ltd. 40.Chairman and President, Global Forest Media Technology Co., Ltd. 41.Chairman and President, Global Wealth Media Technology Co., Ltd. 42.Chairman, Win TV Broadcasting Co., Ltd. 43.President, TFN Union Investment Co., Ltd. 44.President, TCCI Investment and Development Co., Ltd. 45.Chairman, Yeong Jia Leh Cable TV Co., Ltd. 46.Chairman, Phoenix Cable TV Co., Ltd. 47.Chairman, Union Cable TV Co., Ltd. 48.Chairman, Globalview CATV Co., Ltd.				
Director	ROC	Wealth Media Technology Co. Ltd. Representative: Douglas Tsai (Note 2)	Male (30-39)	2023.7.1	2026.5.18	2023.7.1	98,400	0.05%	184,740	0.08%	-	-	-	-	1.Master of Business Administration, University of Pennsylvania 2.BA in Economics Southern California 3.Deputy Division Head, Fintech Division, Fubon Financial Holding Co., Ltd. 4.WeSure/Product Manager Innovative Product Team 5.Essex Lake Group/Business Analyst	1.Head of Fintech Division, Fubon Financial Holding Co., Ltd. 2.Deputy Head of Digital Banking Division, Taipei Fubon Commercial Bank Co., Ltd. 3.Director, Hyundai Card Co., Ltd. 4.Supervisor, Fubon Direct Marketing Consulting Co., Ltd. 5.Non-executive Director, Fubon Bank (Hong Kong) Ltd. 6.Director, Giver Concept Limited 7.Director, Star Ilya Limited 8.Director, Fubon Securities Co., Ltd. 9.Chairman, Fubon Sports & Entertainment Co., Ltd. 10.Director, Dun Fu Co., Ltd. 11.Director, Fubon Insurance Co., Ltd. 12.Director, Fubon Insurance Agency Co., Ltd. 13.Vice Chairman, Shenzhen Tengfubo Investment Co., Ltd.	Chairman	Daniel M. Tsai	Father	-
Director	ROC	Wealth Media Technology Co. Ltd. Representative: George Chang	Male (50-59)	2023.5.19	2026.5.18	2022.9.1	-	-	-	-	-	-	-	-	1.MBA, University of Southern California 2.Bachelor of Accounting, California State University 3.CFO, Egis Technology Inc. 4.Director, FocalTech Systems Co., Ltd. 5.Executive Vice President, Yuanta Securities Investment Consulting Co., Ltd. 6. Director, Citigroup	1.Vice President and CFO, Taiwan Mobile Co., Ltd. 2.Director, Global Forest Media technology Co.,Ltd. 3.Director, Global Wealth Media technology Co.,Ltd. 4.Director, Mistake Entertainment Co., Ltd. 5.Director, Yeong Jia Leh Cable TV Co., Ltd. 6.Director, Union Cable TV Co., Ltd. 7.Director, Phoenix Cable TV Co., Ltd. 8.Director, Globalview CATV Co., Ltd.	-	-	-	-

Title	Nationality/ Country of Origin	Name	Gender (Age range)	Date Elected	Term Expires	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	
																9.Independent Director, WT Microelectronics Co., Ltd. 10.Supervisor, Win TV Broadcasting Co., Ltd. 11.Supervisor, Taiwan Teleservices & Technologies Co., Ltd. 12.Supervisor, Taiwan Fixed Network Co., Ltd. 13.Supervisor, TWM Venture Co., Ltd. 14.Supervisor, TCCI Investment and Development Co., Ltd. 15.Supervisor, Wealth Media Technology Co., Ltd. 16.Supervisor, TWM Power CO., LTD. 17.Supervisor, Taiwan Cellular Co., Ltd. 18.Supervisor, TCC Investment Co., Ltd. 19.Supervisor, TFN Union Investment Co., Ltd. 20.Supervisor, Taiwan Digital Service Co., Ltd. 21.Supervisor, NADA Holdings Corp. 22.Supervisor, FullSynergy New Retail CO., LTD.				
Director	ROC	TECO CAPITAL INVESTMENT Co., Ltd.	-	2023.5.19	2026.5.18	2006.6.30	23,008,800	10.53%	25,309,680	10.53%	-	-	-	-	-	-	-	-	-	-
	ROC	TECO CAPITAL INVESTMENT Co., Ltd. Representative: Mao-Hsiung Huang	Male (80-89)	2023.5.19	2026.5.18	2009.5.20	-	-	-	-	-	-	-	-	1.MBA, Wharton School, University of Pennsylvania 2.Chairman, TECO Electric and Machinery Co., Ltd.	1.Chairman, Royal Park Taiwan, Co., Ltd. 2.Chairman, E-Joy Electronics International Co., Ltd. 3.Chairman, An-Sheng Travel Co., Ltd. 4.Chairman, Century Biotech Development Corporation 5.Chairman, TECO International Investment Co., Ltd. 6.Chairman, Tong An Investment Co., Ltd 7.Chairman, Tong An Assets Management & Development Co., Ltd. 8.Chairman, TECNOS International Consultant Co., Ltd. 9.Chairman, An Tai International Investment Co., Ltd. 10.Chairman, Century Development Corporation 11.Chairman, UD Corporation 12.Chairman, Royal Park Taiwan Co., Ltd. 13.Chairman, MCOM Technology Co., Ltd. 14.Director, Fujio Food System Taiwan Co. Ltd. 15.Chairman, YUBAN INTERNATIONAL INVESTMENT Co., LTD. 16.Chairman, Foremost International Food & Beverage Co., Ltd. 17.Chairman, Miss Croissant Co., Ltd. 18.Chairman, Inotec Taiwan Co., Ltd. 19.Chairman, An-Shin Food Services Co., Ltd. 20.Director, Star International Design Co., Ltd. 21.Director, Taiwan Pelican Express Co., Ltd. 22.Director, Taiwan High Speed Rail Corporation	-	-	-	-

Title	Nationality/ Country of Origin	Name	Gender (Age range)	Date Elected	Term Expires	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	
																23.Director, SHIN-ETSU HANDOTAI TAIWAN CO., LTD. 24.Director, Mos Food Industry Corp. 25.Director, Blue Pacific International Co., Ltd. 26.Director, Eurasia Food Service Co., Ltd. 27.Supervisor, Tung Pei Industrial Co., Ltd. 28.Supervisor, Jinglaoman Food&Beverage Co., Ltd. 29.Supervisor, AN-HUI INFORMATION TECHNOLOGY, LTD. 30.Supervisor, YUBAN & COMPANY 31.Supervisor, KUANG YUAN CO., LTD. 32.Supervisor, Tung Kuang Investment Co., Ltd. 33.Supervisor, Innovation to Industry Co., Ltd. 34.Director, TECO ELEKTRIK TURKEY A.S. 35.Chairman, PHILTEC FOOD AND SERVICES, Inc. 36.Director, TECO-Westinghouse Motor Company (TWMC) 37.Director, TECO Australia Pty Limited (TAC) 38.Director, TEMICO International Pte. Ltd 39.Director, TEMICO Motor India Private Limited 40.Director, MOS Burger Australia Pty. Ltd 41.Director, AN-SHIN FOOD SERVICES (SINGAPORE) PTE.LTD. 42.Director, Tecocapital Investment (Samoa) Co.,Ltd. 43.Director, Tecocapital Investment Co.,LTD. 44.Director, Asia Innovative Technology (Xiamen) Co., Ltd. 45.Supervisor, Xia Men An-Shin Food Management Co., Ltd. 46.Chairman, Sankyo Co.,Ltd.				
Independent Director	ROC	Chieh Wang	Male (50-59)	2023.5.19	2026.5.18	2019.5.16	-	-	-	-	-	-	-	-	1.Bachelor of Finance and Taxation, National Chengchi University 2.Vice President of The Financial Investment Department and CIO, Fubon Financial Holding Co., Ltd. 3.Vice President of The Financial Department and CIO, Fubon Life Insurance Co., Ltd. 4.Vice Chairman and CEO, Cashbox Partyworld Co., Ltd. 5.Chairman, Holiday Entertainment Co., Ltd.	1.Audit Committee Convener and Remuneration Committee & Information Security Management Committee & Sustainable Development Committee Member, momo.com Inc. 2.Chairman, Conti Invest Co., Ltd 3.Chairman, The Cool Media Co., Ltd. 4.Chairman, PAI PAI ENTERPRISE CO., LTD. 5.Chairman, Guang International Cultural Creative Co., Ltd. 6.Chairman, Digiflow Company Limited 7.Independent Director, China United Insurance Holding Company 8.Independent Director, Fubon Property & Casualty Insurance Co., Ltd. 9.Director, Enjoy Records Co., Ltd.	-	-	-	-

Title	Nationality/ Country of Origin	Name	Gender (Age range)	Date Elected	Term Expires	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	Emily Hong	Female (60-69)	2023.5.19	2026.5.18	2023.5.19	-	-	-	-	-	-	-	-	1.Executives Program, Graduate School of Business Administration, National Chengchi University 2.Bachelor of Political Science, National Taiwan University 3.Vice Chairman and CEO, Wiwynn Corporation 4.General Manager of Enterprise Product Group and Business General Manager, Wistron Corp. 5.Chief BPR Officer and Vice President, Acer Inc.	1.Remuneration Committee Convener and Audit Committee & Information Security Management Committee & Sustainable Development Committee Member, momo.com Inc. 2.Chairman and CSO, Wiwynn Corporation	-	-	-	-
Independent Director	ROC	Mike Jiang	Male (50-59)	2023.5.19	2026.5.18	2023.5.19	-	-	-	-	-	-	-	-	1.Bachelor of Computer Science and Information Engineering, National Taiwan University 2.Director general, TWP Corporation 3.Assistant Vice President, Acer Internet Service Inc.	1. Information Security Management Committee Convener and Audit Committee & Remuneration Committee & Sustainable Development Committee Member, momo.com Inc. 2.Chairman and President, Gamesofa Inc.	-	-	-	-

Note 1: Shareholding ratio = number of shares ÷ actual number of issued shares (240,340,386 shares).

Note 2: On July 1<sup>st</sup>, 2023, Wealth Media Technology Co. Ltd. reassigned Mr. Douglas Tsai to succeed Mr. Chris Tsai as Director.

Note 3: Three decimal places are rounded off, and no shareholding is expressed with "-".

## 1. Major shareholders of the institutional shareholders

As of Feb. 16<sup>th</sup>, 2024

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. 16<sup>th</sup>, 2024

Name of Institutional Shareholders	Major Shareholders
Taiwan Mobile Co., Ltd. (Note1)	TFN Union Investment Co., Ltd. (11.67%) Shin Kong Life Insurance Co., Ltd. (6.86%) TCC Investment Co., Ltd. (5.70%) Ming Dong Co., Ltd. (5.25%) Cathay Life Insurance Co. Ltd. (5.03%) Fubon Life Insurance Co., Ltd. (4.29%) Dao Ying Co., Ltd. (3.23%) Richard M. Tsai (2.65%) TCCI Investment & Development Co., Ltd. (2.49%) The Labor Pension Fund (2.10%)
TECO Electric & Machinery Co., Ltd. (Note 2)	PJ Asset Management Co., Ltd (17.45%) Walsin Lihwa Co., Ltd (10.81%) Jia-Yuan Investment Co., Ltd. (6.34%) Creative Sensor Inc. (2.87%) Ho Yuan International Investment Co., Ltd. (2.36%) Tong Kuang Investment Co., Ltd. (1.50%) Norges Bank (1.45%) Vanguard Emerging Markets Stock Index Fund (1.30%) Kuan Yuan Industrial Co., Ltd. (1.25%) Vanguard Total International Stock Index Fund (1.21%)
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 Jul. 8<sup>th</sup>, 2023.

Note 2: The information is in accordance with the company's 2023 annual report.



### 3. Professional qualifications and independence analysis of directors

As of Feb. 16<sup>th</sup>, 2024

Name	CV (Qualifications and Experience)	Independence analysis (note)	No. of public companies in which he or she also serves as an independent director
Daniel M. Tsai Chairman	<p>Mr. Daniel M. Tsai, who possesses extensive experience in the fields of law, finance, fintech and business management, is the chairman of Fubon Group、Taiwan Mobile (TWM) and the Copmany.</p> <p>Mr. Tsai is spearheading TWM's transition from a telecom company to a next-gen technology company. TWM has adopted a Super 5G strategy, creating synergies with cable TV giant, Kbro, leading e-commerce retailer momo, and start-up accelerator AppWorks, and developing a long-term Super 5G ecosystem and environmental sustainability to gain a foothold in Southeast Asia. Fubon Group's business scope includes financial services, property, media, cable TV, e-commerce, cultural and creative industries, and charity. It includes three listed companies – Fubon Financial, TWM and momo – all of which are leaders in their respective industries. Mr. Tsai was recognized as an Outstanding Corporate Sustainability Professional at the Taiwan Corporate Sustainability Awards in 2017 and ranked 13th in Harvard Business Review's Taiwan's top 100 best-performing CEOs in 2020. Mr. Tsai has J. D. honoris causa, Fu Jen Catholic University, D.B.A. honoris causa, Tunghai University, a bachelor's degree in law from National Taiwan University and a master's degree in law from Georgetown University. He has been a member of the University of Southern California's Board of Trustees since April 2012, and a member of the Centre for Asian Philanthropy and Society's Board of Governors since 2014.</p> <p>He possesses a wealth of experience essential to the company's operations, such as law, finance, fintech and operations management.</p>	<p>1. Meets independence criteria Nos. 1, 3, 4, 9, and 11 (see note).</p> <p>2. Serving as the chairman of the parent company, Taiwan Mobile Co., Ltd and the Company.</p> <p>3. Serving as the representative of the juristic-person director of the Company's major corporate shareholder - Wealth Media Technology Co. Ltd.</p>	0
Jeff Ku Director	<p>Mr. Jeff Ku joined momo in 2020 as the President.</p> <p>Before momo, Mr. Jeff Ku had extensive experience in the telecommunications and IT industries. He had served in Taiwan Mobile Co., Ltd. for 14 years and served as the chief commercial officer and had served as the vice president of IT in Taiwan High Speed Rail and worked in Far EasTone Telecommunications.</p> <p>After Mr. Jeff Ku joined the momo team, he drove the continuous growth of the scale of operations,</p>	<p>1. Meets independence criteria Nos. 3, 4, 5, 6, 8, 9, 10 and 11 (see note).</p> <p>2. Serving as the President of the Company.</p> <p>3. Serving as the representative of the juristic-person director of the Company's</p>	0

Name	CV (Qualifications and Experience)	Independence analysis (note)	No. of public companies in which he or she also serves as an independent director
	broke through the scope of virtual channel services, and provided high-quality products and services that meet every need in life. At the same time, he is committed to ESG sustainable retail development layout, leading momo to have positive actions and decent results in corporate governance, environmental protection and social welfare.	major corporate shareholder - Wealth Media Technology Co. Ltd. and concurrently serving as the chairman or director of the Company's subsidiary.	
Jamie Lin Director	<p>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.</p> <p>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.</p> <p>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 &amp; Governance Initiative Committee.</p> <p>He possesses extensive experience required in the company's business such as finance, e-commerce technology, investment and M&amp;A, and operations management.</p>	<p>1. Meets independence criteria Nos. 3, 4, 9, 10 and 11 (see note).</p> <p>2. Serving as the director and president of the parent company, Taiwan Mobile Co., Ltd.</p> <p>3. 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.</p>	0

Name	CV (Qualifications and Experience)	Independence analysis (note)	No. of public companies in which he or she also serves as an independent director
Douglas Tsai Director	<p>Mr. Douglas Tsai joined Fubon Financial Holding Co., Ltd. in July 2020. He is currently the head of Fintech Division of Fubon Financial Holding Co., Ltd., the deputy head of Digital Banking Division of Taipei Fubon Commercial Bank, the chairman of Fubon Sports &amp; Entertainment Co., Ltd., and serves as director in companies including Fubon Insurance Co., Ltd., Fubon Securities Co., Ltd., momo.com Inc. and South Korea's Hyundai Card Co., Ltd.</p> <p>Mr. Douglas Tsai currently leads the Fintech Division of Fubon Financial Holding Co., Ltd. and dedicates himself in the field of financial innovation, mainly promoting the digitalization of various financial holding businesses, the development of AI big data applications, and the evaluation of new trends and new technologies. Fubon Sports &amp; Entertainment Co., Ltd. focuses on the sports industry and owns two of Taiwan's highest-level professional teams: Fubon Braves basketball team and Fubon Guardians baseball team.</p> <p>Mr. Douglas Tsai was born in November 1990 and holds a master's degree from the Wharton School of Business at the University of Pennsylvania. Before joining Fubon, he worked at Tencent WeSure and has experience in various fields including management consulting, Fintech, and venture capital.</p>	<p>1. Meets independence criteria Nos. 1, 2, 3, 5, 6, 8, 9 and 11 (see note).</p> <p>2. Serving as the director of the Company's major corporate shareholder - Wealth Media Technology Co. Ltd.</p>	0
George Chang Director	<p>Mr. George Chang had more than 20 years of experience in the capital market before he joined Taiwan Mobile's management team in July 2022 and served as the vice president and chief financial officer. He experts in industry trend research, financial consulting, M&amp;A consulting, etc. Since working in the corporate world at the management level, he has led various functional departments, including business strategy, finance and accounting, direct investment, procurement, and production planning.</p> <p>He also worked as a management consultant for many years in international consulting firms in Los Angeles and New York City, specializing in M&amp;A transactions and enterprise value. In 2002, he turned to Asia-Pacific stock research and served as a sell-side analyst focusing on TMT industries (semiconductors, downstream manufacturing, parts and components, etc.) in Taiwan, China, Hong Kong and South Korea for more than 15 years. In 2019, he moved onto Egis Technology Inc., a major AI and biometric</p>	<p>1. Meets independence criteria Nos. 3, 4, 9, 10 and 11 (see note).</p> <p>2. Serving as the Vice President and Chief Financial Officer of the parent company, Taiwan Mobile Co., Ltd.</p> <p>3. 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.</p>	1

Name	CV (Qualifications and Experience)	Independence analysis (note)	No. of public companies in which he or she also serves as an independent director
	<p>identification solution vendor in the semiconductor industry, as the chief financial officer. Under his leadership, he helped the company complete more than 10 domestic and overseas acquisitions and asset sales transactions. In addition, during his tenure, the total investment income exceeded 3 times the company's net worth.</p> <p>Born and raised in Taiwan, and has lived in the United States for nearly 20 years, he has an MBA degree from the University of Southern California and is a Chartered Financial Analyst (CFA). He is also a member of the American Institute of Certified Public Accountants (AICPA). Further, with his years of rich experience in the international financial field and passion for the technology industry, he has served as an independent director and consultant for many listed companies and non-listed companies.</p>		
Mao-Hsiung Huang Director	<p>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.</p> <p>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&amp;D in Germany.</p> <p>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.</p>	<p>1. Meets independence criteria Nos. 1, 2, 3, 4, 6, 7, 8, 9, 10 and 11 (see note).</p> <p>2. 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.</p>	0

Name	CV (Qualifications and Experience)	Independence analysis (note)	No. of public companies in which he or she also serves as an independent director
Chieh Wang Independent Director	<p>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.</p> <p>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.</p> <p>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 and actively cultivated artists; in terms of information, he took over the Taipei City Government's Pay Taipei system integration case, turning Taipei City into a smart city.</p>	<p>1. Meets independence criteria Nos. 1 to 12 (see note).</p> <p>2. 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".</p>	0
Emily Hong Independent Director	<p>Ms. Emily Hong is currently the chair and chief strategy officer of Wiwynn Corporation. Before the establishment of Wiwynn, she served as the group president and chief operating officer of enterprise business group in Wistron Corporation. In her 20-plus years of experience in the information industry, her rich international affairs qualifications, global business operation management experience, and design, production and marketing strategic planning of information and technology products have enabled her to work with world-renowned IT companies and important public and private sector organizations, establishing a crucial and long-term partnership of mutual trust. In 2019, she was recognized with the ERSO Award in recognition of those who have made outstanding contributions to Taiwan's semiconductor, electronics, information and communications industries. In 2022, she was</p>	<p>1. Meets independence criteria Nos. 1 to 12 (see note).</p> <p>2. 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</p>	0

Name	CV (Qualifications and Experience)	Independence analysis (note)	No. of public companies in which he or she also serves as an independent director
	further awarded the honor of being ranked among the top100 best-performing business leaders in Taiwan by the 2022 Harvard Business Review. And in 2023, she was selected in the 2nd Taiwan's Best Listed Female CEO by HBR.	for Public Companies".	
Mike Jiang Independent Director	<p>Mr. Mike Jiang has been involved in Taiwan's Internet since its infancy in 1995 and has more than 30 years of experience in the Internet industry. He has served as director and vice president in Acer Digital Service Group, Third Wave Information and Spring House Entertainment Tech. Inc. He was the pioneer of Taiwan's e-commerce (AcerMall) and online games (Acer Funtown), and has many years of experience in the development and operation of online media, online animation, and online communities.</p> <p>In 2005, he started his own business and established Gamesofa Inc., developing and operating browser games and mobile games. Through the mastery of new technologies and new platforms, the optimization of social media and digital advertising, and the data-driven operation model, he successfully established a foothold in the Taiwanese game market and has made many achievements in the Southeast Asian and North American game markets.</p> <p>Mr. Mike Jiang has served as the chairman of Gamesofa Inc. since 2005. After success of his own business, he helped many new start-up industries and served as consultant and independent director for many online start-up companies.</p>	<p>1. Meets independence criteria Nos. 1 to 12 (see note).</p> <p>2. 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".</p>	0

Note: All members met with the following conditions for the two years leading up to assuming their posts and while they held their posts. :

1. Not an employee of the Company or its affiliated companies.
2. Not a director or supervisor of the Company's affiliates (unless the person is an independent director of the Company, the Company's parent company or any subsidiary of the Company).
3. Not a shareholder whose total holdings, including those of his/her spouse and minor children, or shares held under others' names, reach or exceed 1 percent of the total outstanding shares of the Company or rank among the top 10 individual shareholders
4. Not a spouse, relative of second degree or closer, or direct blood relative of third degree or closer to the managers listed in (1) and persons listed in (2) or (3).
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds more than 5% of the total issued shares of the Company, a top-five shareholder, or authorized representative to be a director or supervisor of the Company in accordance with Article 27, Paragraph 1 or 2 of the Company Act (however, this does not apply when serving concurrently and mutually as independent director established by the Company and its parent company, subsidiary, or subsidiary of the same parent company in accordance with provisions hereof or local laws and regulations).
6. Not a director, supervisor, or employee of another company where more than half of the director positions or voting shares of that other company and the Company are controlled by the same person (however, this does not apply when serving concurrently and mutually as independent director established by the Company or its parent company, subsidiary, or subsidiary of the same parent company in accordance with provisions hereof or local laws and regulations).
7. Not a director (managing director), supervisor (managing supervisor) or employee of another company or institution where any of its chairmen, presidents, or other equivalent positions are served by the same person or is the spouse of the Company's chairmen, presidents, or other equivalent positions (however, this does not apply when serving concurrently and mutually as independent director established by the Company and its parent company, subsidiary, or subsidiary of the same parent company in accordance with provisions hereof or local laws and regulations).
8. Not a director (managing director), supervisor (managing supervisor), manager, or shareholder with 5% or more shareholding of a specific company or institution with which the Company has financial or business dealings (however, this does not apply when serving concurrently and mutually as independent director established by the Company and its parent company, subsidiary, or subsidiary of the

same parent company in accordance with provisions hereof or local laws and regulations, if that specific company or institution holds no less than 20%, but no more than 50%, of the total issued shares of the Company).

9. Not a professional who provides auditing to the Company or its affiliates, or a professional who provides commercial, legal, financial, accounting, or related services to the Company or its affiliates with a total remuneration of less than NT\$500,000 in the past two years, nor is an owner, partner, director (managing director), supervisor (managing supervisor), or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or organization that provides such services to the Company or its affiliates. However, this does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee or Special Committee for Merger/Consolidation and Acquisition who perform their functions in accordance with laws relevant to the Securities and Exchange Act or the Business Mergers and Acquisitions Act.
10. Not a spouse or relative within second degree by affinity to other directors.
11. Not in contravention of Article 30 of the Company Act.
12. Not an institutional shareholder or its representative pursuant to Article 27 of the Company Act.

## 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.

©The management objectives and achievement of Board members diversification policy :

Management objectives	Achieved situation
Directors who concurrently serve as company managers should not exceed one-third of the number of directors	Achieved
The board of directors shall include at least one female director	Achieved
The number of independent directors shall not be less than one-third of the number of directors	Achieved
Independent directors should not serve more than three consecutive terms	Achieved

c. The Board members have professional background and core diversification. Please refer to the "implementation of board members diversification policy by directors" on page 30.

(2) Board independence:

The positions of the chairman and the president of the Company are held by different individuals, and there is relationship within the second degree of kinship among 2 directors, which is stricter than the laws; in addition, in order to ensure the independence of the operation of the board of directors, none of the directors participated in the discussions or voting with regard to the meeting items in which they themselves or their represented juristic-persons are interested, so as to ensure that the discussion and voting of each proposal are objective and independent judgments of the directors.

The current board of directors of the Company consists of 9 directors , including 3 independent directors (accounting for 33% of all directors). 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 information technology, 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 22; 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. In conclusion, the board of directors of the Company is independent, diversified, and professional.



## The implementation of Board members diversification policy by Directors

○ 30-49 / ● over 50

Name of Directors	Director	age	gender	Nationality	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	
Daniel M. Tsai	Director	●	male	J. D. honoris causa, Fu Jen Catholic University D.B.A. honoris causa, Tunghai University	■				V	V	V			V			V	
Jeff Ku	Director	●	male	EMBA, National Taiwan University		■					V			V	V		V	V
Jamie Lin	Director	○	male	MBA, NYU Stern School of Business		■			V		V	V		V				V
Douglas Tsai	Director	○	male	Master of Business Administration, University of Pennsylvania	■				V				V	V				
George Chang	Director	●	male	MBA, University of Southern California	■			V	V				V			V	V	
Mao-Hsiung Huang	Director	●	male	MBA, Wharton School, University of Pennsylvania			■		V		V	V				V	V	
Chieh Wang	Independent Director	●	male	Bachelor of Finance and Taxation, National Chengchi University		■			V		V	V	V					V
Emily Hong	Independent Director	●	Female	Executives Program, Graduate School of Business Administration, National Chengchi University	■						V			V	V		V	V
Mike Jiang	Independent Director	●	male	Bachelor of Computer Science and Information Engineering, National Taiwan University	■						V			V	V		V	V
Percentage of core items of diversity								11%	67%	11%	78%	56%	56%	44%	33%	67%	56%	

\* % of Board:

a. category: 33% of independent directors,

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. 16<sup>th</sup>, 2024

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	
President	ROC	Jeff Ku	Male	2019.06	8,856	0.00% (Note3)	-	-	-	-	1. EMBA, National Taiwan University 2. MBA, University of Wollongong, Australia 3. Senior Vice President and Chief Business Officer, Taiwan Mobile Co., Ltd. 4. Vice President, Taiwan High Speed Rail Corp.	1. Chairman, BEBE POSHE International Co., Ltd. 2. Chairman, Fuli Insurance Agent Co., Ltd. 3. Chairman, Fu Sheng Travel Service Co., Ltd. 4. Chairman, Fu Sheng Logistics Co., Ltd. 5. Chairman, MFS Co., Ltd. 6. Director, Fubon Gehua (Beijing) Enterprise Ltd. 7. Chairman, Haobo Information Consulting (Shenzhen) Co., Ltd. 8. Chairman, Prosperous Living Co., Ltd. 9. Director, Hong Kong Fubon Multimedia Technology Co., Limited 10. Director, Hongkong Yue Numerous Investment Co. Limited 11. Director, Beijing Global Guoguang Media Technology Co., Ltd. 12. Director, Gaius Automotive Inc.	-	-	-	-
Senior Vice President	ROC	Jeremy Hong	Male	2023.05	1,337	0.00% (Note3)	-	-	-	-	1. EMBA, National Taiwan University 2. MA in Public Management and Policy, Tunghai University 3. Manager, Unified and Integrated Marketing Team 4. Vice President of EC Sales Division, momo.com Inc.	1. Director and President, Fuli Insurance Agent Co., Ltd. 2. Director, 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	-	-	-	-
Vice President	ROC	Summer Hsieh	Female	2018.05	56,343	0.02%	-	-	-	-	1. Ph.D., Department of Business Administration, 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 EC Sales & 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.	-	-	-	-
Information Technology Division Vice President & Chief Information Security Officer	ROC	Robinson Lin	Male	2022.05	1,337	0.00% (Note3)	-	-	-	-	1. MBA of General Management Program, National Central University 2. Department of Business Administration, Feng Chia University 3. Engineer, Cathay Life Insurance Co. Ltd. 4. Director of Information Technology Division, momo.com Inc.	1. Director, Fu Sheng Logistics 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	
Supply Chain Management Division Vice President	ROC	Leanne Wang	Female	2018.05	1,337	0.00% (Note3)	1,716	0.00% (Note3)	-	-	1. Master's degree in 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	121,182	0.05%	-	-	-	-	1. Master of Business Administration, National Taipei University Assistant 2. 2. Manager of Administration Department, Fubon Direct Marketing Consulting Co., Ltd. 3. Director of Financial & Accounting Division. of momo.com Inc.	1. Supervisor, Fuli Insurance Agent Co., Ltd. 2. Supervisor, Fubon Gehua (Beijing) Enterprise Ltd. 3. Supervisor, 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. 7. Supervisor, Haobo Information Consulting (Shenzhen) Co., Ltd.	-	-	-	-
Sr. Assistant Vice President	ROC	Irene Lin	Female	2021.11	-	-	-	-	-	-	1. MBA, National Taiwan University 2. Deputy Director, Mobile commerce and payment, Taiwan Mobile Co., Ltd. 3. Executive Vice President, Fintech Innovation, KGI Securities 4. Chief Marketing Director and Spokesperson, Taobao Taiwan	-	-	-	-	-
Multimedia Business Division Sr. Assistant Vice President	ROC	Sabrina Huang	Female	2019.05	1,716	0.00% (Note3)	-	-	-	-	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 Multimedia Business Division, momo.com Inc.	-	-	-	-	-
EC Sales Division I Sr. Assistant Vice President	ROC	Terry Lee	Male	2023.05	-	-	-	-	-	-	1. Bachelor, Department of Business Management, National Taipei University of Technology 2. Department of Industrial Engineering, Provincial Taipei Institute of Technology 3. Product Manager, PChome Online Inc. 4. Director of EC Sales Division I, momo.com Inc.	1. Supervisor, Fu Sheng Travel Service Co., Ltd. 2. Director, Prosperous Living Co., Ltd. 3. Director, Fuli Insurance Agent Co., Ltd.	-	-	-	-
EC Sales Division II Assistant Vice President	ROC	Kevin Lin	Male	2021.05	-	-	135	0.00% (Note3)	-	-	1. Bachelor, Department of Information and Communication, Tamkang University 2. Director of Orangebear International Co., Ltd 3. Senior Manager of EC Sales Division II, momo.com Inc.	-	-	-	-	-
EC Sales Division III Assistant Vice President	ROC	Louie Chuang	Male	2021.05	-	-	140	0.00% (Note3)	-	-	1. Bachelor, Department of Information and Communication, Tamkang University 2. Operation Management Specialist of Eslite Corporation 3. Senior Manager of EC Sales Division III, momo.com Inc.	1. Director, BEBE POSHE International 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	
Customer Service Center Assistant Vice President	ROC	Rebecca Wu	Female	2019.05	72,215	0.03%	-	-	-	-	1. MBA, National Taipei University 2. Project Management, Taiwan Mobile Co., Ltd. 3. Assistant Manager, Taiwan Teleservices & Technologies Co., Ltd. 4. Senior Manager of Customer Service Center, momo.com Inc.	-	-	-	-	-
System Operations Division Assistant Vice President	ROC	Ricky Cheng (Note 4)	Male	2024.01	-	-	1,100	0.00% (Note3)	-	-	1. Department of Business Administration, China University of Technology 2. CTO, Just You Information., Ltd 3. Manager of EC Information Dept., Mitake Information Co. 4. Senior Manager of System Operations Division, momo.com Inc.	-	-	-	-	-
Logistics & Platform R&D Division Assistant Vice President	ROC	Hank Wu (Note 5)	Male	2024.01	59	0.00% (Note3)	136	0.00% (Note3)	-	-	1. Bachelor, Department of Computer Science, State University of New York at Buffalo 2. VP of Information Service Division, PayEasy Digital Integration Co. 3. Senior Manager of Logistics & Platform R&D Division, momo.com Inc.	-	-	-	-	-
E-commerce Systems R&D Division Assistant Vice President	ROC	Rylan Ho (Note 6)	Male	2024.01	3,300	0.00% (Note3)	-	-	-	-	1. Bachelor, Department of Environmental Science, Tunghai University 2. Engineer, Comstory Information Co., Ltd 3. Technical Director, Transworld Information Corp. Ltd. 4. Senior Manager of E-commerce Systems R&D Division, momo.com Inc.	-	-	-	-	-
Financial & Accounting Division Assistant Vice President	ROC	Ken Shih (Note 7)	Male	2023.08	-	-	-	-	-	-	1. Master of Business Administration, University of Illinois 2. Bachelor, Department of Business Administration, Tunghai University 3. Manager of Financial, Yageo Co., Ltd 4. Deputy Director of Financial, Vanguard International Semiconductor Co., Ltd 5. Director of Financial, Everlight Electronics Co., Ltd	-	-	-	-	-
Product Development & Merchandising Division Private Label Brand Dept. Assistant Vice President	ROC	Ally Yu	Female	2020.07	-	-	-	-	-	-	1.Master of 101 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, Yung Ping Vocational High School	-	-	-	-
Project Assistant Vice President	ROC	Jasmine Wang	Female	2023.10	-	-	-	-	-	-	1.LL.M., Duke University 2.LL.B., National Taiwan University 3.Admitted to practice law in Taiwan and NY, USA 4.Senior Project Manager, Test Rite Group 5.Associate Partner, Tsar & Tsai Law Firm 6.Director of legal office, 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	
Assistant Vice President	ROC	Sandra Chang (Note 8)	Female	2023.12	-	-	-	-	-	-	1. Master, Advanced Master of Business Administration, National Cheng-Chi University 2. Deputy Director of IT Electronic Service Technology Dept./Data Analytics Technology Dept., Taiwan Mobile Co., Ltd	-	-	-	-	-
Internal Audit Office Manager	ROC	Liang Dung Nan	Male	2017.07	-	-	-	-	-	-	1. MBA, Min Chuan University 2. Certified Internal Auditor (CIA) 3. Internal Audit Manager, Surecom Technology Corp 4. Assistant Manager of Internal Audit Office, momo.com Inc.	-	-	-	-	-

Note 1: Date assumed current position.

Note 2: Shareholding ratio = number of shares ÷ actual number of issued shares (240,340,386 shares)

Note 3: Three decimal places are rounded off, and no shareholding is expressed with "-".

Note 4: Assistant Vice President Ricky Cheng took office on January 25th, 2024.

Note 5: Assistant Vice President Hank Wu took office on January 25th, 2024.

Note 6: Assistant Vice President Rylan Ho took office on January 25th, 2024.

Note 7: Assistant Vice President Ken Shih took office on August 14th, 2023.

Note 8: Assistant Vice President Sandra Chang took office on December 18th, 2023.

Note 9: Assistant Vice President Zhao-Liang Xu took office on October 30th, 2023, and resigned on December 25th, 2022.

## Remuneration to Directors, President, and Vice President

### 1. Remuneration to Directors

2023; Unit: NT\$ dollars

Title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income (%)		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income (%)		Remuneration received from the parent company and all investee companies
		Base Compensation (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
		The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities	The company		All consolidated entities		The company	All consolidated entities	
																Cash	Stock	Cash	Stock			
Chairman	Wealth Media Technology Co. Ltd. Representative: Daniel M. Tsai	13,816,600	13,816,600	0	0	4,641,359	4,641,359	0	0	18,457,959 0.51%	18,457,959 0.51%	19,300,227	19,300,227	108,000	108,000	21,395	0	21,395	0	37,887,581 1.05%	37,887,581 1.05%	103,778,890
Director	Wealth Media Technology Co. Ltd. Representative: Jeff Ku Jamie Lin George Chang Douglas Tsai Chris Tsai																					
	TECO CAPITAL INVESTMENT Co., Ltd. Representative: Mao-Hsiung Huang																					
Independent Director	Hong-So, Chen	6,850,000	6,850,000	0	0	1,989,153	1,989,153	0	0	8,839,153 0.24%	8,839,153 0.24%	0	0	0	0	0	0	0	0	8,839,153 0.24%	8,839,153 0.24%	0
	Brian Y. Hsieh																					
	Chieh Wang																					
	Emily Hong																					
	Mike Jiang																					
1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid 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.*In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities /invested enterprises) : 1,800,000																						

## Range of Remuneration

Range of Remuneration	Name of Directors			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The company	All consolidated entities (H)	The company	All consolidated entities and from the parent company and all investee companies (I)
Less than NT\$ 1,000,000	Jeff Ku Chris Tsai Jamie Lin George Chang Douglas Tsai Mao-Hsiung Huang TECO CAPITAL INVESTMENT Co., Ltd.	Jeff Ku Chris Tsai Jamie Lin George Chang Douglas Tsai Mao-Hsiung Huang TECO CAPITAL INVESTMENT Co., Ltd.	Chris Tsai Jamie Lin George Chang Douglas Tsai Mao-Hsiung Huang TECO CAPITAL INVESTMENT Co., Ltd.	Chris Tsai Douglas Tsai Mao-Hsiung Huang TECO CAPITAL INVESTMENT Co., Ltd.
NT\$1,000,000 ~ NT\$1,999,999	Hong-So Chen Brian Y. Hsieh Emily Hong Mike Jiang	Hong-So Chen Brian Y. Hsieh Emily Hong Mike Jiang	Hong-So Chen Brian Y. Hsieh Emily Hong Mike Jiang	Hong-So Chen Brian Y. Hsieh Emily Hong Mike Jiang
NT\$2,000,000 ~ NT\$3,499,999	Chieh Wang	Chieh Wang	Chieh Wang	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				
NT\$10,000,000 ~ NT\$14,999,999	Daniel M. Tsai	Daniel M. Tsai	Daniel M. Tsai	
NT\$15,000,000 ~ NT\$29,999,999			Jeff Ku	Jeff Ku Jamie Lin George Chang
NT\$30,000,000 ~ NT\$49,999,999				
NT\$50,000,000 ~ NT\$99,999,999				Daniel M. Tsai
NT\$100,000,000 or above				
Total	14	14	14	14

## 2. Remuneration to the President and Vice President

2023; Unit: NT\$ dollars

Title and name	Salary(A)		Retirement pay and pension (B)		Rewards and special disbursements(C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from all investee companies (other than subsidiaries) or the parent company
	The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities	The company		All consolidated entities		The company	All consolidated entities	
							Cash	Stock	Cash	Stock			
President, Jeff Ku Senior Vice President, Jeremy Hong Vice President, Summer Hsieh Vice President, Gina Lu Vice President, Robinson Lin Vice President, Leanne Wang	18,733,600	18,733,600	648,000	648,000	29,426,248	29,426,248	54,506	0	54,506	0	48,862,354 1.35%	48,862,354 1.35%	0

### Range of Remuneration

Range of Remuneration	Name of President and Vice President	
	The company	All consolidated entities (E)
Less than NT\$1,000,000		
NT\$1,000,000 ~ NT\$1,999,999		
NT\$2,000,000 ~ NT\$3,499,999		
NT\$3,500,000 ~ NT\$4,999,999	Summer Hsieh Gina Lu	Summer Hsieh Gina Lu
NT\$5,000,000 ~ NT\$9,999,999	Jeremy Hong Robinson Lin Leanne Wang	Jeremy Hong Robinson Lin Leanne Wang
NT\$10,000,000 ~ NT\$14,999,999		
NT\$15,000,000 ~ NT\$29,999,999	Jeff Ku	Jeff Ku
NT\$30,000,000 ~ NT\$49,999,999		
NT\$50,000,000 ~ NT\$99,999,999		
NT\$100,000,000 or more		
Total	6	6



### 3. Employees' profit sharing paid to management team

From 2023.01.01 to 2024.02.16; Unit: NT\$ dollars

Title and name of managers	Amount in stock	Amount in cash	Total	As a % of net Profit
President, Jeff Ku Senior Vice President, Jeremy Hong Vice President, Summer Hsieh Vice President, Gina Lu Vice President, Robinson Lin Vice President, Leanne Wang Sr. Assistant Vice President, Sabrina Huang Sr. Assistant Vice President, Terry Lee Sr. Assistant Vice President, Irene Lin Assistant Vice President, Rebecca Wu Assistant Vice President, Louie Chuang Assistant Vice President, Kevin Lin Assistant Vice President, Ricky Cheng (Note 4) Assistant Vice President, Hank Wu (Note 4) Assistant Vice President, Rylan Ho (Note 4) Assistant Vice President Ken Shih (Note 1) Assistant Vice President, Ally Yu Project Assistant Vice President, Jasmine Wang Assistant Vice President, Zhao-Liang Xu (Note 2) Assistant Vice President, Sandra Chang (Note 3) Manager, Liang Dung Nan	0	119,846	119,846	0.00%

Note 1: Assistant Vice President Ken Shih took office on August 14<sup>th</sup>, 2023.

Note 2: Assistant Vice President Zhao-Liang Xu took office on October 30<sup>th</sup>, 2023, and resigned on December 25<sup>th</sup>, 2023.

Note 3: Assistant Vice President Sandra Chang took office on December 18<sup>th</sup>, 2023.

Note 4: Assistant Vice President Ricky Cheng, Hank Wu and Rylan Ho took office on January 25<sup>th</sup>, 2023.

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

1. Total remuneration as a percentage of net income paid to directors, 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	2022				2023			
	Remuneration		As a % of net income		Remuneration		As a % of net income	
	The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities
Directors	24,112,897	24,112,897	0.70%	0.70%	27,297,112	27,297,112	0.75%	0.75%
Presidents and Vice Presidents	70,876,074	70,876,958	2.06%	2.06%	48,862,354	48,862,354	1.35%	1.35%

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, Information Security Committee and Sustainable Development 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 (a maximum of 0.3%) 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, a maximum of 0.3% 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 the engagement in environmental, social and corporate governance (ESG), 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 7 times (A) in 2023

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A]	Remarks
Chairman	Wealth Media Technology Co. Ltd. Representative: Daniel M. Tsai	7	0	100%	None
Director	Wealth Media Technology Co. Ltd. Representative: Jeff Ku	7	0	100%	None
Director	Wealth Media Technology Co. Ltd. Representative: Jamie Lin	7	0	100%	None
Director	Wealth Media Technology Co. Ltd. Representative: Douglas Tsai (Note1)	2	0	100%	Assumed office on July 1 <sup>st</sup> , 2023 (Shall attend 2 times)
Director	Wealth Media Technology Co. Ltd. Representative: George Chang	7	0	100%	None
Director	TECO CAPITAL INVESTMENT Co., Ltd. Representative: Mao-Hsiung Huang	6	1	85.71%	None
Independent director	Chieh Wang	7	0	100%	None

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Independent director	Emily Hong	3	0	100%	Assumed office on May 19 <sup>th</sup> , 2023 (Shall attend 3 times)
Independent director	Mike Jiang	3	0	100%	Assumed office on May 19 <sup>th</sup> , 2023 (Shall attend 3 times)
Director	Wealth Media Technology Co. Ltd. Representative: Chris Tsai (Note1)	4	1	80%	Resigned on July 1 <sup>st</sup> , 2023 (Shall attend 5 times)
Independent director	Hong-So, Chen	4	0	100%	Resigned on May 19 <sup>th</sup> , 2023 (Shall attend 4 times)
Independent director	Brian Y. Hsieh	4	0	100%	Resigned on May 19 <sup>th</sup> , 2023 (Shall attend 4 times)

Note 1: On July 1<sup>st</sup>, 2023, Wealth Media Technology Co. Ltd. reassigned Mr. Douglas Tsai to succeed Mr. Chris Tsai as Director.

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	Proposal	Reasons for recusal	Participation in deliberation
1	2023.01.06	Daniel M. Tsai Jeff Ku	The annual bonus allocation of 2022 for managers and other related parties.	The recused directors were beneficiaries of the bonus allocation.	Excluded from the deliberation during the discussion and voting.
2	2023.04.28	Daniel M. Tsai Jeff Ku	2023 salary review, salary adjustment and promotion of internal managers and other related parties.	The recused directors were the parties of this salary review matter	Excluded from the deliberation during the discussion and voting.
		Daniel M. Tsai Douglas Tsai	The acquisition of right of use asset for the proposed rental of Fubon Life Insurance's momo Building by the Company.	The recused directors were the directors or the relationship of the Company.	Excluded from the deliberation during the discussion and voting.
		Daniel M. Tsai Jamie Lin Douglas Tsai George Chang	The acquisition of MyBook by the Company.	The recused directors were the directors or the management of the Company.	Excluded from the deliberation during the discussion and voting.
3	2023.07.28	Jeff Ku	The amount for the 2022 employee remuneration scheme and the management team.	The recused directors were part of the party involved in the review	Excluded from the deliberation during the discussion and voting.
		Chieh Wang Emily Hong Mike Jiang	Remuneration of the Company's 8th term of Independent Directors	The recused directors were part of the party involved in the review.	Excluded from the deliberation during the discussion and voting.
		Daniel M. Tsai Douglas Tsai	The acquisition of right of use asset for the proposed rental of Fubon Life Insurance's Fubon Chengde Building by the Company.	The recused directors were the directors or the relationship of the Company.	Excluded from the deliberation during the discussion and voting.

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
No.	Date	Directors recused	Proposal	Reasons for recusal	Participation in deliberation
		Daniel M. Tsai Jeff Ku Jamie Lin Douglas Tsai George Chang Mao-Hsiung Huang	Remuneration of the Company's 8th term of Directors	The recused directors were part of the party involved in the review.	Excluded from the deliberation during the discussion and voting.
4	2023.11.07	Daniel M. Tsai Douglas Tsai	The acquisition of right of use asset for the proposed rental of Fubon Life Insurance's Kaohsiung Aozihdi Development Project Buildings by the Company.	The recused directors were the directors or the relationship of the Company.	Excluded from the deliberation during the discussion and voting.

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	2023.1.1- 2023.12.31	Performance evaluation of the overall board of directors, individual board members, and functional committees (audit committee, remuneration committee, information security committee, and sustainable development committee)	A. Internal evaluation of the Board. B. Self-evaluation by individual Board members. C. Self-evaluation by functional committees	A. The criteria for Board performance evaluation should contain at least the following six aspects: (A) The degree of participation in the Company's operations. (B) Improvement in the quality of 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 should contain at least 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 should contain at least 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)

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
<p>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:</p> <p>(1) In order to strengthen corporate governance, coordinate the promotion of information security policies, and enhance the company's sustainable development, the Company's board of directors, in addition to setting up an audit committee and a remuneration committee in accordance with the law, has also voluntarily established an information security committee and a sustainable development committee. Through the professional division of labor and a detached and independent stance, the committees assist the board of directors in decision-making and effectiveness.</p> <p>(2) In order to urge the functional committees to perform their duties. The Company has arranged the functional committee convener to submit work results reports to the board of directors on a regular basis.</p> <p>(3) In order to better enable the directors to understand the Company's operation overview and strategy implementation process. The Company has been providing relevant business performance reports to the directors for reference monthly.</p> <p>(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.</p> <p>(5) Directors' continuing education: Directors actively participate in corporate governance and ESG-related training courses and seminars held by various professional organizations. In 2023, the total training hours for all directors reached 100.5 hours (Appendix I).</p> <p>(6) Increase Information Transparency: The Company supports operational transparency and emphasis the rights of shareholders. The investor relations of the Company website instantly provide information in Chinese and English and announce material information of the Board of Directors. The Company attended 18 investors' conferences in 2023.</p> <p>(7) 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.</p> <p>(8) 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. The performance evaluation results of the board of directors and functional committees in 2023 are expected to be reported to the Remuneration Committee and the Board of Directors for review and improvement by the end of February 16th,2024, and shall serve as a reference for the remuneration and nomination of directors.</p> <p>(9) In order to enhance and ensure the implementation and effectiveness of the company's risk management, based on the existing "Measures for Risk Management", on November 7, 2023, it was reported to the board of directors to approve the addition of "Risk Management Policies and Procedures" to establish a more comprehensive risk governance and management structure, so to promote the implementation of the company's risk management.</p>					

(Schedule 1): 2023 total number of training hours of all Board members

Title	Name	Date	Organizer	Course name	hours	Training hours of current year
Chairman	Daniel M. Tsai	2023.10.21	Taiwan Corporate Governance Association	Welcome to the Web3 world-on-chain is the future Internet	3.0	17.5
		2023.10.06	Taiwan Independent Director Association	Industry changes, opportunities and challenges under generative AI	3.0	
		2023.09.01	Taiwan Independent Director Association	"Fubon Anti-Money Laundering Session - International Perspective" The world's largest financial corruption case - 1MDB	3.0	

Title	Name	Date	Organizer	Course name	hours	Training hours of current year
		2023.08.30	Deloitte & Touche	Looking at the information security governance strategies of listed companies from the perspective of sustainable development of ESG companies	2.0	
		2023.08.16	Taiwan Corporate Governance Association	IFRS17 conformity - key points disclosed in company financial reports, accounting strategies and business strategies of international peers	3.0	
		2023.08.16	Taiwan Insurance Institute	Sustainable development of enterprises and corporate governance trends	1.5	
		2023.05.29	Taipei Fubon Bank	Generative AI situation room: gain foresight and explore new business opportunities	2.0	
Director	Jeff Ku	2023.11.15	Securities and Futures Institute	2030 / 2050 green industrial revolution	3.0	6.0
		2023.10.20	Securities and Futures Institute	2023 insider trading prevention promotion conference	3.0	
Director	Jamie Lin	2023.10.21	Taiwan Corporate Governance Association	Welcome to the Web3 world-on-chain is the future Internet	3.0	6.0
		2023.10.03	Taiwan Independent Director Association	Key new issues regarding the fair dealing principles - sustainable development of digital finance and consumer protection	3.0	
Director	Douglas Tsai	2023.10.06	Taiwan Independent Director Association	Industry changes, opportunities and challenges under generative AI	3.0	17.0
		2023.10.03	Taiwan Independent Director Association	Key new issues regarding the fair dealing principles - sustainable development of digital finance and consumer protection	3.0	
		2023.09.01	Taiwan Independent Director Association	"Fubon Anti-Money Laundering Session - International Perspective" The world's largest financial corruption case - 1MDB	3.0	
		2023.08.16	Chinese National Association of Industry and Commerce	Property insurance operations in the fintech era	3.0	
		2023.07.04	Taiwan Corporate Governance Association	Corporate governance and securities regulations	3.0	
		2023.05.29	Taipei Fubon Bank	Generative AI situation room: gain foresight and explore new business opportunities	2.0	
Director	George Chang	2023.10.21	Taiwan Corporate Governance Association	Welcome to the Web3 world-on-chain is the future Internet	3.0	18.0
		2023.10.06	Taiwan Independent Director Association	Industry changes, opportunities and challenges under generative AI	3.0	
		2023.08.09	Greater China Financial and Economic Development Association	The impact of carbon pricing on corporate operations	3.0	

Title	Name	Date	Organizer	Course name	hours	Training hours of current year
		2023.07.18	Chinese National Association of Industry and Commerce	Mission during the craze: generative artificial intelligence and responsible innovation	3.0	
		2023.06.16	Taiwan Corporate Governance Association	Latest corporate M&A normative practices and case studies	3.0	
		2023.04.14	Taiwan Corporate Governance Association	Legal risks and responses to corporate investment and financing --- from the perspective of corporate directors' responsibilities	3.0	
Director	Mao-Hsiung Huang	2023.08.11	The Business Development Foundation of The Chinese Straits	Controlled foreign corporations (CFC) & global anti-avoidance	3.0	6.0
		2023.08.09	Securities and Futures Institute	ESG league. Doing it right and doing it well make a good business. (ESG/SROI)	3.0	
Independent Director	Chieh Wang	2023.10.06	Taiwan Independent Director Association	Industry changes, opportunities and challenges under generative AI	3.0	6.0
		2023.10.03	Taiwan Independent Director Association	Key new issues regarding the fair dealing principles - sustainable development of digital finance and consumer protection	3.0	
Independent Director	Emily Hong	2023.09.22	Taiwan Corporate Governance Association	The key to improving board effectiveness	3.0	12.0
		2023.09.22	Taiwan Corporate Governance Association	Key ESG global trends and actual cases for future success	3.0	
		2023.07.04	Taiwan Stock Exchange Corporation	2023 Cathay sustainable finance and climate change summit forum	6.0	
Independent Director	Mike Jiang	2023.11.21	Taiwan Project Management Association	Big data analysis and corporate governance	3.0	12.0
		2023.10.20	Securities and Futures Institute	2023 insider trading prevention promotion conference	3.0	
		2023.07.13	Taipei Exchange	Promotion conference on sustainable development action plans for listed companies	3.0	
		2023.03.15	Greater China Financial and Economic Development Association	Challenges and opportunities of AI big data	3.0	

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 February 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. The Audit Committee is responsible for reviewing the following

- (1) Internal control systems and related policies, procedures and assessment of their effectiveness.
- (2) Compliance with Article 36-1 of the Securities and Exchange Act.
- (3) A matter bearing on the personal interest of a director.
- (4) A material asset or derivatives transaction.
- (5) A material monetary loan, endorsement, or provision of guarantee.
- (6) The offering, issuance, or private placement of any equity-type securities.
- (7) The hiring, discharge, or compensation of an attesting CPA.
- (8) The appointment or discharge of a financial, accounting, or internal auditing officer.
- (9) Review financial reports.
- (10) Fairness and rationality of M&A plans and transactions.
- (11) Other material matters as may be required by the Company or competent authorities.

### 3. Attendance of the Audit Committee

(1) The term of 4th Audit Committee : 2023.05.19~2026.05.18

(2) The Audit Committee convened 6 times (A) in 2023.

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Independent director	Chieh Wang	6	0	100%	None
Independent director	Emily Hong	2	0	100%	Assumed office on May 19 <sup>th</sup> , 2023 (Shall attend 2 times)
Independent director	Mike Jiang	2	0	100%	Assumed office on May 19 <sup>th</sup> , 2023 (Shall attend 2 times)
Independent director	Hong-So Chen	4	0	100%	Resigned on May 19 <sup>th</sup> , 2023 (Shall attend 4 times)
Independent director	Brian Y. Hsieh	4	0	100%	Resigned on May 19 <sup>th</sup> , 2023 (Shall attend 4 times)

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
2023.01.06	20th meeting of the 3rd session	1. The Company's budgets for the "Warehouse Construction" and "Warehouse Equipment" plan of the central distribution center.	✓	
		2. Issuing the 2022 "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.		
2023.02.17	21st meeting of the 3rd session	1. The Company's 2022 financial report.	✓	
		2. The independence and eligibility evaluation and the renewal of the 2022 CPA 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.		
2023.03.31	22nd meeting of the 3rd session	1. The Company's 2022 earnings distribution.	✓	
		2. The Company's earnings distribution and capital surplus cash dividend issuance.	✓	
		3. Amendment to the Company's Articles of Incorporation.	✓	
		4. 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.		
2023.04.28	23rd meeting of the 3rd session	1. The acquisition of right of use asset for the proposed rental of Fubon Life Insurance's momo Building by the Company.	✓	
		2. Establishment of the Company's "Audit Measures for Pre-Approval of Non-Assurance Services Provided by Certified Public Accountants".	✓	
		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.		
2023.07.28	1st meeting of the 4th session	1. The acquisition of right of use asset for the proposed rental of Fubon Life Insurance's Fubon 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.		
2023.11.07	2nd meeting of the 4th session	1. Amendment / name change / abolition of important rules and regulations of the Company.	✓	
		2. The acquisition of right of use asset for the proposed rental of Fubon Life Insurance's Kaohsiung Aozihdi Development Project Buildings by the Company.	✓	
		3. Establishment of the Company's "Risk Management Policies and Procedures".	✓	
		4. Establishment of the Company's 2024 audit plan.	✓	
		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 monthly, 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
2023.01.06 20th meeting of the 3rd session	1. Report on the 4Q22 internal audit progress 2. Issuing the 2022 "internal control statement" of the Company	1. Noted. 2. After deliberation, submitting to the Board of Directors for resolution	-	-
2023.02.17 21st meeting of the 3rd session	-	-	1. 2022 CPA audit report 2. Explanations of 2022 audit significant risk and crucial audit matters 3. Explanations of other audit inspection items 4. Introduction to standards and laws that will apply in the (near) future (pre-approval of non-assurance services by corporate governance unit). 5. Other communicated matters: answer the questions.	Noted.
2022.04.28 23rd meeting of the 3rd session	Report on the 1Q23 internal audit progress.	Noted.	1. 1Q23 CPA review report 2. Other communicated matters: answer the questions.	Noted.
2023.07.28 1st meeting of the 4th session	Report on the 2Q23 internal audit progress	Noted.	1. 2Q23 CPA review report 2. Other communicated matters: answer the questions.	Noted.
2023.11.07 2nd meeting of the 4th session	1. Report on the 3Q22 internal audit progress. 2. Establishment of the Company's 2024 audit plan 3. Establishment of the Company's "Risk Management Policies and Procedures".	1. Noted. 2. After deliberation, submitting to the Board of Directors for resolution 3. After deliberation, submitting to the Board of Directors for resolution	1. 3Q22 CPA review report 2. Description of the annual audit method of the reinvested companies. 3. Introduction to the quality control system and transparency report preparation principles of Deloitte & Touche. 4. Introduction to standards and laws that will apply in the (near) future. 5. 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 channel.

#### 4. Other performance results of the Audit Committee

In 2023, 6 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)2023.01.06

- a. Appointment of director and supervisor served by corporate shareholder's representative of the Company's reinvested subsidiary
- b. The Company's 2023 budget.
- c. Internal audit activities.

##### (2)2023.02.17

- a. Major asset acquisition or disposal of the Company in 4Q 2022.
- b. 2022 CPA audit report.

##### (3)2023.04.28

- a. Major asset acquisition or disposal of the Company in 1Q 2023.
- b. The Company's 1Q 2023 financial statement.
- c. Review of the appointment of director and supervisor served by corporate shareholder's representative of the Company's 100% reinvested subsidiary "MFS Co., Ltd."
- d. Internal audit activities.
- e. 1Q 2023 CPA audit report

##### (4)2023.07.28

- a. Major asset acquisition or disposal of the Company in 2Q 2023.
- b. The Company's 2Q 2023 financial statement.
- c. Internal audit activities.
- d. 2Q 2023 CPA audit report

##### (5)2023.11.07

- a. Major asset acquisition or disposal of the Company in 3Q 2023.
- b. The Company's 3Q 2023 financial statement.
- c. Review of the appointment of director, supervisor, and managerial officer served by corporate shareholder's representative of the Company's 100% reinvested subsidiary "Fuli Insurance Agent Co., Ltd."
- d. The Company's 2024 Audit Committee meeting schedule.
- e. Internal audit activities.
- f. 3Q 2023 CPA audit report

## **Composition and duties of the Information Security Committee**

### 1. Composition of the Information Security Committee

The Company established the "Information Security Committee" in Oct., 2020. Such Committee consists of 3 Independent Directors, of whom, Independent Director Emily Hong and Independent Director Mike Jiang 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 Committee

According to the "Information Security Committee Charter" of the Company, the scope of duties of the Company's Information 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. Member information of the Information Security Committee

The term of the 2nd Information Security Committee : 2023.05.19~2026.05.18

Title	Name	Professional Qualification Requirements & Work Experience
Independent Director	Mike Jiang	please refer to "Information Disclosure of Directors' Professional Qualifications and Independent Directors' Independence" on page 22
Independent Director	Chieh Wang	
Independent Director	Emily Hong	

## 4. Attendance of the Information Security Committee

The Information Security Committee held 2 meetings (A) in 2023

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Independent Director	Mike Jiang	1	0	100%	Assumed office on May 19 <sup>th</sup> , 2023 (Shall attend 1 times)
Independent Director	Chieh Wang	2	0	100%	None
Independent Director	Emily Hong	1	0	100%	Assumed office on May 19 <sup>th</sup> , 2023 (Shall attend 1 times)
Independent Director	Hong-So, Chen	1	0	100%	Resigned on May 19 <sup>th</sup> , 2023 (Shall attend 1 times)
Director	Jeff Ku	1	0	100%	Resigned on May 19 <sup>th</sup> , 2023 (Shall attend 1 times)

## 5. Performance results of the Information Security Management Committee

(1)2023.01.06

- a. Report on the Company's 2022 internal and external audit findings.
- b. Report on the needs and expectations of the Company's stakeholders.
- c. The implementation of information security management of 2022.

(2)2023.07.28

- a. The Company's passing of the verification of information security management system ISMS (ISO 27001:2013) and privacy information management PIMS (ISO 27701:2019) in 2023 and the corrections found in external audits.
- b. Report on the needs and expectations of the Company's stakeholders.
- c. The implementation of information security management of 2023.

## Composition and duties of the Sustainable Development Committee

### 1. Composition of the Sustainable Development Committee

The board of directors is the highest sustainable governance unit of the Company. On July 27, 2022, in the 21st meeting of the seventh board of directors, it was resolved to establish a "Sustainable Development Committee", consisting of 2 independent directors and 1 director, with the general manager serving as the chair, to formulate management indicators in terms of corporate governance, environmental sustainability, product responsibility, customer commitment, employee care, social welfare, etc., and to review the achievement of short, medium and long-term goals.

On May 19, 2023, in the 1st meeting of the 8th board of directors, it was resolved to appoint 3 independent directors and 2 directors as members of the "2nd Sustainable Development Committee". After election among the members, Chairman Daniel Tsai was elected as the convener and the meeting chairperson. For the 2nd Sustainable Development Committee, at least 2 meetings and 2 chairperson meetings are held every year to ensure the effectiveness of horizontal and vertical communication in the organization, and the implementation status of important projects is reported to the board of directors every six months. The secretarial unit is the "Sustainable Development Department" under the Financial & Accounting Division, which is responsible for coordinating and promoting cross-departmental sustainability projects and tracking the achievement rate of short, medium and long-term goals.

### 2. Scope of Duties of the Sustainable Development Committee

According to the "Sustainable Development Committee Charter" of the Company, the scope of duties of the Company's Information Management Security Committee is as follows:

- (1) Establishment of sustainable development annual plan and strategic direction.
- (2) Formulation of sustainable development projects and campaign plans.
- (3) Tracking and reviewing of the implementation results of the sustainable development annual plan, strategic direction, projects and campaign plans.
- (4) Decisions on other matters related to sustainable development.

### 3. Member information of the Sustainable Development Committee

The term of the 2nd Sustainable Development Committee : 2023.05.19~2026.05.18

Title	Name	Professional Qualification Requirements & Work Experience
Chairman	Daniel M. Tsai	please refer to "Information Disclosure of Directors' Professional Qualifications and Independent Directors' Independence" on page 22
Independent Director	Mike Jiang	
Independent Director	Chieh Wang	
Independent Director	Emily Hong	
Director	Jeff Ku	

#### 4. Attendance of the Sustainable Development Committee

The Sustainable Development Committee held 3 meetings (A) in 2023

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Chairman	Daniel M. Tsai	1	0	100%	Assumed office on May 19 <sup>th</sup> , 2023 (Shall attend 1 times)
Independent Director	Chieh Wang	3	0	100%	None
Independent Director	Emily Hong	1	0	100%	Assumed office on May 19 <sup>th</sup> , 2023 (Shall attend 1 times)
Independent Director	Mike Jiang	1	0	100%	Assumed office on May 19 <sup>th</sup> , 2023 (Shall attend 1 times)
Director	Jeff Ku	3	0	100%	None
Independent Director	Hong-So, Chen	2	0	100%	Resigned on May 19 <sup>th</sup> , 2023 (Shall attend 2 times)

#### 5. Performance results of Information Security Management Committee

(1)2023.02.17

- a. Report on stakeholder identification and material sustainable themes.
- b. Report on the 2022 sustainability performance and the 2023 improvement plan and short, medium and long-term goals.
- c. Report on the amendment to the Company's "Human Rights Policy".
- d. Report on the amendment to the Company's "Sustainable Development Principles for Suppliers / Contractors".
- e. Report on the greenhouse gas inventory and verification implementation for the fourth quarter of 2022.
- f. Report on the low-carbon transition strategy of the international e-commerce and logistics industry in response to climate change.

(2)2023.04.28

- a. Report on the Company's climate-related risks and opportunities and financial impact disclosure.
- b. Greenhouse gas inventory and verification implementation report for the first quarter of 2023.
- c. Report on the amendment to the "Sustainable Development Committee Charter" of the Company.

(3)2023.07.28

- a. Green e-commerce KPI review in the first half of 2023 and improvement project in the second half of the year.

## 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	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		On 2015.10.26, the Board of Directors of the Company resolved to approve the Corporate Governance Best Practice Principles. 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 2023.11.07, 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 and Shareholders' Rights (1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters? If yes, have these procedures been implemented accordingly?	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. 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 ( <a href="https://corp.momo.com.tw/">https://corp.momo.com.tw/</a> ) to strengthen communication and contact with the shareholders.	None



Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary description	
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		(2) The Company has declared the shareholding status of Directors, managers, and major shareholders with more than 10% stake monthly.	None
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		(3) The Company's internal control system has formulated regulations such as "Operational Procedures for Specific Company and Related Party Transactions of Group Companies" and "Regulations Related to Financial and Business Matters among Related Parties" to improve the financial business transactions between the Company and related parties, prevent irregular transactions and improper transfer of interests in matters such as purchase and sale transactions, acquisition and disposal of assets, endorsement and guarantees, and capital loans, and establish an appropriate risk management mechanism and firewall.	None
(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		(4) The Company stipulated the "Internal Material Information Processing and Management and Operational Procedures to Prevent Insider Trading". In addition to regulating the Company's directors, managers and all employees, as well as anyone who knows the Company's information by reason of occupation or controlling relationship, to prohibit any behavior that may involve insider trading, keeping prohibition on directors' stock trading during the blackout period before the financial report announcement, it also clarifies the scope of internal material information, the responsible unit for releasing material information, the evaluation procedures, the approval authority, the retention of audit records and the handling of violations, and the regular holding of internal education, training and dissemination every year. 2023 promotion results of the Internal Material Information Processing and Management and Operational Procedures to Prevent Insider Trading:	None

Evaluation Item	Implementation Status					Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons									
	Yes	No	Summary description												
			<table><tr><th>Name</th><th>Date</th><th>Training hours</th><th>No. of People</th></tr><tr><td>Promotion of the Internal Material Information Processing and Management and Operational Procedures to Prevent Insider Trading</td><td>September 27<sup>th</sup> ~ October 13<sup>th</sup></td><td>2,876</td><td>2,876</td></tr></table>				Name	Date	Training hours	No. of People	Promotion of the Internal Material Information Processing and Management and Operational Procedures to Prevent Insider Trading	September 27 <sup>th</sup> ~ October 13 <sup>th</sup>	2,876	2,876	
Name	Date	Training hours	No. of People												
Promotion of the Internal Material Information Processing and Management and Operational Procedures to Prevent Insider Trading	September 27 <sup>th</sup> ~ October 13 <sup>th</sup>	2,876	2,876												
			* 100% of the in-service employees completed the online course and passed the test by Sep. 27 <sup>th</sup> .												
3.Composition and responsibilities of the board of directors															
(1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		(1) 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 independence" on page 30.				None								
(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?	V		(2) To strengthen corporate governance, coordinate the promotion of information security policies, and enhance the company's sustainable development, the Company's board of directors, in addition to setting up an audit committee and a remuneration committee in accordance with the law, has also voluntarily established an information security committee and a sustainable development committee. Through the professional division of labor and a detached and independent stance, the committees assist the board of directors in decision-making and effectiveness.				None								

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
(3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	V		<p>(3) A. To implement corporate governance, establish performance goals and enhance the operational efficiency of the board of directors, 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.</p> <p>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.</p> <p>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.</p> <p>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 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.</p> <p>E. Relevant results of performance evaluation of the Board of Directors have been announced on the Company's official website.</p>	None
(4) Does the Company regularly evaluate its external auditors' independence?	V		<p>(4) In accordance with the Company's Corporate Governance Best Practice Principles, the Company evaluate the independent and competency of CPAs annually. The reference Audit Quality Index (AQI) is as follows :</p> <p>1. Professionalism and quality control</p>	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary description	
			<p>(1) The audit team has sufficient audit experience.</p> <p>(2) The firm has sufficient professionals to support the audit team.</p> <p>(3) The audit team receives sufficient education and training every year.</p> <p>(4) The audit team has low turnover and sufficient manpower.</p> <p>(5) Service quality and efficiency on auditing and taxation work.</p> <p>(6) The working hours invested in the Group's by and the overall workload of the CPAs.</p> <p>2. Independence</p> <p>(1) Examination of the accountant's personal resume.</p> <p>(2) 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.</p> <p>(3) The certified public accountant has not been appointed for accountant assurance service for seven years consecutively.</p> <p>(4) Suitability of the appointed firm's cumulative number of years performing attestation.</p> <p>(5) Has obtained accountant certified declaration of independence every year.</p> <p>(6) Appropriateness of the proportion of non-audit services fees.</p> <p>3. Supervision</p> <p>(1) CPAs and the firm have no major lawsuits or corrective cases with competent authorities.</p> <p>4. Innovation capabilities</p> <p>(1) The innovative planning of computer auditing can effectively improve the efficiency of auditing and enhance the quality of auditing</p> <p>5. Obtaining of the CPAs' Audit Quality Index Report (AQI</p>	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
			<p>Report) every year.</p> <p>6. The accountant suitability survey is used every year to summarize the result of evaluation on the independence and competency of the accountant.</p> <p>Joint evaluation by the Company's accounting and auditing supervisors has determined the independence and competency of the public certified accountant meets the standard. On Jan. 24<sup>th</sup>, 2024, the Audit Committee and Board of Directors approved the 2023 public certified accountant performance and independence evaluation.</p>	
4. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V		<p>The Company's "Corporate Governance Best Practice Principles" have explicitly stated that the Financial &amp; 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 &amp; Accounting Division, to hold a concurrent post as Chief Governance Officer. She has more than 10 years of experience in managing financial, stock, and meeting affairs in public companies.</p> <p>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:</p> <p>(1) Draft and set up effective corporate governance related covenants to properly comply with laws and regulations and to ensure healthy internal management</p> <p>(2) Carry out work related to the shareholders' meetings</p> <p>(3) Carry out work related to the Board of Directors and Auditing Committee</p> <p>(4) The production of meeting minutes for board of directors'</p>	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary description	
			<p>meetings and shareholders' meetings.</p> <p>(5) Carry out changes in Company registration by law</p> <p>(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.</p> <p>(7) Quality review of independent directors.</p> <p>(8) Assisting in furnishing information required for the on boarding and business execution of directors and arranging directors' continuing education.</p> <p>(9) Assisting directors with legal compliance.</p> <p>The operations during 2023 were as follows:</p> <p>(1) Assisting directors and independent directors in carrying out their respective roles, providing essential information, and organizing further studies for the directors :</p> <p>(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.</p> <p>(B) Providing the directors with the necessary Company information, and maintaining a smooth channel of communication between the directors and the business management.</p> <p>(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 :</p> <p>(A) Ensure the convening of Company's Board of Directors, Audit Committee and shareholders' meeting is in accordance with the relevant laws and regulations as well as the specifications set out in the Company's Corporate governance guidelines.</p> <p>(B) Responsible for checking major announcements related to</p>	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary description	
			<p>important decisions after each meeting, ensuring the content of said announcements are accurate and lawful to protect trading information for investors.</p> <p>(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.</p> <p>(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.</p> <p>(5) Handling the Company's change registrations according to the laws.</p> <p>(6) Report to the board of directors the review results on whether the qualifications of independent directors at the time of their nomination, election and during their term of office comply with relevant laws and regulations.</p> <p>(7) Handle matters related to changes of directors.</p> <p>(8) 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.</p> <p>(9) In order to fully protect the rights and interests of shareholders, improve the control of the board of directors / functional committees and enhance corporate governance capabilities, corporate governance-related measures have been formulated</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons																				
	Yes	No	Summary description																					
			<p>or amended this year, including: Amendment to and name change of the "Articles of Incorporation", "Sustainable Development Committee Charter", "Audit Measures for Pre-Approval of Non-Assurance Services Provided by Certified Public Accountants", "Practical Guidelines for Corporate Governance", "Operational Procedures for Specific Company and Related Party Transactions of Group Companies", "Risk Management Policies and Procedures" and "Regulations Related to Financial and Business Matters among Related Parties".</p> <p>(10) Continuing education situation of CGO in 2023</p> <table><tr><th>Date</th><th>Organizer</th><th>Course name</th><th>hours</th></tr><tr><td>2023.04.21</td><td>Taiwan Corporate Governance Association</td><td>How should the board of directors formulate ESG sustainable governance strategies in 2023</td><td>3.0</td></tr><tr><td>2023.05.30</td><td>Taiwan Corporate Governance Association</td><td>Emerging corporate risk: climate change</td><td>3.0</td></tr><tr><td>2023.07.13</td><td>Taipei Exchange</td><td>Promotion conference on sustainable development action plans for listed companies</td><td>3.0</td></tr><tr><td>2023.09.04</td><td>Financial Regulatory Commission</td><td>The 14th Taipei Corporate Governance Forum</td><td>6.0</td></tr></table>	Date	Organizer	Course name	hours	2023.04.21	Taiwan Corporate Governance Association	How should the board of directors formulate ESG sustainable governance strategies in 2023	3.0	2023.05.30	Taiwan Corporate Governance Association	Emerging corporate risk: climate change	3.0	2023.07.13	Taipei Exchange	Promotion conference on sustainable development action plans for listed companies	3.0	2023.09.04	Financial Regulatory Commission	The 14th Taipei Corporate Governance Forum	6.0	
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2023.09.04	Financial Regulatory Commission	The 14th Taipei Corporate Governance Forum	6.0																					
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholder’s section on its company website? Does the Company appropriately respond to stakeholders’ questions and concerns on important	V		The Company has a spokesperson and a deputy spokesperson. In order to continuously understand the needs of stakeholders, a “Stakeholders” section has been set up on the Company website to ensure smooth communication channels with stakeholders. Since 2019, an annual stakeholder forum has been held to communicate face-to-face with stakeholders, and to provide	None																				



Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
corporate social responsibility issues?			concrete responses to the important issues concerned by stakeholders and their expectations for the Company, as a basis for the promotion of the economy, society, and environmental sustainability, laying the foundation for the Company's sustainable development.	
6.Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	V		The Company designates Fubon shareholder service agency to deal with shareholder affairs.	None
7.Information Disclosure				
(1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	V		(1) The Company has a website ( <a href="https://corp.momo.com.tw/">https://corp.momo.com.tw/</a> ) with a dedicated person in charge of maintaining and updating important financial, business information and corporate governance information at all time for the reference of shareholders and stakeholders.	None
(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors' conference etc.)?	V		(2) An English website ( <a href="https://corp.momo.com.tw/en/">https://corp.momo.com.tw/en/</a> ) has been built, and a spokesperson and deputy spokesperson system has been established to speak on behalf of the Company. A 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.	None
(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified 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.Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors'	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	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary description	
continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?			<p>Harassment Prevention Act, in protecting employees' rights and interests.</p> <p>(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.</p> <p>(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 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.</p> <p>(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.</p> <p>(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</p>	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary description	
			<p>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.</p> <p>(6) Continuing education of directors: The Company's directors actively participate in corporate governance and ESG-related training courses and seminars organized by various professional organizations. As of the end of 2023, the training hours of all serving directors (including independent directors) are in line with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies".</p> <p>(7) Implementation of risk management policies and risk evaluation measures: The Company has established "Risk Management Policies and Procedures" in accordance with relevant laws and regulations, which serves as the basis for the implementation of various risk management and assessments at all levels of the Company. The implementation of risk management is reported to the board of directors on a regular basis.</p> <p>(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.</p> <p>(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</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																	
	Yes	No	Summary description																		
			<p>Directors.</p> <p>(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. To ensure the implementation of the company's intellectual property management system, the improvement and implementation results of intellectual property management are reported to the board of directors annually.</p> <p>(11) For personnel of the Company relevant to financial information transparency, their status of obtaining designated licenses from the competent authority are as follows:</p> <table> <tr> <th rowspan="2">Licenses</th> <th colspan="2">Number</th> </tr> <tr> <th>Internal Audit Office</th> <th>Financial &amp; Accounting Division</th> </tr> <tr> <td>Certification in Control Self-Assessment (CCSA)</td> <td>-</td> <td>1</td> </tr> <tr> <td>Certified Internal Auditor (CIA)</td> <td>1</td> <td>1</td> </tr> <tr> <td>CPA of R.O.C</td> <td>-</td> <td>2</td> </tr> <tr> <td>Project Management Professional (PMP)</td> <td>-</td> <td>2</td> </tr> </table>	Licenses	Number		Internal Audit Office	Financial & Accounting Division	Certification in Control Self-Assessment (CCSA)	-	1	Certified Internal Auditor (CIA)	1	1	CPA of R.O.C	-	2	Project Management Professional (PMP)	-	2	
Licenses	Number																				
	Internal Audit Office	Financial & Accounting Division																			
Certification in Control Self-Assessment (CCSA)	-	1																			
Certified Internal Auditor (CIA)	1	1																			
CPA of R.O.C	-	2																			
Project Management Professional (PMP)	-	2																			

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement.				
A. The Company has been participating in the "Corporate Governance Evaluation" jointly held by the Taiwan Stock Exchange and the Taipei Exchange; the Company has been ranked top 5% in the TWSE-listed companies for six 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 and cultivate the corporate sustainable governance culture to adapt to the "corporate governance blueprint 3.0" and the "Sustainable Development Action Plans for TWSE and TPEX Listed Companies (2023)" 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

### 1. Composition 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.

### 2. Scope of Duties of the Remuneration Committee

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.

### 3. Member information of the Remuneration Committee

The term of the 4th Remuneration Committee : 2023.05.19~2026.05.18

Title	Name	Professional Qualification Requirements & Work Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Independent director	Emily Hong	please refer to "Information Disclosure of Directors' Professional Qualifications and Independent Directors' Independence" on page 22		0
Independent director	Chieh Wang			0
Independent director	Mike Jiang			0

Note : Independent director Emily Hong and Mike Jiang took office on May 19th, 2023.

### 4. Attendance of the Remuneration Committee

The Remuneration Committee held 4 meetings (A), and the attendance of directors is as follows:

Title	Name	Attendance in Person(B)	By Proxy (A)	Attendance Rate (%) 【B/A】	Remarks
Independent director	Emily Hong	1	0	100%	Assumed office on May 19th, 2023 (Shall attend 1 times)
Independent director	Chieh Wang	4	0	100%	None
Independent director	Mike Jiang	1	0	100%	Assumed office on May 19th, 2023 (Shall attend 1 times)
Independent director	Brian Y. Hsieh	3	0	100%	Resigned on May 19th, 2023 (Shall attend 3 times)
Independent director	Hong-So Chen	3	0	100%	Resigned on May 19th, 2023 (Shall attend 3 times)

Title	Name	Attendance in Person(B)	By Proxy (A)	Attendance Rate (%) 【B/A】	Remarks
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 (e.g., 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.					

#### 5. Performance results of the Remuneration Committee

Date	Meeting/ session	Contents of Resolutions	Resolution of the Remuneration Committee	The Company's process of the opinions of the Remuneration Committee
2023.01.06	15th meeting of the 3rd session	2022 performance appraisal and year-end bonus of internal managers	All attending members had no objection and the proposal was approved as proposed	None
2023.02.17	16th meeting of the 3rd session	1. 2022 performance evaluation of the Board of Directors and functional committees 2. 2022 employee salary and Director remuneration distribution	All attending members had no objection and the proposal was approved as proposed	None
2023.04.28	17th meeting of the 3rd session	2023 promotion and salary review of chairman, internal managers and other related parties	All attending members had no objection and the proposal was approved as proposed	None
2023.07.28	1st meeting of the 4th session	1. "Regulations Governing the Payment of Employee Salary in 2022" and distribution amount to the internal managers 2. Remuneration of the Company's 8th term of Directors	All attending members had no objection and the proposal was approved as proposed	None
		3. Payment of remuneration of the Company's 7th term of Independent Directors	All the members present are the recipients of remuneration in this case. They shall recuse in accordance with the law and directly propose a resolution by the board of directors.	

**Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons**

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		<p>The Company has submitted and reported to the Board on Oct. 2016 and then set up the CSR committee. At January 2022, the CSR committee changed the name to “Sustainable Development Committee.” Since April 2022, the sustainable development department was established under the Financial &amp; Accounting Division and set its own independent budgets, being responsible for planning and implementing sustainable projects, and to coordinate cross-departmental related businesses.</p> <p>To strengthen the implementation of sustainable management, on July 27, 2022, the board of directors approved the promotion of the “Sustainable Development Committee” as a functional committee under the board of directors. On May 19, 2023, the 1st meeting of the 8th board of directors resolved to appoint three independent directors and two directors as members, with the chairman of the board serving as the convener and chairman of the meeting. For this session, at least 2 committee meetings and 2 chairperson meetings are held every year, and sustainable governance strategies and annual development plan implementation results are reported to the board of directors every six months. The Sustainable Development Department serves as the secretarial unit to ensure the effectiveness of horizontal and vertical communication in the organization and to track the achievement rate of short, medium and long-term goals.</p> <p>A total of 3 meetings were held in 2023, and the following resolutions were submitted to the board of directors:</p> <ol style="list-style-type: none"> <li>1. Stakeholder identification and material sustainable themes.</li> <li>2. 2022 sustainability performance and 2023 improvement plan and short,</li> </ol>	None



Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary description	
			<p>medium and long-term goals.</p> <p>3. Amendment to the Company's "Human Rights Policy".</p> <p>4. Amendment to the Company's "Sustainable Development Principles for Suppliers / Contractors".</p> <p>5. Greenhouse gas inventory and verification implementation for the fourth quarter of 2022.</p> <p>6. Low-carbon transition strategy of the international e-commerce and logistics industry in response to climate change.</p> <p>7. Climate-related risks and opportunities and financial impact disclosure of the Company.</p> <p>8. Greenhouse gas inventory and verification implementation for the first quarter of 2023.</p> <p>9. Amendment to the "Sustainable Development Committee Charter" of the Company.</p> <p>10. Green e-commerce KPI review in the first half of 2023 and improvement project in the second half of the year.</p>	
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		<p>In 2023, based on the principle of materiality, and by analyzing international sustainable management trends and benchmarking enterprises' concerned sustainable issues, a list of material sustainable themes has been produced. Then, according to the guidelines of the "GRI Standards 2021 Edition" issued by the Global Reporting Initiative, and through diverse means such as cross-departmental workshops, questionnaire surveys of internal and external stakeholders, and stakeholder forums, 17 material themes have been identified. Furthermore, an impact analysis has been conducted based on the positive and negative impacts, identifying 11 positive and negative material issues, 6 positive and negative minor issues, and 6 positive and negative basic issues, and the 2023 "material theme identification matrix" has been generated. For details, please refer to the 2023 Sustainability Report.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No	Summary description		
			Risk assessment and management policies and strategies corresponding to each aspect of material themes are summarized as follows:		
			Aspect	Material issues	Description
			Environment	Sustainable consumption	In September 2023, "Green Living Membership" was officially launched, which includes (1) packaging recycling, (2) consolidated shipping, (3) green living section, (4) knowledge of ESG mark and many other measures. In conjunction with omni-channel media promotion and mo coin rebates, we help consumers understand all the sustainable consumption measures, practice methods and the significance of the action, increasing their willingness to participate, driving them to practice sustainable consumption, and at the same time, subtly influencing the public to stop feeling that "sustainable consumption" is a distant issue and make "sustainable lifestyle" a daily habit.  By allowing consumers to choose to become "Green Living Membership" for themselves, momo can more effectively identify members' profiles, accurately allocate resources for segment marketing, enhance communication and increase the recycling rate of reusable

Evaluation Item	Implementation Status			Summary description	Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No			
				packaging. As of December 2023, more than 290,000 people have responded to participate in the "Green Living Membership" program.	
				<p>Green packing and circular packing</p> <p>1. Due to the characteristics of the e-commerce industry, packaging and logistics are the main environmental impact issues faced by the Company. With the aid of data and systems, our expert team studies analysis such as product inventory distribution and shipping packaging, reduces separate shipments from different warehouses and usage of cartons and packaging materials, and continues to expand circular packaging projects and develop sustainable packaging materials.</p> <p>2. Beginning at the end of 2020, we have been following the government's online shopping packaging reduction guidelines, and continue to promote the packaging material reduction policy. At the same time, we actively promote the circular packaging policy and expand external cooperation. In 2023, the total number of momo</p>	

Evaluation Item	Implementation Status			Summary description	Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No			
				recycled bag collect points had exceeded 10,000, and the number of shipments had reached 35,251. In addition, we also create the new operation mode of recycled cartons. In collaboration with the Tzu Chi Foundation's seven "Tzu Chi Environmental Education Stations", we've been collecting cartons from consumers. After being screened by Tzu Chi volunteers, sterilized and refurbished by momo, the cartons will once again put into the ranks of recycled packaging materials. In 2023, a total of 108,938 cartons were refurbished and put into use again.	
				Green logistics To reduce the carbon emissions, momo promotes diversified green logistics action plans: <ul style="list-style-type: none"> <li>• Offer the in-store pickup service in the four leading convenience stores nationwide.</li> <li>• In-store pickup service in the Taiwan Mobile's myfone stores</li> <li>• Continue to build satellite warehouses to optimize the short logistics network.</li> <li>• Purchase commercial electric 3-wheels year by year to fulfill green fleet</li> </ul>	

Evaluation Item	Implementation Status			Summary description	Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No			
				transformation • Implement de-node measures to improve logistics efficiency	
			Climate governance and greenhouse gases management	At the end of 2018, the environmental management system was introduced, the "Environmental Management Committee" was established, and the environmental, safety and health management policies were formulated. In 2019, we obtained the ISO 14001:2015 environmental management system certificate and passed the verification again in 2022. As for ISO 14064-1 greenhouse gas inventory verification, the statement has passed third-party verification every year since 2017, and the conversion to the 14064-1:2018 version was completed in the second quarter of 2021. The scope of greenhouse gas inventory was expanded in 2022, increasing the data coverage rate to 100%. In addition, we promote Science Based Targets (SBT) and Task Force on Climate-Related Financial Disclosures (TCFD), conduct risk identification and target setting, and implement climate governance and energy resource management.	







Evaluation Item	Implementation Status			Summary description	Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No			
			Social	Quality security requirements and inspections	<p>1. momo formulates guidelines for various products, the QC department inspect product quality, composition, source, and whether the Chinese labels are correct and in compliance with various laws and regulations in Taiwan.</p> <p>2. Three types of inspections, including corrective inspection, preventive inspection and periodic inspection, were carried out for different types of products, with a total of 94,758 pieces; Continue to strengthen the ingredient traceability management, add borax residue testing and detection, and continue to add quality management items, striving to protect consumer rights.</p> <p>3. Expand the scope of the ISO 9001 quality management system to include the return and shipping links, strengthen relevant education and training, and promote the logistics and transportation system to achieve operational standardization, to lay a good foundation for the sustainable development of the organization.</p>
				Customer privacy and	
				The Company has set up the “Information Security Committee” and “Information	

Evaluation Item	Implementation Status			Summary description	Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No			
				information security	Security and Personal Information Protection Team” under the board of directors, and regularly adopts the ISO 27001 Information Security Management System, ISO 27701 Personal Information Protection Management System and Payment Card Industry Data Security Standard (PCI DSS) to verify the effectiveness of information security management, and launched the “biometrics identification for bonus payment” project to enhance transaction security. Since 2021, the IVR logistics distribution transfer service and delivery form de-identification has been introduced and continuously optimized. Consumer telephone numbers are encoded and personal details, such as consumer name, telephone number and address details on the home delivery, are hidden. In 2023, we introduce a system to code the phone numbers of consumers who return goods. The Company goals is to make consumers shopping on the momo platform with greater confidence.
			Corporate governance	Sound corporate	In 2023, for the seventh time, momo was ranked top 5% in the corporate

Evaluation Item	Implementation Status			Summary description	Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No			
				governance	governance evaluation among the TWSE-listed companies, and ranked top 10% in the non-finance, non-electronics TWSE/TPEX-listed companies with a market value of over 10 billion for five consecutive years (the first tier), and the ESG indicators have been included in the performance goal setting of senior executives, accounting for more than 10%.
				Sustainable supplier management	In 2023, we launched the sustainable supply chain management project, revised the "Sustainable Development Principles for Suppliers / Contractors", and identified key first-tier suppliers for precise management; we provided all suppliers with sustainable education and training resources and cooperation measures such as reusable delivery boxes, original box shipments, and node removal, encouraged them to obtain domestic and foreign sustainable environmental protection marks for products, and provided additional marketing exposure resources for selected sustainable products in the "green living section", spurring over 11,000 suppliers to practice sustainability.



Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
3. Environmental Issues				
(1) Has the Company set an environmental management system designed to industry characteristics?	V		(1) Since the headquarters building and the Northern Logistics Center passed the ISO 14001 environmental management system verification in September 2019, the environmental safety and health management policies have been formulated, an “Environmental Management Committee” has been established, and the re-verification has been passed every year; in 2022, they passed the verification again, maintaining the operation of the environmental management system. The certificate of the ISO 14001 verification lasts from Sep. 24, 2022, to Sep. 23, 2025.	None
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		(2) The Company continuously improves resource efficiency of various resources, including paperless operations, establishing waste recycling management plans, and it has also been committed to creating more environmentally friendly online shopping packaging. In addition to reducing the use of packaging materials from the source, it continues to develop sustainable packaging, such as: using more than 90% of cartons made of recycled paper pulp and environmentally friendly recycled bags along with more than 30% of recycled plastics, hydrolysable tapes, and honeycomb paper bags. We also cooperate with Tzu Chi Foundation on carton recycling. In September 2023, "Green Living Membership" was launched, allowing consumers to check and agree to use recycled bags for delivery. By accurately sending reusable bags to green consumers, the recycling rate and the number of times the reusable bags are used can be increased.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons				
	Yes	No	Summary description					
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V		<p>(3) The TCFD Report (Task Force on Climate-related Financial Disclosures Report) was issued in 2023. Based on the interaction between the environment and the organization's daily operating activities and services, and by using three scenarios including NZE Net Zero, SSP 1-2.6, SSP 5-8.5, we identified 9 transition risks, 7 physical risks, and 7 opportunity issues brought about by various climate changes, and developed strategies, management indicators, and goals. At the same time, a financial impact assessment was conducted on the above-mentioned 7 major risks and opportunities. For details, please refer to the "momo.com Inc. TCFD Report"</p> <table><tr><th>Chinese Version</th><th>English version</th></tr><tr><td></td><td></td></tr></table>	Chinese Version	English version			None
Chinese Version	English version							
								
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		<p>(4) A. The company has been conducting ISO 14064-1 greenhouse gas inventory since 2016 and has passed third-party verification every year. To strengthen greenhouse gas management, we committed to join the SBTi (Science Based Targets initiative) in 2022 and began to use the science-based reduction method to plan short, medium and long-term carbon reduction paths and goals.</p> <p>The greenhouse gas emissions in the past three years are as follows (see page 73 of the 2022 Sustainability Report for details about the Note):</p>	None				

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons																												
	Yes	No	Summary description																													
			<p style="text-align: right;">Unit: Metric ton CO2e</p> <table border="1"> <thead> <tr> <th colspan="2">Year</th><th>2020</th><th>2021</th><th>2022</th></tr> </thead> <tbody> <tr> <td rowspan="2">Direct emissions</td><td>Category I</td><td>337.92</td><td>384.99</td><td>1,595.48</td></tr> <tr> <td>Category II</td><td>5,353.62</td><td>7,384.91</td><td>13,240.45</td></tr> <tr> <td rowspan="2">Indirect emissions</td><td>Category III</td><td>3,663.90</td><td>2,204.74</td><td>1,524,208.69</td></tr> <tr> <td>Total emissions</td><td>9,355.43</td><td>9,974.64</td><td>1,539,044.62</td></tr> <tr> <td colspan="2">Emission intensity</td><td>3.80</td><td>3.60</td><td>2.70</td></tr> </tbody> </table> <p>Note: Description of inventory boundary over the years - the headquarters building and northern logistics center have been included since 2020; the headquarters building, northern logistics center and 4 main warehouses (Luzhu, Linkou, Lusi, Nangong) have been included since 2021; and since 2022, offices and warehouses operated and controlled by momo and domestic subsidiaries (FuLi Life Insurance, Fuli Insurance Agent, Bebe Poshe International, Fu Sheng Logistics, and Prosperous Living) have been included, the inventory coverage rate has reached 100%.</p> <p>B. The water used 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 addition, we regularly promote water conservation among employees, and control the temperature of workplaces and the room cooling efficiency in summer, etc. We will continue to introduce water-saving equipment and employee promotion, and maintain the water-saving goal of controlling the per capita water consumption intensity at 17.6 units (inclusive), conducting water resource management and control while considering employees' health</p>	Year		2020	2021	2022	Direct emissions	Category I	337.92	384.99	1,595.48	Category II	5,353.62	7,384.91	13,240.45	Indirect emissions	Category III	3,663.90	2,204.74	1,524,208.69	Total emissions	9,355.43	9,974.64	1,539,044.62	Emission intensity		3.80	3.60	2.70	
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Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																	
	Yes	No	Summary description																		
			<p>care.</p> <p>The water consumption is as follows (see page 75 of the 2022 Sustainability Report for details about the Note):</p> <table><tr><td rowspan="2">Water usage amount</td><td>Unit</td><td>2020</td><td>2021</td><td>2022</td><td>2023</td></tr><tr><td>Cubic meters</td><td>39,404.00</td><td>48,816.70</td><td>52,407.88</td><td>58,505.38</td></tr><tr><td>Per capita water consumption intensity</td><td>Consumed units/number of persons</td><td>18.69</td><td>17.62</td><td>17.27</td><td>17.00</td></tr></table> <p>Note: The scope of disclosure in 2020 was the headquarters building and the northern logistics center; the scope of disclosure in 2021 and 2022 was the headquarters building, the northern logistics center, and 4 main warehouses (Luzhu, Linkou, Lusi, and Nangong); the scope of disclosure in 2023 was the headquarters building, northern logistics center, and 8 main warehouses (Luzhu, Linkou, Lusi, Nangong, Yangmei, Yongkang, Pingzhen, Xitun)</p> <p>C. Include reducing the amount of paper consumption per capita and the amount of waste per capita in the headquarters building into the waste management policies:</p> <p>(1) The setup of the printer control system led to the reduction of consumption per capita by 11.34% in 2023 compared to 2020.</p>	Water usage amount	Unit	2020	2021	2022	2023	Cubic meters	39,404.00	48,816.70	52,407.88	58,505.38	Per capita water consumption intensity	Consumed units/number of persons	18.69	17.62	17.27	17.00	
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Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																											
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			<p>Paper usage in the headquarters building</p> <table><tr><th>Item</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th></tr><tr><td>Total paper usage</td><td>1,606,122</td><td>1,354,911</td><td>1,615,370</td><td>1,604,494</td></tr><tr><td>Per capita usage</td><td>1,156.32</td><td>929.37</td><td>958.11</td><td>1,025.24</td></tr></table> <p>Note1: Paper size: A4,210mm x 297mm</p> <p>Note2: Number of people in the headquarters building over the years - 1,389 people in 2020; 1,458 people in 2021; 1,686 people in 2022; 1,565 people in 2023</p> <p>(2) In 2023, the amount of waste generated per capita in the momo building was reduced by 3.54% compared with 2020.</p> <p>The amounts of waste in the following table:</p> <table><tr><th>Amount of waste generated per capita</th><th>Unit</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th></tr><tr><td></td><td>ton/person</td><td>0.0167</td><td>0.0144</td><td>0.0133</td><td>0.0161</td></tr></table> <p>Note1: The amount of waste generated per capita: Total amount of waste in momo office building / total number of people in momo office building.</p> <p>Note2: The increase in waste per capita in 2023 was mainly due to the cancellation of work-from-home measures</p>	Item	2020	2021	2022	2023	Total paper usage	1,606,122	1,354,911	1,615,370	1,604,494	Per capita usage	1,156.32	929.37	958.11	1,025.24	Amount of waste generated per capita	Unit	2020	2021	2022	2023		ton/person	0.0167	0.0144	0.0133	0.0161	
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4. Social Issues (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights	V		(1)In accordance with current relevant laws and regulations, including the Labor Standards Act, Employment Service Act, and Act of Gender Equality in Employment, the Company completed the formulation of the human	None																											

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary description	
conventions?			rights policy on May 18, 2017 and introduced human rights project in 2022 to refine the content of the human rights policy, implement the corporate human rights education and training, identify material human rights risks, and formulate human rights risk mitigation and remedial measures. A list of material human rights risks was identified. In 2023, the "momo Human Rights Due Diligence Report" was publicly disclosed for the first time; in the identified list of material human rights risks, the top five risks include: product safety, privacy, forced labor, workplace health, work and labor conditions protection. The Company also promotes corporate human rights due diligence and develops mitigation measures to ensure that basic human rights are not violated, so that both internal and external members of the Company can be treated with fairness and dignity. The above human rights management indicators were also included in the Company's "Sustainable Development Principles for Suppliers / Contractors" in 2023, urging partners to jointly pay attention to and comply with them. The Company discloses work policies, performance evaluation criteria, etc. internally for employees to peruse and gain understanding of relevant labor regulations and basic rights.	
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	V		<p>(2)</p> <p>A. Implementing reasonable measures for employee benefits:</p> <p>(1) Pay attention to human rights: Comply with laws and regulations, such as the Labor Standards Act, the Gender Equality in Employment Act, and the Occupational Safety and Health Act.</p> <p>(2) Guarantee employees' statutory benefits and protection: Including working conditions and vacation system.</p> <p>(3) Two-way communication between labor and management: Regular labor-management meetings are held to discuss issues such as</p>	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary description	
			<p>optimizing employee benefits and improving the workplace environment.</p> <p>(4) Fair remuneration and treatment, and establishing a working environment where the right person can be placed in the right place: In addition to providing entry-level employees with a starting salary standard that is higher than the minimum wage, the company emphasizes the fairness of the remuneration system, regardless of gender, age, race, etc., and provides fair and reasonable salary packages based on education and experience, work ability and performance, and other conditions.</p> <p>B. Business performance and results are appropriately reflected in employee compensation:</p> <p>Employee salary structure includes mainly the monthly salary, year-end bonus, and employee compensation. Among which, the payment standard for 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.</p> <p>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.</p>	

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary description	
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		<p>(3)</p> <p>A. The establishment of the Company's dedicated occupational safety and health management unit or personnel: The headquarters building and the Northern Logistics Center passed the verification of the ISO 45001 occupational health and safety management system in September 2020, the environmental safety and health management policies have been formulated, an "Occupational Safety and Health Committee" has been established, and the re-verification was passed in the 2nd quarter of 2023. 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 26 members of the Committee, in which 38% 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 safety. The term of ISO 45001 certification is from September 15<sup>th</sup> 2023 to September 14<sup>th</sup> 2026.</p> <p>B. Operating environment check Endeavors to establish a safe occupational environment. The protection measures adopted for the operating environment and operators are as follows: (1) 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</p>	None



Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary description	
			<p>notification shall be publicized at the work site.</p> <p>(2) 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.</p> <p>C. Key health and safety implementation status:</p> <p>The principles of health and safety management are disclosures in the Company website. The implement of key task is following :</p> <p>(1) 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.</p> <p>(2) Measures for a safe and healthy working environment: implement self-check for all mechanical equipment and tools on daily, weekly, monthly, quarterly, half-yearly and annual basis according to the checklist items to ensure operation safety of mechanical equipment; provide special workplaces, with monitoring the working environment according to law and publishing the report on the working site; equip the office buildings with comprehensive fire system, and regularly inspect and declare in accordance with the law; conduct annual smear test report on radioactive material for quality control testing instruments; carry out floor cleaning and disinfection of pests, bacteria and rodents every month, and increase the frequency of pest control and disinfection operations in summer; perform regular monthly self-check of occupational safety and health matters on the logistics and warehousing site, quarterly self-check of the contractor's commodity distribution business safety specifications, and spot checks on whether the on-site operators follow the relevant work specifications and management regulations.</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons														
	Yes	No	Summary description															
			<p>(3) Educational training: implement occupational safety and health education and training in accordance with laws and regulations for new, in-service personnel, and personnel with special hazards risks, etc. and retain data for future reference; work with the building management organization to implement fire drill lectures and conduct on-site escape drills for employees every six months, and the number of participants this year is 457; regularly hold initial training and second-level training courses for workplace first aid personnel every year, and the number of qualified personnel is 118; strengthen employees’ first aid awareness in the workplace every year, including AED and CPR instruction, with a total of 34 participants.</p> <p>D. Industrial safety inspection operation</p> <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> <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>	Item	Operation frequency	Fire drill lectures and field evacuation drills for employees	Every six months	Operating environment monitoring	Every six months	Water testing for drinking fountains	Quarterly	Pest, bacteria and rodent disinfection project	Monthly	Occupational safety and health surveillance unit	Monthly	Occupational safety and health educational training	Weekly	
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Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons												
	Yes	No	Summary description													
			<div>E. Occupational safety and health related certification<table><tr><td>Occupational safety and health management personnel with professional certification</td><td>Number of certificate holders</td></tr><tr><td>Occupational safety management specialist</td><td>3</td></tr><tr><td>Occupational safety and health management personnel</td><td>4</td></tr><tr><td>Labor health services nursing staff</td><td>4</td></tr><tr><td>First-aid personnel</td><td>118</td></tr><tr><td>Operators of forklifts over 1 ton</td><td>115</td></tr></table></div> <div>F. Safe and healthy work environment for employees<p>(1) The types of employee occupational disasters applied for in 2023 included traffic accidents in the workplace and outside the workplace. In the event of occupational disasters, 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 52 occupational disasters in 2023. 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 51 colleagues returned to work, with a return rate of 98.0 %.</p><p>(2) Establishing a comprehensive maternal and child care system, holding online lectures on maternity care issues, and provide pregnant and postpartum employees with assistance such as health education and care.</p><p>(3) Complaint channel with specially assigned personnel is set up to provide all kinds of assistance and protect employees. It has been</p></div>	Occupational safety and health management personnel with professional certification	Number of certificate holders	Occupational safety management specialist	3	Occupational safety and health management personnel	4	Labor health services nursing staff	4	First-aid personnel	118	Operators of forklifts over 1 ton	115	
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Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary description	
(4) Has the Company established effective career development training programs for employees?	V		<p>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.</p> <p>(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.</p> <p>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 of course reached 90 points; the total cost invested is NT\$4,796,466 the total number of trainees is 49,711, and the total training hours are 84,390 hours.</p>	None
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V		<p>(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 Act, 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 aforementioned specific actions on product and service marketing labeling, the Company implements key educational training to strengthen employees'</p>	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary description	
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	V		<p>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).</p> <p>For customer privacy protection, the Company has set up the "Information Security Committee" and "Information Security and the Personal Information Protection Team", and regularly adopts the ISO 27001, ISO 27701 and Payment Card Industry Data Security Standard (PCI DSS) to verify the effectiveness of information security management.</p> <p>Since 2021, the IVR logistics distribution transfer service and delivery form de-identification has been introduced and continuously optimized.</p> <p>Consumer telephone numbers are encoded and personal details, such as consumer name, telephone number and address details on the home delivery, are hidden. In 2023, we introduce a system to code the phone numbers of consumers who return goods. The Company goals is to make consumers shopping on the momo platform with greater confidence.</p> <p>(6) A. Policies and regulations (1) 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. (2) We revised the "Sustainable Development Principles for Suppliers / Contractors" and invites suppliers and contractors to implement them</p>	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary description	
			<p>together. In 2023, 100% of the product suppliers / new contractors signed, exerting commercial influence to promote the balance of economy, society and environment and sustainable development.</p> <p>(3) Suppliers need to pass basic corporate governance and financial structure review, and sign related terms such as privacy rights, personal data regulations, ethical management statements, commodity intellectual property rights, and information security. The completion rate is 100%. Suppliers who sell special commodities (such as medical equipment, food, and luxury goods) are required to sign and return the guarantee letter and provide relevant certificates in accordance with laws and regulations.</p> <p>B. Implementation status:</p> <p>(1) Before the contractors enters 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. The applying unit may hold a safety and health meeting when necessary for the contractor to explain the control measures, and a "safety and health meeting minutes" shall be made.</p> <p>(2) 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 consider the priority of the risk control hierarchy.</p> <p>(3) Packaging reduction specifications were established in 2023, with a supplier consent rate of 98.1%. Regular packaging material sampling is arranged to promote the use of reusable logistics for incoming goods. Currently, the number of complying suppliers is 17. In 2024, a system was launched online to record shipping packaging material information,</p>	

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary description	
			and the three principles of packaging reduction, environmentally friendly materials and reusable packaging are used to promote online shopping packaging reduction. (4) Carry out quality management visits to international luxury goods vendors, and go to the factory to inspect products, confirm their sources, warehouse management, operating status and evaluate other items; for beauty and healthcare related items, it is necessary to review the certification of the manufacturer first, and then determine whether to perform audit of the manufacturer. The audit process includes environment and process confirmation, and raw material and product inspection and control.	
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	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 and meets the core options of the GRI sustainability reporting standard. The ESG information is disclosure in accordance with the Sustainability Accounting Standards Board (SASB). The Company has obtained an independent assurance opinion statement issued by the British Standards Institution (BSI).	None
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: 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 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				


Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
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 promotion of sustainable development: (1) The Company obtained the ISO 14067 product carbon footprint certificate and the Ministry of Environment's carbon footprint label in 2023, hoping to provide transparent information to the consumers and promote social awareness of sustainable consumption: A. Retail services for each physical product: 1.1kg CO2e (obtaining raw materials: 16.79%; service: 82.44%; disposal: 0.77%) B. Retail services for each non-physical product: 180 g CO2e (obtaining raw materials: 4.95%; service: 94.66%; disposal: 0.39%) (2) In response to the challenges of sustainability risks and the opportunities of low-carbon transition, the Company has promoted the sustainability vision program since 2019. Starting from the five major aspects of "partnership, sustainable consumption, sustainable operations, employee-friendly workplace, and social responsibility", we are committed to building a sustainable value chain for stakeholders.				
blueprint for sustainable living		momo's Sustainable Values	Upholding 9 Major Strategies	momo's Commitment
Mutually beneficial partnership for a better life	Pay attention to the needs of stakeholders, continue to maintain good interaction with them, and deepen the coordination with value chain partners to achieve common prosperity with the industrial ecosystem; continue to focus on sustainable governance, strengthen the establishment and communication of sustainable brand, and manage and govern all matters in a steady manner.	Brand Value	Strengthen corporate governance Protect shareholders' interests Sound supply system	<ul style="list-style-type: none"><li>● Keep strengthening the corporate ethical management, and maintaining stability and an outstanding operating performance.</li><li>● 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.</li><li>● 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.</li></ul>



Evaluation Item		Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
		Yes	No	Summary description	
blueprint for sustainable living		momo's Sustainable Values		Upholding 9 Major Strategies	momo's Commitment
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	<ul style="list-style-type: none"> <li>● With complete quality inspection program to provide consumers the products that comply with laws and regulations.</li> <li>● Develop diverse payment methods and add pick-up locations for online purchases constantly, thereby allowing consumers to make purchases with ease.</li> <li>● Step up measures for personal information protection and information security management to carefully guard consumers' information security.</li> <li>● Promote sustainable consumption and require suppliers to fully label products and disclose relevant contents to promote responsible consumption and ensure consumers purchase good and safe products.</li> <li>● Provide consumers with products (food) and services that are safe and having a positive impact on the environment, to promote environmental protection and create a win-win situation for consumers.</li> <li>● Continue to conduct environmentally friendly purchases and create a green economic industry under partnership with others, thereby embracing a new lifestyle of sustainable consumption.</li> </ul>
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	<ul style="list-style-type: none"> <li>● Set up a sound environment management system and operating system.</li> <li>● Reduce greenhouse gas emissions and environmental impacts posed by energy consumption.</li> <li>● Increase the ratio of green procurement (Note).</li> <li>● Boost the Company's internal awareness of environmental sustainability through training sessions.</li> <li>● Continue to draw up relevant action plans to reduce environmental impacts caused by logistics.</li> <li>● 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.</li> </ul> <p>(Note): The scope of green procurement includes trunks, scooters, computer, MFP, air conditioner, and electrical equipment.</p>

Evaluation Item		Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
		Yes	No	Summary description	
blueprint for sustainable living		momo's Sustainable Values		Upholding 9 Major Strategies	momo's Commitment
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 the company's original intention to care for employees.	Value of talents		Show caring for employee welfare Promote talent development	<ul style="list-style-type: none"> <li>● Continue to comply with labor-related laws and guarantee employees legal and reasonable work hours and wages.</li> <li>● Continue to convey the idea of gender friendliness, diversity and equality through training sessions; build up a gender-friendly, diverse and inclusive workplace.</li> <li>● Attract talent retention, and keep conducting and expanding the employee welfare system.</li> <li>● 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.</li> <li>● Deepen the conveyance and implementation of human right topic</li> <li>● Strengthen the occupational security and health management system and guarantee the workplace safety in accordance with the environmental safety and health management policy.</li> <li>● Provide employees with physical and mental health care services and promotion activities.</li> </ul>
Mutually beneficial society for a happy life	Through the influence of the e-commerce platform, assist NGOs and NPOs to promote public welfare activities, continue to deepen and promote related projects connected with the Company's e-commerce business, and pay attention to issues that the public cares about, keep investing in social public welfare matters, and create a social circle of mutual benefit and common prosperity.	Social value		Exert to fulfill corporate responsibility	<ul style="list-style-type: none"> <li>● Keep focusing on eliminating topics involving hunger and decrease 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.</li> <li>● Continue to support sound development of domestic sports industry.</li> </ul>

## Climate-related information for TWSE and TPEX listed companies

Item	Implement
<ol style="list-style-type: none"> <li>1. Describe board and management oversight and governance of climate-related risks and opportunities.</li> <li>2. Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short-term, medium-term, long-term).</li> <li>3. Describe the financial impact of extreme climate events and transition actions.</li> <li>4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.</li> <li>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used shall be explained.</li> <li>6. If there is a transition plan to manage climate-related risks, describe the content of the plan, and the indicators and goals used to identify and manage physical and transition risks.</li> <li>7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.</li> <li>8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the schedule planned, annual achievement progress and other information shall be explained; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve relevant goals, the source and quantity of the offset carbon reduction credits or the number of RECs shall be stated.</li> <li>9. Greenhouse gas inventory and assurance, reduction goals, strategies and specific action plans (fill them in 1-1 and 1-2 separately)</li> </ol>	<ol style="list-style-type: none"> <li>1. The board of directors is the highest climate governance unit of the Company, and a "Sustainable Development Committee" is established under it. On May 19, 2023, the 1st meeting of the 8th board of directors resolved to appoint three independent directors and two directors as members, with the chairman of the board serving as the convener and chairman of the meeting, responsible for supervising the sustainable development strategy.</li> <li>2. The Company issued the TCFD Report (Task Force on Climate-related Financial Disclosures Report) in 2023. By using three scenarios including NZE Net Zero, SSP 1-2.6, SSP 5-8.5, we identified 9 transition risks, 7 physical risks, and 7 opportunity issues brought about by various climate changes, and developed strategies, management indicators, and goals. At the same time, a financial impact assessment was conducted on the above-mentioned 7 major risks and opportunities. For details, please refer to the "momo.com Inc. TCFD Report":    </li> <li>3. As of the printing date of this Annual Report, the Company's internal carbon pricing mechanism is still under development.</li> </ol>

### 1-1 Greenhouse gas inventory and assurance status of the company in the last two years

#### 1-1-1 Greenhouse gas inventory information

For details, please see page 73 of the 2022 Sustainability Report.

[https://corp.momo.com.tw/file/csr/csrReport/momo\\_2022ESGreport.pdf](https://corp.momo.com.tw/file/csr/csrReport/momo_2022ESGreport.pdf)

#### 1-1-2 Greenhouse gas assurance information

For details, please see page 130 of the 2022 Sustainability Report.

[https://corp.momo.com.tw/file/csr/csrReport/momo\\_2022ESGreport.pdf](https://corp.momo.com.tw/file/csr/csrReport/momo_2022ESGreport.pdf)

### 1-2 Greenhouse gas reduction goals, strategies and specific action plans

For details, please see page 14 of the 2022 Sustainability Report and pages 6-30 of the 2022 TCFD Report.

[https://corp.momo.com.tw/file/csr/csrReport/momo\\_2022ESGreport.pdf](https://corp.momo.com.tw/file/csr/csrReport/momo_2022ESGreport.pdf)

[https://corp.momo.com.tw/file/csr/tcfidReport/momo.com\\_2022TCFDreport\\_ch.pdf](https://corp.momo.com.tw/file/csr/tcfidReport/momo.com_2022TCFDreport_ch.pdf)

## Ethical Corporate Management

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
1.Establishment of ethical corporate management policies and programs				
(1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	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) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE 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) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the 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

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
2. Ethical Management Practice				
(1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the 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 contracts.	None
(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	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. 2023 Implementation Status: A. Identification and implementation of laws and regulations: The implementation of laws and related internal regulations is an important link for the Company to ensure the implementation of ethical management operations. The Company continuously tracks and evaluates the changes in laws and regulations every year to ensure that there are corresponding internal regulations to follow for the potential risks and impacts that may be caused. 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 Ethical Corporate Management Best Practice	None

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>Principles, Code of Ethical Conduct, Promotion of business secrets and anti-corruption and anti-bribery, etc.</p> <p>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.</p> <p>D. A definite reporting mechanism: In order to implement the company'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 the company's internal and external whistle-blowing channels and handling procedures, thereby ensuring the implementation of the company's rules governing moral code of</p>	

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>conduct and Ethical Corporate Management Best Practice Principles, as well as the legal rights and interests of whistle-blowers and counterparties.</p> <p>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, which 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.</p>	
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	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) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	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

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																		
	Yes	No	Summary description																			
(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		<p>(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.</p> <p>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 2023 completed the online course and passed the test.</p> <p>The results of the 2023 implementation:</p> <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>766</td><td>55</td><td>3</td><td>2,298</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>3,344</td><td>1</td><td>1</td><td>3,344</td><td>100% of in-service employees during the span of the course completed the online course and passed the test</td></tr></table>	Course name	Course enrollments	Sessions	Hours	Total hours	Description	New recruits' orientation (Physical / online courses)	766	55	3	2,298	100% of the reported new employees completed the orientation. (note)	Ethical Corporate Management Best Practice Principles, moral code of conduct, anti-corruption, and anti-bribery (online courses) for employees.	3,344	1	1	3,344	100% of in-service employees during the span of the course completed the online course and passed the test	None
Course name	Course enrollments	Sessions	Hours	Total hours	Description																	
New recruits' orientation (Physical / online courses)	766	55	3	2,298	100% of the reported new employees completed the orientation. (note)																	
Ethical Corporate Management Best Practice Principles, moral code of conduct, anti-corruption, and anti-bribery (online courses) for employees.	3,344	1	1	3,344	100% of in-service employees during the span of the course completed the online course and passed the test																	



Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>Note: 3-hour orientation for new recruits, and the course content is as follows:</p> <ol style="list-style-type: none"> <li>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).</li> <li>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.</li> <li>3. Information security, introduction to computer use and training on Occupational Safety and Health Act for laborers.</li> </ol>	
<p>3. Implementation of Complaint Procedures</p> <p>(1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?</p>	V		<p>(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 reward. However, the reward for reporting each case shall be limited to a maximum of NT\$100,000.</p>	None
<p>(2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken</p>	V		<p>(2) The Company undertakes to strictly protect the identity information of the whistleblower. The acceptance unit or the relevant personnel</p>	None

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
<p>after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?</p> <p>(3) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?</p>	V		<p>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.</p> <p>(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.</p>	None
<p>4. Strengthening Information Disclosure</p> <p>Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?</p>	V		<p>(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.</p> <p>(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.</p> <p>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</p>	None

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			employees (attended by 4,110 employees during 2023), 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 adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: There have been no differences.				
6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management 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," "Regulations and Procedures of Shareholders' Meeting," "Regulations and Procedures of Board of Director Meeting," "Rules Governing Board of Directors and Functional Committees Performance Assessment," "Rules Governing the Scope of Powers of Independent Directors," "Audit Committee Charter," "Remuneration Committee Charter," "Information Security Committee Charter," "Sustainable Development Committee Charter," "Internal Material Information Processing and Management and Operational Procedures for Insider Trading Prevention," "Codes of Business Conduct and Ethics," "Ethics Corporate Management Best Practice Principles," "Procedures for Ethics Management and Guidelines for Conduct," "Sustainable Development Best Practice Principles," "Measures for Handling Cases of Illegal and Unethical or Dishonest Conduct," "Regulations Related to Financial and Business Matters among Related Parties," "Operational Procedures for Specific Company and Related Party Transactions of Group Companies," and "Risk Management Policies and Procedures."

## 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. 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, Chinese and English information will be provided simultaneously for major news, financial reports and related information of the shareholders' meetings.
4. 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.
5. The Company attaches great importance to the spirit of corporate governance and practicing of corporate social responsibility. 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.
6. In order to coordinate the promotion of information security policies, coordinate resource allocation, and strengthen the promotion and implementation of information security issues, on April 27, 2022, the board of directors approved the establishment of Chief Information Security Officer to regularly review information security policies and report to the Information Security Committee and the board of directors on a regular basis.
7. To deepen the Company's sustainable governance culture and accelerate the Company's sustainable development, the "Sustainable Development Committee" has been promoted as a functional committee under the board of directors.
8. The directors and senior management of the Company have issued the "ethical management statement", and the dedicated unit regularly reports the "implementation status of ethical management" to the board of directors every year.
9. For investors to obtain sufficient and correct information in a timely manner, changes in shareholdings must be declared in advance by the 10th of each month.
10. In order to enable shareholders to participate in the annual general shareholders' meeting in multiple ways, the Company's 2023 shareholders' meeting will be, for the first time, a hybrid shareholders' meeting.

## Internal Control Systems:

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

Year	Accountants' Recommendations	Improvement Status
2021	No Material Weaknesses	Not applicable
2022	No Material Weaknesses	Not applicable
2023	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 109
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 2023 annual general meeting (AGM):

AGM dated May 19<sup>th</sup>, 2023

(1) Business report and financial statement for 2022 was approved.

(2) Distribution of earnings for 2022 was approved.

Implementation Status:

a. A cash dividend of NT\$15 per share will be distributed, totaling NT\$3,277,368,900.

b. On June 11<sup>th</sup>, 2023, is set as the record date for ex-right, and June 30<sup>th</sup>, 2023, as the cash dividend distribution date.

(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 capital reserve to capital increase and distribution of shares, NT\$1 per share will be distributed, that is, 100 shares will be allotted free of charge for every thousand shares, totaling NT\$218,491,260.

b. On August 21st, 2023 is set as the record date for ex-right (dividend).

c. 21,849,126 shares were issued through transfer of capital reserve to capital increase and issuance of new stocks at a par value of NT\$10 per share, totaling NT\$218,491,260, whose

effective registration was approved and filed by the Financial Supervisory Commission on July 17<sup>th</sup>, 2023. The change of registration was approved by Letter Jing-Shou-Shang-Zi No. 11230172000 dated September 13<sup>th</sup>, 2023 issued by the MOEA.

d. On September 26<sup>th</sup>, 2023, 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 June 8<sup>th</sup>, 2023, and announcement has been made on the corporate website.

(5) To elect Director (including Independent Directors).

Directors : Daniel M. Tsai 、 Mao-Hsiung Huang 、 Douglas Tsai 、 Jamie Lin 、 Jeff Ku 、 George Chang

Independent Directors : Chieh Wang 、 Emily Hong 、 Mike Jiang

Implementation Status: Registration has been approved by the MOEA on June 8<sup>th</sup>, 2023, and announcement has been made on the corporate website.

(6) To release the Eighth term of the Board of Directors from the non-competition restrictions was approved.

Implementation Status: Registration has been approved by the MOEA on May 19<sup>th</sup>, 2023, and announcement has been made on the corporate website.

2. Major resolutions at the shareholders' meeting and board meetings of 2023 and as of the date of the annual reports printed:

(1) The 23rd meeting of the 7th session of Board of Directors, Jan. 6, 2023

- a. The 2022 internal control statement was approved.
- b. Board resolution for planning to construct a central area distribution center and purchase warehouse equipment for central area distribution center was approved.
- c. The Board of Directors resolved to release the managerial officers from non-competition.
- d. The Company's 2023 budget was approved.

(2) The 24th meeting of the 7th session of Board of Directors, Feb. 17, 2023

- a. The 2022 financial report was approved.
- b. Employee and director remuneration allocation for 2022 was approved.
- c. Adoption of the independence and eligibility evaluation and the renewal of the 2022 CPA of the Company.
- d. Full re-election of the Company's directors (including independent directors) was approved.
- e. Convening the Company's shareholders' meeting for 2023 was approved.

(3) The 25th meeting of the 7th session of Board of Directors, Mar. 31, 2023

- a. Adoption of the Company's 2022 earnings distribution
- b. Adoption of the Company's transfer of capital reserve to capital increase and issuance of new stocks.
- c. Amendment to the Company's "Articles of Incorporation" was approved.
- d. Adoption of nominations of the Company's 8th term of directors (including independent directors).
- e. Removal of non-competition restrictions for the Directors of the Company was approved.

- (4) The 26th meeting of the 7th session of Board of Directors, Apr. 28, 2023
- a. The Company's 1Q 2023 financial statement was approved.
  - b. Adoption of the amendment to the "Sustainable Development Committee Charter" of the Company.
  - c. Adoption of the acquisition of right of use asset for the rental renewal / addition of Fubon Life Insurance's momo building by the Company.
  - d. Adoption of the acquisition of the Mybook by the Company.
  - e. Adoption of the establishment of the Company's "Audit Measures for Pre-Approval of Non-Assurance Services Provided by Certified Public Accountants".
- (5) The 1st meeting of the 8th session of Board of Directors, May. 19, 2023
- a. Adoption of the election of the 8th term Chairman of the Company.
  - b. Adoption of the appointment of various functional committees of the Company
- (6) The 2nd meeting of the 8th session of Board of Directors, Jul. 28, 2023
- a. The Company's 2Q 2023 financial statement was approved.
  - b. Adoption of the Company's ex-rights and capital increase record date and payment date
  - c. Adoption of the acquisition of right of use asset for the rental renewal of Fubon Life Insurance's chengde building by the Company.
- (7) The 3rd meeting of the 8th session of Board of Directors, Nov. 7, 2023
- a. The Company's 3Q 2023 financial statement was approved.
  - b. Adoption of the establishment of the Company's "Risk Management Policies and Procedures".
  - c. Adoption of the acquisition of right to use asset for the proposed rental of the building for the Fubon Life Insurance's Kaohsiung Aozihdi development project by the Company
- (8) The 4th meeting of the 8th session of Board of Directors, Jan. 24, 2024
- a. The 2023 internal control statement was approved.
  - b. Adoption of the independence and eligibility evaluation and the renewal of the 2023 CPA of the Company.
  - c. The Company's 2024 budget was approved.
  - d. Adoption of the proposed participation in the cash capital increase of Fubon Green Power Co., Ltd. by the Company
- (9) The 5th meeting of the 8th session of Board of Directors, Feb. 16, 2024
- a. Employee and director remuneration allocation for 2023 was approved.
  - b. The 2023 financial report was approved.
  - c. Convening the Company's shareholders' meeting for 2024 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 24, 2024

momo states the following with regard to its internal control system for the year 2023:

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, 2023, 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 24, 2024, where all of the nine attending directors did not express any dissenting opinion and affirmed the content of the same.

momo.com Inc.

Daniel M Tsai  
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	Pei-De Chen	2023.1.1~2023.12.31	4,100	2,370	6,470	Non- Audit Fee: Tax Compliance audit, Transfer pricing service and Project
	Jeff Chen					

- (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	Name	Year	2023		As of Feb. 16, 2024	
			Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman and Director	Wealth Media Technology Co. Ltd.		9,835,363	-	-	-
	Wealth Media Technology Co. Ltd. Representative: Daniel M. Tsai		24,400	-	-	-
	Wealth Media Technology Co. Ltd. Representative: Jeff Ku		2,695	-	-	-
	Wealth Media Technology Co. Ltd. Representative: Jamie Lin		4,788	-	-	-
	Wealth Media Technology Co. Ltd. Representative: Douglas Tsai * (Assumed office on Jul. 1, 2023)		86,340	-	-	-
	Wealth Media Technology Co. Ltd. Representative: George Chang		-	-	-	-
Director	TECO CAPITAL INVESTMENT Co., Ltd.		2,300,880	-	-	-
	TECO CAPITAL INVESTMENT Co., Ltd. Representative: Mao-Hsiung Huang		-	-	-	-
Independent director	Chieh Wang		-	-	-	-
Independent director	Emily Hong		-	-	-	-
Independent director	Mike Jiang		-	-	-	-
President	Jeff Ku		2,695	-	-	-
Senior Vice President	Jeremy Hong		897	-	-	-
Vice President	Summer Hsieh		5,897	-	-	-
Vice President	Leanne Wang		1,053	-	-	-
Vice President	Gina Lu		11,792	-	-	-
Vice President	Robinson Lin		897	-	-	-
Multimedia Business Division Senior Director	Sabrina Huang		156	-	-	-
EC Sales Division I Senior Director	Terry Lee		-	-	-	-
Senior Director	Irene Lin		-	-	-	-
Customer Service Center Director	Rebecca Wu		6,565	-	-	-

Title	Name	2023		As of Feb. 16, 2024	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
EC Sales Division II Director	Kevin Lin	12	-	-	-
EC Sales Division III Director	Louie Chuang	12	-	-	-
System Operations Division Director	Ricky Cheng * (Assumed office on Jan. 25, 2024)	NA	NA	-	-
Logistics & Platform R&D Division Director	Hank Wu * (Assumed office on Jan. 25, 2024)	NA	NA	-	-
E-commerce Systems Innovation Division Director	Rylan Ho * (Assumed office on Jan. 25, 2024)	NA	NA	-	-
Financial & Accounting Division Director	Ken Shih * (Assumed office on Aug. 14, 2023)	-	-	-	-
Product Development & Merchandising Division Private Label Brand Dept. Director	Ally Yu	-	-	-	-
Project Director	Jasmine Wang	-	-	-	-
Director	Sandra Chang * (Assumed office on Dec. 18, 2023)	-	-	-	-
Internal Audit Office Assistant Manager	Dong-Nan Liang	-	-	-	-
Director	Wealth Media Technology Co. Ltd. Representative: Chris Tsai * (Resigned on Jul. 1, 2023)	-	-	NA	NA
Independent director	Hong-So, Chen * (Resigned on May 19, 2023)	-	-	NA	NA
Independent director	Brian Y. Hsieh * (Resigned on May 19, 2023)	-	-	NA	NA
Director	Zhao-Liang Xu (Oct. 30, 2023-Dec. 25, 2023)	-	-	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 Aug 21, 2023

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.	108,189,002	45.01%	-	-	-	-	NA	NA	
Chairman: Daniel Tsai	268,400	0.11%	-	-	-	-	Fubon Life Insurance Co., Ltd.	Chairman of the company	
Tong-An Investment Co., Ltd.	25,309,680	10.53%	-	-	-	-	NA	NA	
Chairman: Mao-Hsiung Huang	-	-	-	-	-	-	NA	NA	
WOORI HOME SHOPPING CO., LTD.	19,032,024	7.92%	-	-	-	-	NA	NA	
Chairman: Shin Dong Bin	-	-	-	-	-	-	NA	NA	
Fubon Life Insurance Co., Ltd.	11,411,400	4.75%	-	-	-	-	Howard Lin	Chairman of the company	
Chairman: Howard Lin	4,650,592	1.94%	-	-	-	-	Fubon Life Insurance Co., Ltd.	Chairman of the company	
Fubon Financial Holding Venture Capital Corporation	5,523,804	2.30%	-	-	-	-	NA	NA	
Chairman: Victor Kung	-	-	-	-	-	-	NA	NA	
Howard Lin	4,650,592	1.94%	-	-	-	-	Fubon Life Insurance Co., Ltd.	Chairman of the company	
SmallCap World Fund Inc.	2,413,964	1.00%	-	-	-	-	NA	NA	
ITOCHU Corporation	2,194,335	0.91%	-	-	-	-	NA	NA	
Chairman: Masahiro Okafuji	-	-	-	-	-	-	NA	NA	
NatWest Trustee and Depositary Services Limited as Trustee of St. James Place Emerging Markets Equity Unit Trust – Wasatch Advisors, Inc. as external fund manager	1,356,227	0.56%	-	-	-	-	NA	NA	
Public Service Pension Fund Management Board	1,108,888	0.46%	-	-	-	-	NA	NA	

Note: Shareholding ratio = number of shares ÷ actual number of issued shares (240,340,386 shares).

## ix. Ownership of Shares in Affiliated Enterprises

As of Dec. 31, 2023; Unit: '000 shares/ %

Affiliated Enterprises (Note 2)	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. (Note1)	500	100	-	-	500	100
Fuli Insurance Agent Co., Ltd.	500	100	-	-	500	100
BEBE POSHE International Co., Ltd.	9,373	93.73	-	-	9,373	93.73
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	1,330	4.43	23,415	78.05
Asian Crown International Co., Ltd.	9,735	81.99	-	-	9,735	81.99
Honest Development Co., Ltd	21,778	100	-	-	21,778	100

Note1: Fuli Insurance Agent Co., Ltd. and Fuli Life Insurance Agent Co., Ltd. passed the merger through resolution of the board of directors in October 2023. The reference date of the merger is November 30, 2023. After the merger, Fuli Insurance Agent Co., Ltd. is the surviving company, and the change was completed on January 18, 2024.

Note2: The list comprised 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. 17, 2023; 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	1,820,760,500	The transfer of earnings and capital reserve to capital increase and issuance of new stocks of NT\$420,175,500	NA	Note11

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
Jul. 2022	10	300,000,000	3,000,000,000	218,491,260	2,184,912,600	The transfer of earnings and capital reserve to capital increase and issuance of new stocks of NT\$364,152,100	NA	Note12
Sep. 2023	10	300,000,000	3,000,000,000	240,340,386	2,403,403,860	The transfer of capital reserve to capital increase and issuance of new stocks of NT\$218,491,260	NA	Note13

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

Note 12: Authorization No. 11101142090 on Jul.28, 2022

Note 13: Authorization No. 11230172000 on Sep.13, 2023

As of Feb. 16, 2024 ; Unit : '000 shares

	Authorized capital			Remarks
	Listed shares	Unissued shares	Total	
Common stock	243,340	59,660	300,000	-

Information related to shelf registration: None.

## Shareholder structure

As of August 21, 2023

	Government agencies	Financial institutions	Other institutions	Foreign institutions & individuals	Individuals	Total
No. of shareholders	—	—	143	684	31,279	32,106
Total shares owned	—	—	158,759,106	57,307,313	24,273,967	240,340,386
Holding percentage (%)	—	—	66.06%	23.84%	10.10%	100.00%

## Shareholding distribution

### Common shares

As of August 21, 2023

Shareholding range	No. of shareholders	Total shares owned	Holding percentage
1 ~ 999	26,464	3,078,874	1.28 %
1,000 ~ 5,000	4,629	8,303,729	3.46 %
5,001 ~ 10,000	459	3,137,280	1.31 %
10,001 ~ 15,000	173	2,074,270	0.86 %
15,001 ~ 20,000	70	1,196,193	0.50 %
20,001 ~ 30,000	68	1,641,501	0.68 %
30,001 ~ 40,000	36	1,240,852	0.51 %
40,001 ~ 50,000	23	1,047,296	0.43 %
50,001 ~ 100,000	60	4,218,740	1.76 %
100,001 ~ 200,000	47	6,326,579	2.63 %
200,001 ~ 400,000	46	13,272,377	5.52 %
400,001 ~ 600,000	12	5,693,192	2.37 %
600,001 ~ 800,000	2	1,473,560	0.61 %
800,001 ~ 1,000,000	5	4,363,546	1.82 %
1,000,001 and above	12	183,272,397	76.26 %
Total	32,106	240,340,386	100.00 %

## Major shareholders

As of August 21, 2023

	Total shares owned	Shareholding ratio (Note)
Wealth Media Technology Co., Ltd.	108,189,002	45.01%
Tong-An Investment Co., Ltd.	25,309,680	10.53%
WOORI HOME SHOPPING CO., LTD.	19,032,024	7.92%
Fubon Life Insurance Co., Ltd.	11,411,400	4.75%
Fubon Financial Holding Venture Capital Corporation	5,523,804	2.30%
Howard Lin	4,650,592	1.94%
SmallCap World Fund Inc.	2,413,964	1.00%
ITOCHU Corporation	2,194,335	0.91%
NatWest Trustee and Depositary Services Limited as Trustee of St. James Place Emerging Markets Equity Unit Trust – Wasatch Advisors, Inc. as external fund manager	1,356,227	0.56%
Public Service Pension Fund Management Board	1,108,888	0.46%

Note : Shareholding ratio = number of shares ÷ actual number of issued shares (240,340,386 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%)
Tong-An 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 Holding Venture Capital Corporation	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%)
ITOCHU Corporation	The Master Trust Bank of Japan, Ltd. (trust account) (16.25%) EURO CLEAR BANK S.A./ N.V. (7.52%) Custody Bank of Japan, Ltd. (trust account) (5.88%) CP WORLDWIDE INVESTMENT COMPANY LIMITED (4.36%) Nippon Life Insurance Company (2.34%) Mizuho Bank, Ltd. (2.14%) STATE STREET BANK WEST CLIENT –TREATY 505234 (1.64%) Asahi Mutual Life Insurance Company (1.61%) SSBTC CLIENT OMNIBUS ACCOUNT (1.40%) JP MORGAN CHASE BANK 385781 (1.22%)

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

Unit: NT\$, '000 shares

			2022		2023		As of
			Before	After	Before	After	Feb. 16, 2024
Share price (NT\$)	High		1,780	1483.33	948	861.82	508
	Low		435	435	488.50	488.50	414.50
	Average		803.91	723.34	650.25	609.12	460.83
Net worth per share (NT\$)	Before earnings appropriation		44.92		42		-
	After earnings appropriation		40.84		(Note1)		-
Earnings per share (NT\$)	Adjusted weighted average outstanding shares		218,491	240,340	240,340		240,340
	Earnings per share		15.72	14.29	15.10		-
Dividends per share (NT\$)	Cash dividends		15		(Note1)		-
	Stock dividends	Retained earnings	-		(Note1)		-
		Capital surplus	1		(Note1)		-
	Accumulated unpaid dividends		-		-		-
PE and dividend yield	Price earnings ratio		51.14		43.06		-
	Price to cash dividend		53.59		-		-
	Cash dividend yield		1.87		-		-

Note 1: Figures after distribution referred to above is based on the resolutions approved during the shareholders' meetings for the fiscal year. 2023 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.

## 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 considering the business needs. If there is still a balance, the board of directors shall submit to a shareholder" 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 2023 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 2022 was 101.78%.

## **Impact of stock dividend distribution on business performance and EPS**

The Board of Directors has not yet approved the dividend allocation proposal for 2023 as of publication date

## **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, 2024, approved the remuneration for employees and directors for 2023, where a total of NT\$4,420,342 was allocated for employee remuneration and NT\$6,630,512 for director remuneration, respectively. The amount was distributed in cash and reported at the 2024 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.

The distribution of the Company's remuneration for employees and directors was approved at the shareholder's meeting on May 19, 2023, where a total of NT\$4,291,145 was allocated for employee remuneration and NT\$6,436,717 was allocated for the directors, respectively. This was confirmed to be the same as listed in the 2022 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. F401161 Tobacco Products Import
- K. F401171 Alcohol Drink Import
- L. F203020 Retail Sale of Tobacco and Alcoholic Beverages
- M. I301040 The third-party payment
- N. G801010 Warehousing and Storage
- O. F107080 Wholesale of Environmental Agents
- P. F207080 Retail Sale of Environmental Agents
- Q. F401181 Measuring Instruments Import
- R. IZ06010 Tally packaging
- S. F399040 Retail Sale No Storefront
- T. 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

Classification \ Year	2022		2023	
	Revenue	% of total	Revenue	% of total
TV Shopping and Catalogue Shopping	4,792,617	4.63	4,066,297	3.72
Online shopping	98,607,403	95.33	105,135,677	96.24
Others	36,415	0.04	40,944	0.04
Total	103,436,435	100.00	109,242,918	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

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 2024, 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

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 been 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

Platforms that have been launched since 2015 are as follows: TV APP, FB fan page and Chunghwa Telecom MOD. In 2019, the above-mentioned platform integration achieved synergistic effects. And from 2020, we've begun to expand online shopping live broadcast business and cultivate communities and TV memberships.

## 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 programming 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	4.56 million	4.56 million	4.56 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

Year	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
2016 Q3	8,536,883	5,175,093	4,874,844	57.10%	60.62%
2017 Q3	8,636,922	5,248,554	5,200,162	60.21%	60.77%
2018 Q3	8,722,997	5,117,121	5,112,620	58.61%	58.66%
2019 Q3	8,824,319	4,962,278	4,961,922	56.23%	56.23%
2020 Q3	8,921,682	4,896,529	4,896,529	54.88%	54.88%
2021 Q3	9,004,362	4,768,417	4,768,417	52.96%	52.96%
2022 Q3	9,062,527	4,669,961	4,669,961	51.53%	51.53%
2023 Q3	9,220,646	4,557,091	4,557,091	49.42%	49.42%

According to the data, the household penetration rate of cable TV and digital TV in Taiwan has been showing a decreasing trend year by year since 2017. The number of subscribers to digital set-top boxes has decline since 2018. 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 and product to stabilize the no. of subscribers.

#### C. Audio-visual shopping platform with professional product explanations

The TV shopping is through 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.

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.

#### 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.

### 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.



## (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. 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

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. As a result, catalogue shopping companies have adopted mobile and app technologies as sales tools.

# 4. Competitive Landscape

## (1) TV shopping

momo TV shopping channels are positioned as comprehensive TV shopping platform, and its main competitors in Taiwan are Eastern Home Shopping & Leisure Co., Ltd. and ViVa TV. However, with the rapid growth of e-commerce in recent years, the TV shopping market has been divided up, and consumers' dependence on TV has gradually decreased. Under the factors of channel competition and unfavorable environment, in addition to extending audio-visual technology to mobile APP and FB, TV shopping started livestream selling with KOLs in 2019 to open up a new field of socialnomics. Overall, professional product development and audio-visual production still have considerable competitive advantages in socialnomics.

## (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 2023 and as of Jan. 31, 2024 were NT\$283,288,000 and NT\$31,753,000, 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
Use customer behavior and product big data to create associated product tags	This year, we innovatively used the Optical Character Recognition (OCR) technology for momoshop searches and trending keywords. We analyzed images of newly added products from suppliers and extracted keywords from the text descriptions in the images to create hashtags, and then connect independent products together, so that users can use various hashtags to link to related product pages. With the presentation of same category and item tag, users can search for products they want easily and accurately.

To encourage colleagues to engage in technological innovation and secure intellectual property rights, the Company continuously evaluates the possibility of applying for patents for technological innovation, and regularly maintains the validity of obtained patents.

Patents approved in 2023:

Type	Number	Name	Period(s)	Content
Utility model patent	M636569	Resource authorization system	2023/01/11 ~ 2032/09/27	This patent aims to optimize the centralized authorization issue of OAuth2.0 and adopt a decentralized architecture to improve the login and operation experience; it is currently implemented in the Account Service system.
Utility model patent	M636227	Project automatic creation system	2023/01/01 ~ 2032/09/28	Use templates to quickly create JAVA generic projects.
Utility model patent	M637552	Product price inquiry system	2023/02/11 ~ 2032/09/28	momo has a great advantage in collecting data on consumer purchasing behavior. Try imagining problems consumers may often encounter when shopping in physical hypermarkets or mass merchandisers. Most of them don't know the total price of the goods currently in the trolley. Or they often see products marked discounted, but wonder if they are really at lower prices? It is precisely because in physical channels, consumers cannot compare and check prices in real time, so we have conceived a mobile price inquiry system that can be integrated with consumer purchasing behavior.
Utility model patent	M647001	Queue data management system	2023/10/01 ~ 2033/07/23	This patent is to strengthen the queue high-concurrency thread management mechanism, which can effectively improve and regulate high-concurrency processing capabilities; it is currently implemented in multiple hybrid cloud systems.

## 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. 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. momo TV shopping has been proactively laying out plans for live streaming platforms, and engaging social communities and members.

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

Targeting the in-depth cultivation of the senior market, momo catalogue targets the elderly focusing on the health care and care-related products, enabling the brand's health care products to grow steadily. In addition, in order to meet the needs of housewives, the product categories of food and ingredients, trendy clothing and household items have been added. For different target markets, we provide products and services that subscribers are interested in, and use in-depth communication and precise marketing to improve page effectiveness.

##### B. 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. 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.

## ii. Midmarket and Sales Overview

### Market analysis

#### 1. Sales (Service) Region

Unit: NT\$'000

	2022		2023	
	Revenue	% of total	Revenue	% of total
Taiwan	103,431,543	100.00%	109,241,920	100.00%
China	4,892	0.00%	998	0.00%
Total	103,436,435	100.00%	109,242,918	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.

###### B. Domestic market

Currently Taiwan's cable TV subscribers have shown a saturated trend. Digitalization has turned TV into a platform through which mutual interaction with consumers is feasible, and the Company may increase loyal 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 and live stream 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 4.99 trillion USD in 2021 to 8.03 trillion USD by the end of 2027, which is equivalent to 23.0% 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 statistics from the Department of Statistics of the Ministry of Economic Affairs, Taiwan's retail industry online sales reached NT\$503.5 billion in 2023, an annual increase of 2.1%, which was lower than the overall retail industry turnover (an annual increase of 6.9%). However, since consumers returned to physical stores for shopping, which increased the revenue scale of physical stores, online sales accounted for 11.0% of the overall retail industry, a decrease of 0.5% from that in 2022 (11.5%); nevertheless, there was still an increase of 3.5% compared with that in 2019 (7.5%) before the pandemic. It is obvious that with the influence of the pandemic and industry trends, various retail industry players are continuing to strengthen their online sales efforts.

##### (3) Catalogue Shopping

###### A. Global market

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 catalogue shopping industry in Taiwan 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.

### (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 8% YoY increase in membership number, totaling 12.76 million users as of 2023. 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 are not limited to fashion, cosmetics, but also include home living and healthcare. It is one-stop shopping for health food, traveling, and dining, or maternal and children's 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.

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 mobile Internet access rate in Taiwan has risen from 67% in 2016 to about 85% in 2023. 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". By strengthening the domestic online shopping environment, using digital tools to invigorate the industry, and expanding the scale of themed online shopping campaigns, etc., enhancing the application capabilities of digital tools in the online retail industry (platform) and the industrial value of the online shopping industry.

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:

Increase the content richness and optimize the reading interface of the momo catalog, and implement momo catalog exposure and online request features on the momoshop network and through TV app platform resources.

### B. Concern over privacy

As Internet usage behaviors become more and more mature, consumers' awareness of Internet security and privacy issues gradually increases. If consumers have doubts about personal privacy, it will also affect consumers' confidence in online shopping. According to the "Digital 2022: TAIWAN" report, as of January 2023, the number of Internet users in Taiwan had reached 21.68 million, of which 46.3% of users were worried about the rampant fake news on the Internet and being unable to distinguish between true and false information; 31.5% of users are concerned that a third party may misuse their personal information; another 36.3% of users had cleared their cookie records within a month, showing the importance of personal privacy to consumers.

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 is 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

	2022				2023			
	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	2,757,901	4,792,617	-	-	2,418,646	4,066,297	-	-
Online shopping	126,413,687	98,607,293	235	110	133,981,268	105,135,664	16	13
Others	-	31,633	19,290	4,782	-	39,959	3,683	985
Total	129,171,588	103,431,543	19,525	4,892	136,399,914	109,241,920	3,699	998

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		2022	2023	2024 (as of Feb. 16)
Number of employees	All consolidated entities	3,506	3,512	3,537
	The company	3,035	2,994	3,014
Average age		35.43	36.25	36.34
Average years of service		4.51	5.03	5.11
Education level	Ph.D.	0.06%	0.11%	0.08%
	Master's degree	7.79%	8.37%	8.48%
	College	60.06%	60.28%	60.22%
	High School	10.70%	10.45%	10.32%
	Others	21.39%	20.79%	20.89%

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

Note 2: The company: momo.com Inc.

Note 3: Doctoral degree: Including doctors and doctoral degree candidates.

Note 4: Excluding chairman.

## 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:

Title	Description
Bonus distribution	<ul style="list-style-type: none"> <li>• Year-end bonus, Incentives for senior employees</li> </ul>
Welfare allowance	<ul style="list-style-type: none"> <li>• Occupational injury and emergency assistance funds</li> <li>• Yearly bonuses for Dragon Boat Festival and Mid-Autumn</li> <li>• Birthday bonus, Marriage / Maternity gift, Child education assistance</li> <li>• Childcare welfare allowance for 0-6 years old</li> </ul>
Entertainment allowance	<ul style="list-style-type: none"> <li>• Travel subsidy,</li> <li>• Club activity allowances,</li> <li>• Monthly afternoon tea subsidy,</li> <li>• Birthday celebration subsidy,</li> <li>• Irregular departmental gathering / dinner subsidies</li> </ul>
Insurance and Health	<ul style="list-style-type: none"> <li>• Group insurance, 70% of insurance premium borne by the Company</li> <li>• Regular health examinations</li> </ul>
Flexible working hours and time off	<ul style="list-style-type: none"> <li>• Increase flexible working hours, add multiple work shifts for employees to choose from, and 30-minute flexible clock in / out time</li> <li>• Disaster (typhoon) day-off being more favorable than the Labor Standards Act, with no salary deductions and additional work allowances</li> <li>• Colleagues who have miscarriages within three months of pregnancy are given paid maternity leave, which is more favorable than the laws and regulations</li> <li>• Before the law was amended, seven days of leave for pregnancy checkups had been granted, which was more favorable than the laws and regulations</li> <li>• All are entitled to paid vaccine leave on the day of receiving the first, second and additional doses of the COVID-19 vaccine (in response to the official dissolving of the Central Epidemic Command Center on May 1, 2023, the relevant leave was canceled simultaneously)</li> </ul>
Promotional items	<ul style="list-style-type: none"> <li>• Employees enjoy shopping discounts and affiliate employee discounts</li> <li>• Special store discounts</li> <li>• Special employee loans</li> <li>• Affiliate insurance benefits</li> <li>• Affiliate telecommunications discounts</li> </ul>
Welfare facilities	<ul style="list-style-type: none"> <li>• Hired visually impaired massage therapist to help employees relax</li> <li>• Employee gyms</li> <li>• Infirmary and professional medical staff set up on site</li> </ul>

In addition to the preceding benefits, an Employee Stock Ownership Trust project was 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!

In 2023, the trust has 1,204 of qualified members, 1,017 of voluntary members, and 84% of participation rate. The Company's first allocation of funds totaled NT\$25.36 million.

## 2. Staff further education / training

(1) Talent cultivation, establishing a complete education and training system and employee development, planning training courses for all management levels, professional fields, and common core functions, and providing diversified learning resources, while complementing ESG training goals, and continuing to follow the Company's strategic development to perfect the talent training system at all levels.

As of December 31, 2023, the total amount of employee training expenditures and the total number of participants and hours; the amount of employee training expenditures: NT\$ 4,796,466, number of participants: 49,711, and training hours: 84,390 hours.

(2) Provision of external training education funds: Every year, full subsidy funds are provided to encourage colleagues to combine their own ability developing hobbies with work-related external training courses to maximize the learning effect, and allow colleagues to freely choose training time while balancing work and life.

(3) Team consensus and self-growth motivation: In order to strengthen the team spirit of the department, we organize activities to unite the team and set various goals through the activities. Through healthy competition and mutual cooperation, we work together to exceed the performance goals and achieve greater success.

## 3. 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 2023 was NT\$0	Appropriated amount of 2023 was NT\$115,501,954.

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 2023.08 to 2024.07.

#### 4. Labor agreements

The Company and its subsidiary are dedicated to strengthening 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 have not been any labor disputes requiring coordination.

#### 5. 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:**

Company	Sanction date	Sanction Order No.	Violated laws and regulations	Sanction content
momo	2023.06.14	New Taipei City Government Lao-Jian-Zi No. 1124668063	Article 22, Paragraph 2 of the Labor Standards Act Wages were not paid directly to workers in full.	Fine of NT\$48,000
momo	2023.05.26	Tainan City Lao-An-Zi No.1120663478	Article 24 of the Labor Standards Act Overtime was not paid in accordance with regulations.	Fine of NT\$50,000

vi. Information Security Management

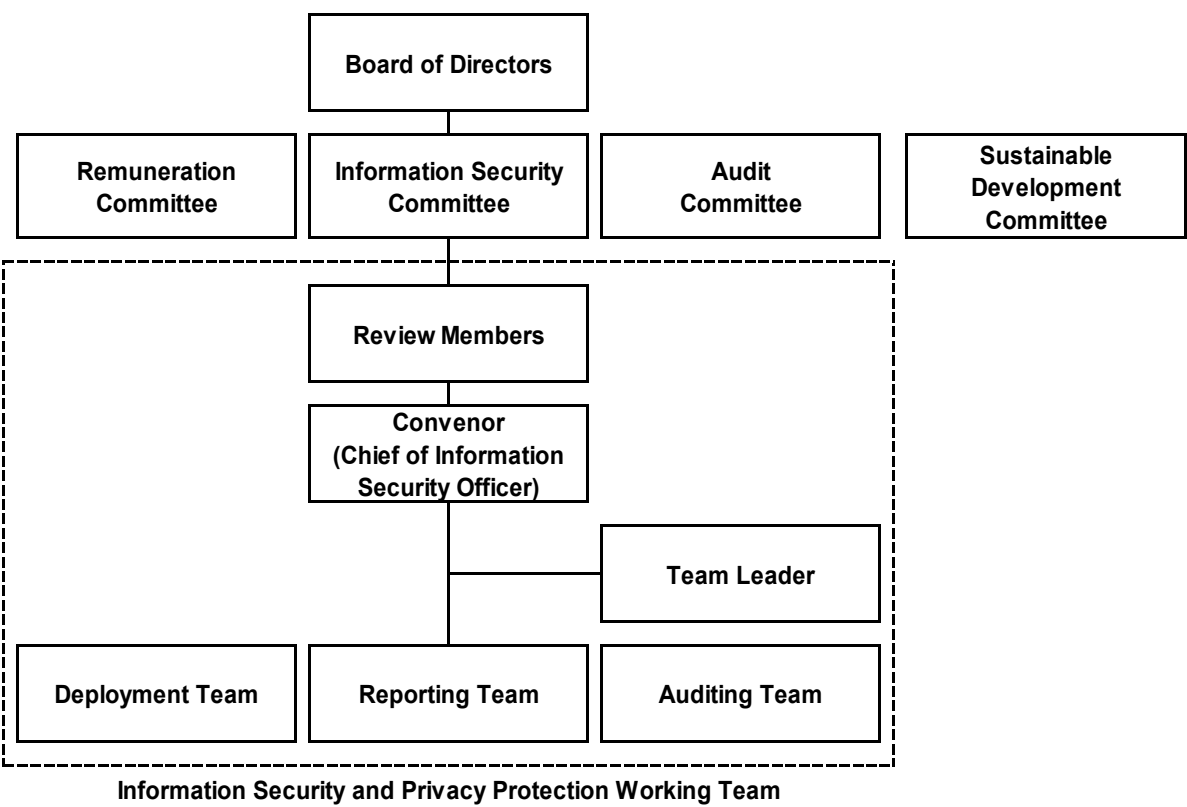
1. Organizational of Information Security

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".

In 2021, in order to comply with information security regulations and improve information security and personal information protection and management, the Company has set up a Chief Information Security Officer and a dedicated information security unit. The Chief Information Security Officer is the convener of the "Information Security and Personal Information Protection Team" and is responsible for reviewing the information security management system, technology, resource allocation, risk management and achievement of performance objectives.



B. Organizational Chart

In order to effectively manage information and communication security and establish information security and personal information protection processes that meet the organization's business objectives, the Company obtained the international standard ISO/IEC27001:2005 Information Security Management System (ISMS) certification in November 2009 as the momo information

security management framework and risk management method, and regularly accepts third-party verification to ensure the validity of the certificate. Furthermore, in order to strengthen the management mechanism and control methods of personal information protection, the Company obtained the BS10012:2017 Personal Information Management System (PIMS) certification in 2018.

In 2021, in order to integrate information security and personal information protection management systems, the original BS10012:2017 personal information management system was changed to ISO27701:2019 personal information management system, which passed the verification on May 25, 2022.

## 2. Information security policy

### A. Information security management strategy

- a. The Information Security and Personal Information Protection Team holds regular meetings every quarter to review various information security risks, information security goals and incident handling results; special review meetings are held when there are major changes and when information security incidents occur.
- b. Ensure that information security operations comply with procedural specifications and are sufficient to effectively protect information assets through regular external audits and internal audits.
- c. Continue to maintain the validity of ISO/IEC27001 and ISO/IEC27701 management system certificates
- d. Continued compliance with the Payment Card Industry Data Security Standard (PCI DSS).
- e. Refer to the NIST Cybersecurity Framework's information security framework and information security defense standards to strengthen encryption technology and develop lifecycle management.

### B. Information security policy

- a. In compliance with legal and regulatory requirements, we protect the personal information of the Company's shopping members.
- b. Protect the Company's business information and ensure the accuracy and completeness of all business information.
- c. Establish a complete business continuity plan to ensure the continued operation of the Company's various business activities.
- d. To maintain a high level of information security awareness, supervisors at all levels are responsible for information security supervision, management and training, achieving the goal of reducing information risks through various activities such as regular management reviews, risk assessments, internal audits, education training and information security drills.
- e. Establish information security goals based on the direction of operational strategies so that operational strategies are built on information security objectives.
- f. Provide sufficient resources to continuously maintain and improve the established information security management system.

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

a. Risk management and continuous improvement framework

Stage	Management and continuous improvement framework	Specific management plan
Plan	<ul style="list-style-type: none"> <li>• Asset inventory</li> <li>• Risk assessment</li> <li>• Risk management and disposal</li> <li>• Compliance with regulations and international standards</li> <li>• Information security goal and indicator formulation</li> </ul>	Based on the company's business purposes and relevant laws and regulations, the international standards ISO27001 and ISO27701 are used as management systems to formulate management specifications for information assets and risk assessments; and according to the results, information security and personal information protection goals are set to achieve the confidentiality, availability, and completeness of the information assets.
Implementation	<ul style="list-style-type: none"> <li>• Internet security</li> <li>• Threat intelligence collection</li> <li>• Device security</li> <li>• Cloud security</li> <li>• Application security</li> <li>• Account and permission management</li> <li>• Information security monitoring and maintenance</li> <li>• Personal and sensitive data protection</li> </ul>	<ul style="list-style-type: none"> <li>• Introduce network segmentation, cloud DDoS protection, web crawler protection, SSL/TLS detection, and intrusion prevention system (IPS) to strengthen network security and defense-in-depth mechanism.</li> <li>• Continuously monitor the device operating system and anti-virus software update rate to repair device vulnerabilities in a timely manner.</li> <li>• Build privileged account management tools and multi-factor authentication (MFA) mechanisms to strengthen identity verification.</li> <li>• Prevent the leakage of sensitive data by incoming email scanning, Data Leakage Prevention (DLP), and adding watermarks to personal computer screens, system screens, and home delivery receipts.</li> </ul>
Check	<ul style="list-style-type: none"> <li>• Continuous monitoring</li> <li>• Information security objectives and risk indicators</li> <li>• Attack drill</li> <li>• Internal auditing and third-party auditing</li> </ul>	<ul style="list-style-type: none"> <li>• Implement log management (log), file integrity monitoring (FIM), digital feature identification login verification, and continuously monitor the operation and risk status of information services.</li> <li>• Social engineering drills and penetration tests are conducted every year to measure the effectiveness of information security management and defense mechanisms by simulating attack scenarios.</li> <li>• Through regular audits of the information security personal information management system, the effectiveness and improvements that can still be made of the overall information security risks and response measures are reported.</li> <li>• Perform information security maturity assessment</li> </ul>
Action	<ul style="list-style-type: none"> <li>• Improvement of management process</li> <li>• Improvement of safety measures and disposal methods</li> <li>• Improvement of information security technology and tools</li> <li>• Education training and promotion</li> </ul>	Convene management review meetings to improve processes, review safety measures, and adjust resource allocation based on the audit results, including safety control technology, tools and equipment, and education and training.

b. Invested resources and achieved results

(1)Policy:

- The ISO27001 information security management system conversion be launched in August 2023.
- Addition of 11 new safety control items and modification of 28 procedural specifications

(2)Certification:

- The PCI DSS on-site verification compliance certification was obtained in March 2023
- The ISO/IEC27001:2013 information security management and ISO/IEC27701:2019 personal information protection management system certifications were obtained in June 2023

(3)Promotion:

- Company-wide information security education promotion is announced once a week.
- There are 4 classes in total for company-wide information security education and training. (As shown in the table below)

Name	Hours	No. of People	Note
Practical advocacy of the Personal Data Protection Act	60	3,360	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	40	3,349	
Defense practice advocacy against social engineering attacks	30	3,400	
Internal protection against leakage	30	3,519	
New recruits' orientation	60	615	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.

(4)Risk control:

- In July 2023, a third-party testing company was appointed to conduct the red team drill.
- Penetration test was performed by a third-party testing company in August 2023.
- Social engineering drill was conducted in November 2023. More than 9,000 phishing letters have been sent.
- A total of 4 quarterly vulnerability scans were performed in 2023.



### 3. Information security risks and countermeasures

In response to revisions to international information security standards and regulations of competent authorities, the Company modified the management procedures and information security control technologies in 2023, and strengthened information security assessment and regular supervision of information services and product supply chains. Also, as cyber attacks continue to grow and attack patterns change, the Company has strengthened threat information collection and analysis operations, established a prevention and reporting mechanism with the competent authorities, and planned to train professionals in information security incident management and forensics in order to effectively reduce the risk of threatened intrusions and information security incidents.

### 4. Major information security incidents

In 2023 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
Procurement agreement	Cheng Loong Co., Ltd.	2023.10.01~ 2024.09.30	Procurement agreement for cartons	Non-disclosure
Procurement agreement	Shuenn Chyang Paper Container Co., Ltd.	2023.10.01~ 2024.09.30	Procurement agreement for cartons	Non-disclosure
Contract Agreement	Li Jin Engineering Co., Ltd.	2021.05.05	Construction of south logistics center	Non-disclosure
Contract Agreement	Li Jin Engineering Co., Ltd.	2023.10.31	Construction of central logistics center	Non-disclosure
Program broadcasting Agreement	Homeplus Digital 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.	2023.08.01~ 2028.07.31	momo office building	Non-disclosure
Lease Agreement	Zong Sine Industries Inc.	2021.06.08~ 2033.05.31	Lease contract for warehouse	Non-disclosure
Lease Agreement	Yongyou Development Ltd.	2022.01.28~ 2032.07.31	Lease contract for warehouse	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 (2019-2023)

Unit: NT\$'000

		Stand-alone condensed balance sheet (Note1)				
		2019	2020	2021	2022	2023
Current assets		7,062,610	9,274,981	13,992,434	14,622,483	13,660,904
Property, plant and equipment (PP&E)		4,356,415	4,846,582	5,033,347	7,262,200	8,101,233
Right-of-use assets		1,086,620	1,282,411	1,505,291	1,588,102	3,603,750
Intangible assets		109,700	91,436	75,506	55,043	38,043
Other assets		1,701,795	2,160,324	2,228,717	2,580,358	2,700,820
Total assets		14,317,140	17,655,734	22,835,295	26,108,186	28,104,750
Current liabilities	Before appropriation	7,114,974	9,518,412	12,708,483	14,885,939	14,753,511
	After appropriation	8,305,471	10,918,997	15,075,472	18,163,308	-(Note 2)
Non-current liabilities		1,046,190	1,203,329	1,367,821	1,406,872	3,257,657
Total liabilities	Before appropriation	8,161,164	10,721,741	14,076,304	16,292,811	18,011,168
	After appropriation	9,351,661	12,122,326	16,443,293	19,570,180	-(Note 2)
Paid-in capital	Before appropriation	1,400,585	1,400,585	1,820,761	2,184,913	2,403,404
	After appropriation	1,400,585	1,820,761	2,184,913	2,403,404	-(Note 2)
Capital surplus	Before appropriation	2,647,360	2,624,386	2,446,415	2,259,399	1,969,928
	After appropriation	2,630,469	2,484,327	2,264,339	2,040,908	-(Note 2)
Retained earnings	Before appropriation	2,280,724	3,051,552	4,698,492	5,581,448	5,846,752
	After appropriation	1,107,118	1,370,850	2,149,427	2,304,079	-(Note 2)
Other equity interest		(172,693)	(142,530)	(206,677)	(210,385)	(126,502)
Total equity	Before appropriation	6,155,976	6,933,993	8,758,991	9,815,375	10,093,582
	After appropriation	4,965,479	5,533,408	6,392,002	6,538,006	-(Note 2)

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

Note 2: The appropriation amount for the 2023 earnings has not to be approved at the AGM yet.

## 2. Stand-alone statements of comprehensive income (2019-2023)

Unit: NT\$'000

	Stand-alone statements of comprehensive income ( Note 1 )				
	2019	2020	2021	2022	2023
Operating revenue	51,729,220	67,160,246	88,360,085	103,403,362	109,205,957
Gross profit	5,014,649	6,265,248	8,765,491	10,061,399	10,334,735
Operating income	1,647,699	2,238,004	3,975,659	4,143,236	4,245,223
Non-operating income and expense	65,407	155,248	95,503	137,181	164,068
Income before tax	1,713,106	2,393,252	4,071,162	4,280,417	4,409,291
Net income	1,393,781	1,943,304	3,280,300	3,434,626	3,628,069
Other comprehensive income (after tax)	(4,908)	34,004	(13,200)	(315)	4,993
Comprehensive income	1,388,873	1,977,308	3,267,100	3,434,311	3,633,062
EPS (NT\$) (Note 2)	6.38	8.89	15.01	15.72	15.10

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 (2019-2023)

Unit: NT\$'000

		Consolidated condensed balance sheet ( Note 1 )				
		2019	2020	2021	2022	2023
Current assets		7,547,400	9,932,680	14,923,554	15,649,166	14,652,939
Property, plant and equipment (PP&E)		4,364,869	4,873,389	5,079,849	7,322,583	8,181,371
Right-of-use assets		1,088,091	1,282,411	1,505,291	1,588,102	3,603,750
Intangible assets		126,107	94,071	77,801	57,354	39,331
Other assets		1,472,702	1,626,483	1,428,551	1,723,504	1,844,168
Total assets		14,599,169	17,809,034	23,015,046	26,340,709	28,321,559
Current liabilities	Before appropriation	7,372,246	9,651,475	12,793,604	15,025,287	14,878,533
	After appropriation	8,562,743	11,052,060	15,160,593	18,302,656	-(Note 2)
Non-current liabilities		1,050,690	1,207,579	1,372,429	1,411,826	3,263,057
Total liabilities	Before appropriation	8,422,936	10,859,054	14,166,033	16,437,113	18,141,590
	After appropriation	9,613,433	12,259,639	16,533,022	19,714,482	-(Note 2)
Equity attributable to owners of the parent company		6,155,976	6,933,993	8,758,991	9,815,375	10,093,582
Paid-in capital	Before appropriation	1,400,585	1,400,585	1,820,761	2,184,913	2,403,404
	After appropriation	1,400,585	1,820,761	2,184,913	2,403,404	-(Note 2)
Capital surplus	Before appropriation	2,647,360	2,624,386	2,446,415	2,259,399	1,969,928
	After appropriation	2,630,469	2,484,327	2,264,339	2,040,908	-(Note 2)
Retained earnings	Before appropriation	2,280,724	3,051,552	4,698,492	5,581,448	5,846,752
	After appropriation	1,107,118	1,370,850	2,149,427	2,304,079	-(Note 2)
Other equity interest		(172,693)	(142,530)	(206,677)	(210,385)	(126,502)
Non-controlling interest		20,257	15,987	90,022	88,221	86,387
Total equity	Before appropriation	6,176,233	6,949,980	8,849,013	9,903,596	10,179,969
	After appropriation	4,985,736	5,549,395	6,482,024	6,626,227	-(Note 2)

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

Note 2: The appropriation amount for the 2023 earnings has not to be approved at the AGM yet.

#### 4. Consolidated statements of comprehensive income (2019-2023)

Unit: NT\$'000

	Consolidated statements of comprehensive income ( Note 1 )				
	2019	2020	2021	2022	2023
Operating revenue	51,830,417	67,198,104	88,396,696	103,436,435	109,242,918
Gross profit	5,084,636	6,314,485	8,944,803	10,272,018	10,542,906
Operating income	1,655,629	2,219,090	4,042,072	4,284,819	4,384,662
Non-operating income and expense	65,231	171,703	42,641	26,972	55,567
Income before tax	1,720,860	2,390,793	4,084,713	4,311,791	4,440,229
Net Income	1,392,701	1,938,938	3,275,266	3,433,902	3,628,792
Other comprehensive income (after tax)	(5,260)	34,100	(13,281)	(266)	4,977
Comprehensive income	1,387,441	1,973,038	3,261,985	3,433,636	3,633,769
Profit attributable to owners of the parent company	1,393,781	1,943,304	3,280,300	3,434,626	3,628,069
Profit attributable to non-controlling interest	(1,080)	(4,366)	(5,034)	(724)	723
Comprehensive income attributable to owners of parent company	1,388,873	1,977,308	3,267,100	3,434,311	3,633,062
Comprehensive income attributable to non-controlling interest	(1,432)	(4,270)	(5,115)	(675)	707
EPS (NT\$) (Note 2)	5.80	8.09	13.65	14.29	15.10

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
2019	Deloitte & Touche	Vita Kuo, Pei-De Chen	Unqualified opinion	In coordination with the internal work adjustment of the firm
2020	Deloitte & Touche	Vita Kuo, Pei-De Chen	Unqualified opinion	-
2021	Deloitte & Touche	Pei-De Chen, Vita Kuo	Unqualified opinion	In coordination with the internal work adjustment of the firm
2022	Deloitte & Touche	Pei-De Chen, Jeff Chen	Unqualified opinion	In coordination with the internal work adjustment of the firm
2023	Deloitte & Touche	Pei-De Chen, Jeff Chen	Unqualified opinion	-

## ii. Financial Analysis

### Consolidated financial analysis (2019-2023)

		2019	2020	2021	2022	2023
Financial structure	Liability to asset rate (%)	57.69	60.97	61.55	62.40	64.06
	Long-term fund to PP&E rate (%)	165.57	167.39	201.22	154.53	164.31
Solvency	Current rate (%)	102.38	102.91	116.65	104.15	98.48
	Quick rate (%)	68.68	67.02	86.84	73.77	66.87
	Interest coverage rate (%)	202.77	246.11	323.42	332.01	224.37
Operations	Accounts receivable turnover (x)	48.23	65.07	59.28	44.43	36.19
	Average collection days	7.56	5.60	6.15	8.21	10.08
	Inventory turnover (x)	21.08	19.35	20.80	21.23	20.42
	Accounts payable turnover (x)	8.79	9.23	9.39	8.85	8.77
	Average days sales	17.31	18.86	17.54	17.19	17.87
	Property, plant and equipment turnover (x)	11.72	14.55	17.76	16.68	14.09
	Total asset turnover (x)	3.86	4.15	4.33	4.19	4.00
Profitability	Return on assets (%)	10.44	12.01	16.10	13.96	13.34
	Return on equity (%)	22.56	29.54	41.46	36.62	36.14
	Pre-tax income as a % of paid-in capital	122.87	170.70	224.34	197.34	184.75
	Net income margin (%)	2.69	2.89	3.71	3.32	3.32
	EPS (NT\$) (Note 2)	5.80	8.09	13.65	14.29	15.10
Cash flow	Cash flow rate (%)	38.47	38.60	44.72	35.49	24.62
	Cash flow adequacy rate (%)	77.11	88.13	122.95	129.57	121.97
	Cash reinvestment rate (%)	37.29	61.38	143.54	54.85	4.95
Leverage	Operating leverage	3.92	3.22	2.39	2.46	2.51
	Financial leverage	1.01	1.00	1.00	1.00	1.00

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.

The following explains the financial ratios that fluctuated more than 20% between 2022 and 2023:

1. Interest protection multiples: The increase in interest expenses in 2023 resulted in a decrease in the multiples.
2. Average collection days: The increase in accounts receivable in 2023 resulted in an increase in the average collection days.
3. Cash flow rate: The decrease in cash inflow from operating activities in 2023 resulted in a decrease in the rate.
4. Cash reinvestment rate: The decrease in cash inflow from operating activities and the increase in distribution of cash dividends in 2023 resulted in a decrease in the rate.

## Stand-alone financial analysis (2019-2023)

		2019	2020	2021	2022	2023
Financial structure	Liability to asset rate (%)	57.00	60.73	61.64	62.40	64.09
	Long-term fund to PP&E rate (%)	165.32	167.90	201.19	154.53	164.81
Solvency	Current rate (%)	99.26	97.44	110.10	98.23	92.59
	Quick rate (%)	64.71	61.58	80.57	67.88	61.03
	Interest coverage rate (%)	207.70	246.99	322.35	329.61	222.82
Operations	Accounts receivable turnover (x)	47.69	64.84	59.21	44.37	36.15
	Average collection days	7.65	5.62	6.16	8.22	10.09
	Inventory turnover (x)	21.17	19.52	21.07	21.48	20.62
	Accounts payable turnover (x)	8.80	9.22	9.32	8.74	8.65
	Average days sales	17.24	18.69	17.32	16.99	17.70
	Property, plant and equipment turnover (x)	11.73	14.60	17.89	16.82	14.22
	Total asset turnover (x)	3.94	4.20	4.36	4.23	4.03
Profitability	Return on assets (%)	10.66	12.20	16.25	14.08	13.44
	Return on equity (%)	22.65	29.69	41.81	36.98	36.45
	Pre-tax income as a % of paid-in capital	122.31	170.88	223.60	195.91	183.46
	Net income margin (%)	2.69	2.89	3.71	3.32	3.32
	EPS (NT\$) (Note 2)	5.80	8.09	13.65	14.29	15.10
Cash flow	Cash flow rate (%)	39.63	40.89	45.04	34.47	24.12
	Cash flow adequacy rate (%)	78.99	90.90	124.90	130.07	121.62
	Cash reinvestment rate (%)	35.97	60.12	121.97	46.24	3.35
Leverage	Operating leverage	3.91	3.13	2.34	2.43	2.46
	Financial leverage	1.01	1.00	1.00	1.00	1.00

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.

The following explains the financial ratios that fluctuated more than 20% between 2022 and 2023:

1. Interest protection multiples: The increase in interest expenses in 2023 resulted in a decrease in the multiples.
2. Average collection days: The increase in accounts receivable in 2023 resulted in an increase in the average collection days.
3. Cash flow rate: The decrease in cash inflow from operating activities in 2023 resulted in a decrease in the rate.
4. Cash reinvestment rate: The decrease in cash inflow from operating activities and the increase in distribution of cash dividends in 2023 resulted in a decrease in the rate.

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

(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. Examination Report of the Audit Committee**

**momo.com Inc.**

## **Examination Report of the Audit Committee**

**February 16, 2024**

The Board of Directors of momo.com Inc. has submitted the Company's 2023 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 2024 General Shareholders Meeting of momo.com Inc.

momo.com Inc.

Audit committee convener: Chieh Wang

### **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

#### 2022 ~ 2023 Consolidated Balance Sheet

Unit: NT\$'000, %

	2022	2023	YoY change	
			Amount	%
Current assets	15,649,166	14,652,939	(996,227)	(6.37)
Property, plant and equipment	7,322,583	8,181,371	858,788	11.73
Right-of-use assets	1,588,102	3,603,750	2,015,648	126.92
Intangible assets	57,354	39,331	(18,023)	(31.42)
Other assets	1,723,504	1,844,168	120,664	7.00
Total assets	26,340,709	28,321,559	1,980,850	7.52
Current liabilities	15,025,287	14,878,533	(146,754)	(0.98)
Long-term Liabilities	1,411,826	3,263,057	1,851,231	131.12
Total liabilities	16,437,113	18,141,590	1,704,477	10.37
Paid-in capital	2,184,913	2,403,404	218,491	10.00
Capital surplus	2,259,399	1,969,928	(289,471)	(12.81)
Retained earnings	5,581,448	5,846,752	265,304	4.75
Other equity	(210,385)	(126,502)	83,883	(39.87)
Non-controlling interests	88,221	86,387	(1,834)	(2.08)
Total equity	9,903,596	10,179,969	276,373	2.79

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 in right of use asset: Mainly due to the increase in buildings' and structures' leasing in 2023.
2. Decrease in intangible assets: Mainly due to the fact that the amortization of computer software in 2023 was greater than the increase amount.
3. Increase in non-current liabilities: Mainly due to the increase in lease liabilities in 2023.
4. Increase of other equity: Mainly due to the disposal of financial assets measured at fair value through other comprehensive income in 2023.

## ii. Statements of Comprehensive Income Analysis

Consolidated statements of comprehensive income analysis

### 2022~2023 Consolidated Statements of Comprehensive Income

Unit: NT\$'000, %

	2022	2023	YoY change	
			Amount	%
Operating revenue	103,436,435	109,242,918	5,806,483	5.61
Operating costs	93,164,417	98,700,012	5,535,595	5.94
Gross profit	10,272,018	10,542,906	270,888	2.64
Operating expenses	6,198,934	6,320,978	122,044	1.97
Net other income and expenses	211,735	162,734	(49,001)	(23.14)
Operating income	4,284,819	4,384,662	99,843	2.33
Non-operating income and expenses	26,972	55,567	28,595	106.02
Income before tax	4,311,791	4,440,229	128,438	2.98
Tax expense	877,889	811,437	(66,452)	(7.57)
Net income	3,433,902	3,628,792	194,890	5.68
Other comprehensive income, net of Tax	(266)	4,977	5,243	(1,971.05)
Comprehensive income	3,433,636	3,633,769	200,133	5.83
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. Decrease in net other income (expenses): Mainly due to the decrease in other income since the unused shopping credits in 2023 expired and were reclassified.				
2. Increase in non-operating income (expenses): This is mainly due to the increase in investment interests and interest income recognized using the equity method in 2023.				

### **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

#### 2022 ~ 2023 Consolidated Cash Flow Statement

Unit: NT\$'000, %

	2022	2023	YoY change	
			Amount	%
Cash inflow (outflow) from operating activities	5,332,034	3,663,281	(1,668,753)	(31.30)
Cash inflow (outflow) from investment activities	(3,084,933)	(1,356,597)	1,728,336	(56.03)
Cash inflow (outflow) from financing activities	(3,006,958)	(4,073,218)	(1,066,260)	35.46
Impact from changes in exchange rate	170	(23)	(193)	(113.53)
Net cash increase (decrease)	(759,687)	(1,766,557)	(1,006,870)	132.54

#### Analysis of the Change in Cash Flow:

1. Decrease in cash inflow from operating activities: Mainly due to the increase in cash outflow from accounts payable in 2023.
2. Decrease in cash outflow from investment activities: Mainly due to the decrease in real estate, plant and equipment acquired in 2023.
3. Increase in cash outflow from financing activities: Mainly due to the increase in distribution of cash dividends in 2023.

Plans to improve negative liquidity: None

#### Consolidated projected cash flow for 2023

#### 2023 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
6,277,880	8,943,708	7,260,124	7,961,464	—	—

#### Explanations and analysis:

1. Operating revenue and profit growth trends in 2024 are expected to remain unchanged from those in 2023. However, investment activities supporting revenue growth scale have increased, therefore, the expected cash balance amounts to NT \$7,961,464,000.
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 Company's 2023 individual investment gain recognized using the equity method was NT\$32,930,000, mainly representing the recognition of profits and losses of each subsidiary in the current period, including the recognition of the impairment losses of Beijing Global Guoguang Media Technology Co., Ltd. Under consolidated basis, there was a profit of NT\$1,340,000, which was an increase in profit compared with the previous year and mainly due to the fact that the investment gain from Beijing Global Guoguang Media Technology Co., Ltd. increased in this period compared with the previous period and that TV Direct, whose investment loss was recognized in the previous period, had been sold in this period, therefore, no investment gain or loss was recognized for it.

##### **Investment plans for the ensuing year:**

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, so as to improve its grasp of logistics distribution and customer satisfaction with the shopping experience. The southern logistics center that will be completed in 2024 and the central logistics center under construction will benefit the coordination of logistics in northern, central, and southern Taiwan and improve the efficiency of delivery, thereby expanding the territory of 24-hour delivery and speedy delivery services in central and southern Taiwan.

In response to the global goal of net zero carbon emissions in 2050, in addition to launching the momo Green Living Membership and promoting the use of environmentally friendly packaging materials, we will continue to expand and actively build the green fleet by purchasing environmentally friendly vehicles and adding "momo electric tricycles" to arrange for sustainable retail development.

## vi. Risk Management

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

Unit: NT\$'000, %				
	2022	% of Operating revenue	2023	% of Operating revenue
Interest income	55,669	0.05%	107,548	0.1%
Interest expense	13,026	0.01%	19,878	0.02%
Exchange gain (loss)	4,629	0.00%	(1,554)	0.00%

### 1. Impact of interest rate fluctuations

The interest income of the Company and its subsidiary was NT \$56million in 2022 and NT \$108 million in 2023, which respectively accounted for 0.05% and 0.1% of the net operating revenue. In addition, the interest expense for 2022 and 2023 was NT \$13 million and NT \$19.9 million, respectively accounting for 0.01% and 0.02% 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 4.6 million for 2022 and NT (1.6) million for 2023, 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 Lending 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
momoRMN Retail media advertising system	The newly added momo advertising service provides suppliers with different advertising plans. When consumers enter the site, accurate advertising can be performed based on the analysis of their past behavior on the site.
Momo payment gateway	Through the establishment of a credit card payment gateway system, we can support credit card authorization services in the form of collection and payment for a third party. In addition, by connecting multiple acquiring banks by ourselves, the processing can be distributed to different acquiring banks according to the customer's card type, so as to save credit card transaction fees.

Expected investment in R&D in 2024 is NT\$370 million.

## Regulatory changes and developments

The Company and its subsidiary ensure that their daily operations adhere 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 Management 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 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 operation of the Company and its subsidiary.

## Impact of changes in brand image on the Company's risk management policies in 2023 up to publication date in 2024

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 2023 up to publication date in 2024

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 2023 up to publication date in 2024

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 2023 up to publication date in 2024

### 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 2023 up to publication date in 2024

Since 2023 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 2023 up to publication date in 2024

Not applicable.

#### Significant lawsuits and non-litigious matters in 2023 up to publication date in 2024

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: None

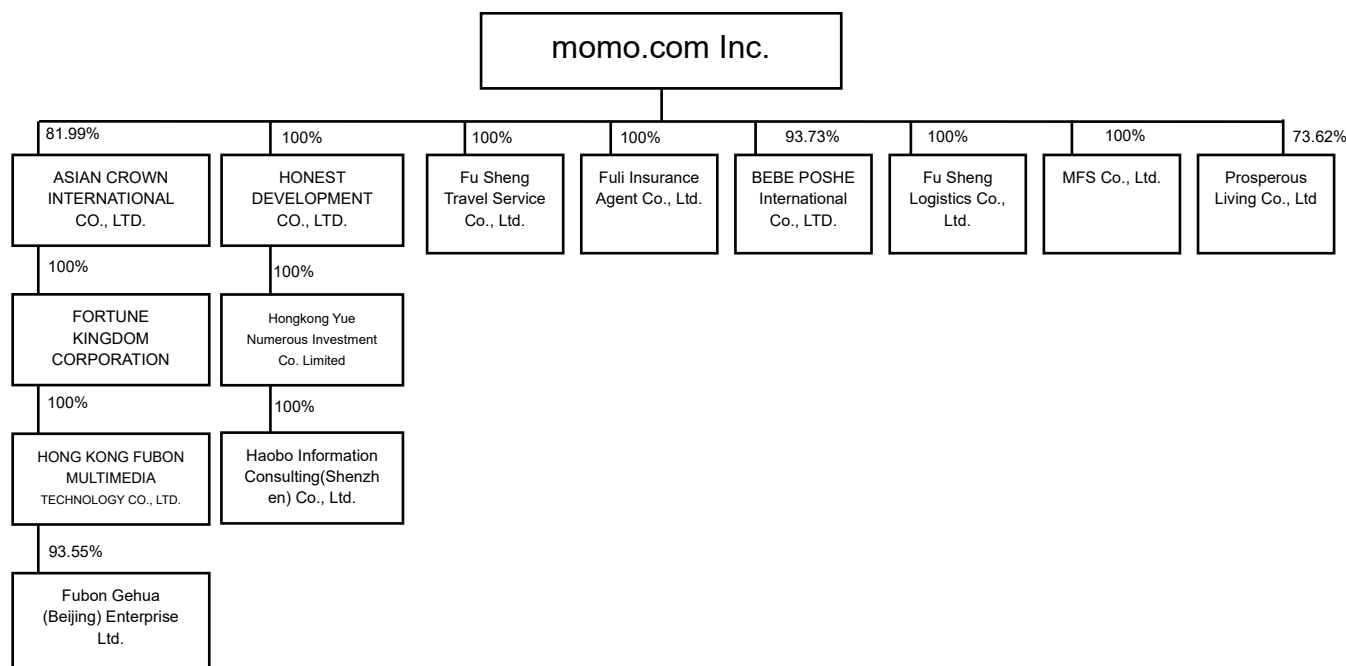
#### **vii. Other Significant Items: None.**

## VIII. Special Notes

### i. Affiliates

#### Investment holding structure

As of Dec. 31, 2023



#### Affiliates' profile

Dec. 31, 2023 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	30,000,000	Travel agency
Fuli Life Insurance Agent Co., Ltd. (Note 1)	2005.12.27	7F, No. 98, Zhouzi St., Neihu District, Taipei	5,000,000	Life insurance agency
Fuli Insurance Agent Co., Ltd.	2006.01.03	7F, No. 96, Zhouzi St., Neihu District, Taipei	5,000,000	Insurance agency
Bebe Poshe International Co., Ltd.	2010.01.07	4F, No. 92, Zhouzi St., Neihu District, Taipei	100,000,000	Wholesaler of cosmetics
Fu Sheng Logistics Co., Ltd.	2020.02.15	8F, No 96, Zhouzi St., Neihu District, Taipei	250,000,000	Logistics
MFS Co., Ltd.	2020.07.30	14F.-6, No.1, Zhanqian, Miaoli City, Miaoli County	100,000,000	Wholesaler
Prosperous Living Co., Ltd.	2021.11.26	7F, No 98, Zhouzi St., Neihu District, Taipei	300,000,000	Wholesale and retail sales
Asian Crown International Co., Ltd.	2009.01.07	Coastal Building, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands	US\$ 11,873,735	Investment

Name	Date	Address	Paid-in capital	Main business
Fortune Kingdom Corp.	2009.01.06	Maystar Chambers, P.O. Box 3269, Apia, Samoa	US\$ 11,594,429	Investment
Hong Kong Fubon Multimedia Technology Co., Ltd.	2010.03.18	Unit 06, G/F, The Lodge, 535 Canton Road, Kowloon, Hong Kong	US\$ 11,594,429	Investment
Fubon Gehua (Beijing) Enterprise Ltd. (Note 2)	2010.12.08	Room 244, 2nd Floor, Building 2, 241, Pingfang Road, Chaoyang District, Beijing, China	RMB 77,500,000	Wholesaler
Honest Development Co., Ltd.	2015.01.23	Maystar Chambers, P.O. Box 3269, Apia, Samoa	US\$ 21,778,413	Investment
Hongkong Yue Numerous Investment Co., Ltd.	2015.03.12	Unit 06, G/F, The Lodge, 535 Canton Road, Kowloon, Hong Kong	HK\$ 16,600,000	Investment
Haobo Information Consulting (Shenzhen) Co., Ltd.	2008.11.14	L1060, 1F, Longgang Avenue Mingcheng International Plaza, Maoye Community, Buji Subdistrict, Longgang District Shenzhen, China	RMB 11,000,000	Investment

Note1 : Fuli Insurance Agent Co., Ltd. and Fuli Life Insurance Agent Co., Ltd. passed the merger through resolution of the board of directors in October 2023. The reference date of the merger is November 30, 2023. After the merger, Fuli Insurance Agent Co., Ltd. is the surviving company, and the change was completed on January 18, 2024.

Note2 : In October 2023, the board of directors of Fubon Gehua (Beijing) Enterprise Ltd. passed the resolution for dissolution and liquidation, and the liquidation process is currently in progress.

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, 2023 Unit: Dollar in foreign currency; Share; %

Name	Title	name of Representative	Shareholding	
			Shares (Note 4)	Shares %
Fu Sheng Travel Service Co., Ltd.	Chairman	momo.com Inc. Representative: Jeff Ku	3,000,000	100.00%
	Director	momo.com Inc. Representative: Jeremy Hong	3,000,000	100.00%
	Director	momo.com Inc. Representative: Gina Lu	3,000,000	100.00%
	Supervisor	momo.com Inc. Representative: Terry Lee	3,000,000	100.00%
	President	(Note 3)	-	-
Fuli Life Insurance Agent Co., Ltd. (Note 1)	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	-	-

Name	Title	name of Representative	Shareholding	
			Shares (Note 4)	Shares %
Fuli Insurance Agent Co., Ltd.	Chairman	momo.com Inc. Representative: Jeff Ku	500,000	100.00%
	Director	momo.com Inc. Representative: Jeremy Hong	500,000	100.00%
	Director	momo.com Inc. Representative: Terry Lee	500,000	100.00%
	Supervisor	momo.com Inc. Representative: Gina Lu	500,000	100.00%
	President	Jeremy Hong	-	-
Bebe Poshe International Co., Ltd.	Chairman	momo.com Inc. Representative: Jeff Ku	9,372,824	93.73%
	Director	Jennifer Lin	-	-
	Director	momo.com Inc. Representative: Jeremy Hong	9,372,824	93.73%
	Director	momo.com Inc. Representative: Summer Hsieh	9,372,824	93.73%
	Director	momo.com Inc. Representative: Louie Chuang	9,372,824	93.73%
	Supervisor	Gina Lu	-	-
	President	Summer Hsieh	-	-
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: Terry Lee	22,085,000	73.62%
	Supervisor	Gina Lu	100,000	0.33%
	President	(Note 3)	-	-
Asian Crown International Co., Ltd.	Director	momo.com Inc.	US\$ 9,735,459	81.99%
	President	(Note 3)	-	-
Fortune Kingdom Corp.	Director	Asian Crown International Co., Ltd.	US\$ 11,594,429	100.00%
	President	(Note 3)	-	-
Hong Kong Fubon Multimedia Technology Co., Ltd.	Director	Fortune Kingdom Corp.	US\$ 11,594,429	100.00%
	Director	Jeff Ku	-	-
	President	(Note 3)	-	-

Name	Title	name of Representative	Shareholding	
			Shares (Note 4)	Shares %
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) Ltd. 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	-	-
Honest Development Co., Ltd.	Director	momo.com Inc.	US\$ 21,778,413	100.00%
	President	(Note 3)	-	-
Hongkong Yue Numerous Investment Co., Ltd.	Director	Honest Development Co., Ltd.	HK\$ 16,600,000	100.00%
	Director	Jeff Ku	-	-
	President	(Note 3)	-	-
Haobo Information Consulting (Shenzhen) Co., Ltd	Chairman	Hongkong Yue Numerous Investment Co., Ltd. Representative: Jeff Ku	RMB 11,000,000	100.00%
	Supervisor	Hongkong Yue Numerous Investment Co., Ltd. Representative: Gina Lu	RMB 11,000,000	100.00%
	President	Summer Hsieh	-	-

Note1 : Fuli Insurance Agent Co., Ltd. and Fuli Life Insurance Agent Co., Ltd. passed the merger through resolution of the board of directors in October 2023. The reference date of the merger is November 30, 2023. After the merger, Fuli Insurance Agent Co., Ltd. is the surviving company, and the change was completed on January 18, 2024.

Note2 : In October 2023, the board of directors of Fubon Gehua (Beijing) Enterprise Ltd. passed the resolution for dissolution and liquidation, and the liquidation process is currently in progress.

Note 3: No President position.

Note 4: 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, 2023 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.	2,403,404	28,104,750	18,011,168	10,093,582	109,205,957	4,245,223	3,628,069	15.10
Fu Sheng Travel Service Co., Ltd.	30,000	232,323	179,315	53,008	15,775	12,192	11,415	3.80
Fuli Life Insurance Agent Co., Ltd. (Note2)	-	-	-	-	7	(1,505)	(1,502)	Not applicable
Fuli Insurance Agent Co., Ltd.	5,000	12,104	2,210	9,894	9,832	339	288	0.58
BEBE POSHE International Co., LTD.	100,000	33,873	2,315	31,558	33,836	(65)	35	0.00
Fu Sheng Logistics Co., Ltd.	250,000	590,162	227,594	362,568	1,174,010	114,881	94,815	3.79
MFS Co., Ltd.	100,000	139,360	32,073	107,287	216,800	10,265	8,888	0.89
Prosperous Living Co., Ltd	300,000	314,578	6,145	308,433	46,817	7,148	8,028	0.27
Asian Crown International Co., Ltd.	364,890	15,769	-	15,769	-	(115)	(5,520)	(0.46)
Fortune Kingdom Corporation	356,500	11,315	-	11,315	-	-	(5,536)	(0.48)
Hong Kong Fubon Multimedia Technology Co., Ltd.	356,500	11,315	-	11,315	-	(121)	(5,536)	(0.48)
Fubon Gehua (Beijing) Enterprise Ltd.	334,722	2,986	-	2,986	985	(5,642)	(6,043)	Not applicable
Honest Development CO., Ltd.	670,448	465,798	-	465,798	-	-	(82,414)	(3.78)
Hongkong Yue Numerous Investment Co. Limited	66,035	465,798	-	465,798	-	-	(82,414)	(4.96)
Haobo Information Consulting (Shenzhen) Co., Ltd.	47,509	437,479	-	437,479	-	(165)	(82,110)	Not applicable
<p>Note 1: Exchange rate of US\$1=NT\$30.705 and HKD\$1=NT\$3.929 and RMB1=NT\$4.319 as of Dec. 31, 2023</p> <p>Average exchange rate of US\$1=NT\$31.159 and HKD\$1=NT\$3.980 and RMB1=NT\$4.394 for 2023</p> <p>Note 2: On November 30, 2023, Fuli Life Insurance Agent Co., Ltd. was merged into Fuli Insurance Agent Co., Ltd., so only the profits and losses from January to November are shown.</p>								

## 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 2023, 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. and Subsidiaries**

**Consolidated Financial Statements for the  
Years Ended December 31, 2023 and 2022 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, 2023, 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

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DANIEL TSAI  
Chairman

February 16, 2024

## **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, 2023 and 2022, 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 material accounting policy information.

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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of 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, 2023. 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, 2023 are stated as follows:

#### Risk of Revenue Recognition

The Group's primary source of revenue is generated from virtual channels, including multimedia business, 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, 2023 and 2022 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 Standards on Auditing of 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 Standards on Auditing of 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, 2023, 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 Chun-Hung Chen.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 16, 2024

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the 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, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars)**

ASSETS	2023		2022	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 6 and 30)	\$ 6,277,880	22	\$ 8,044,437	30
Financial assets at fair value through other comprehensive income - current (Note 8)	623	-	4,217	-
Accounts receivable, net (Note 9)	199,630	1	178,680	1
Accounts receivable from related parties (Note 30)	391,306	1	286,633	1
Other receivables, net (Notes 9 and 30)	2,710,831	10	2,259,749	9
Inventories (Note 10)	4,621,814	16	4,479,408	17
Prepayments	68,856	-	69,661	-
Other financial assets - current (Notes 11, 30 and 31)	199,851	1	134,752	-
Other current assets	13,652	-	16,505	-
Right to recover products - current (Note 21)	168,496	1	175,124	1
Total current assets	14,652,939	52	15,649,166	59
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Note 7)	287,500	1	237,546	1
Financial assets at fair value through other comprehensive income - non-current (Note 8)	405,306	1	403,487	2
Investments accounted for using equity method (Note 13)	391,900	1	486,008	2
Property, plant and equipment (Note 14)	8,181,371	29	7,322,583	28
Right-of-use assets (Notes 15 and 30)	3,603,750	13	1,588,102	6
Intangible assets (Notes 26 and 30)	39,331	-	57,354	-
Deferred tax assets (Note 23)	121,505	-	27,716	-
Prepayments for equipment	134,655	1	91,692	-
Refundable deposits (Note 30)	226,334	1	239,774	1
Net defined benefit assets - non-current (Note 19)	3,973	-	3,952	-
Other financial assets - non-current (Notes 11, 30 and 31)	272,995	1	233,329	1
Total non-current assets	13,668,620	48	10,691,543	41
<b>TOTAL</b>	<b>\$ 28,321,559</b>	<b>100</b>	<b>\$ 26,340,709</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Contract liabilities - current (Note 21)	\$ 131,911	1	\$ 203,414	1
Accounts payable (Note 16)	10,133,305	36	10,659,957	40
Accounts payable to related parties (Note 30)	286,726	1	344,214	1
Other payables (Notes 17 and 30)	1,626,233	5	1,580,298	6
Current tax liabilities	479,497	2	427,759	2
Lease liabilities - current (Notes 15, 27 and 30)	796,384	3	628,254	2
Refund liabilities - current (Note 21)	179,947	1	191,002	1
Other current liabilities (Note 18)	1,244,530	4	990,389	4
Total current liabilities	14,878,533	53	15,025,287	57
<b>NON-CURRENT LIABILITIES</b>				
Provisions - non-current	31,252	-	26,709	-
Deferred tax liabilities (Note 23)	20,250	-	28,302	-
Lease liabilities - non-current (Notes 15, 27 and 30)	2,826,367	10	997,045	4
Guarantee deposits received	385,188	1	359,770	1
Total non-current liabilities	3,263,057	11	1,411,826	5
Total liabilities	18,141,590	64	16,437,113	62
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)</b>				
Common stock	2,403,404	8	2,184,913	8
Capital surplus	1,969,928	7	2,259,399	9
Retained earnings				
Legal reserve	1,804,834	6	1,461,632	6
Special reserve	210,385	1	206,677	1
Unappropriated earnings	3,831,533	14	3,913,139	15
Total retained earnings	5,846,752	21	5,581,448	22
Other equity	(126,502)	-	(210,385)	(1)
Total equity attributable to owners of the Company	10,093,582	36	9,815,375	38
<b>NON-CONTROLLING INTERESTS (Note 20)</b>	86,387	-	88,221	-
Total equity	10,179,969	36	9,903,596	38
<b>TOTAL</b>	<b>\$ 28,321,559</b>	<b>100</b>	<b>\$ 26,340,709</b>	<b>100</b>

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

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

## **CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	<b>2023</b>		<b>2022</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
OPERATING REVENUE (Notes 21, 30 and 35)	\$ 109,242,918	100	\$ 103,436,435	100
OPERATING COSTS (Notes 10, 19, 22 and 30)	<u>98,700,012</u>	<u>90</u>	<u>93,164,417</u>	<u>90</u>
GROSS PROFIT FROM OPERATIONS	<u>10,542,906</u>	<u>10</u>	<u>10,272,018</u>	<u>10</u>
OPERATING EXPENSES (Notes 9, 19, 22 and 30)				
Marketing expenses	3,248,404	3	3,379,974	3
Administrative expenses	2,787,206	3	2,590,355	3
Research and development expenses	283,288	-	227,377	-
Expected credit loss	<u>2,080</u>	<u>-</u>	<u>1,228</u>	<u>-</u>
Total operating expenses	<u>6,320,978</u>	<u>6</u>	<u>6,198,934</u>	<u>6</u>
NET OTHER INCOME AND EXPENSES (Note 30)	<u>162,734</u>	<u>-</u>	<u>211,735</u>	<u>-</u>
OPERATING INCOME	<u>4,384,662</u>	<u>4</u>	<u>4,284,819</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 30)	107,548	-	55,669	-
Other income	2,489	-	8,609	-
Other gains and losses, net (Notes 13 and 22)	(35,932)	-	39,591	-
Finance costs (Note 22)	(19,878)	-	(13,026)	-
Share of profit (loss) of associates accounted for using equity method (Note 13)	<u>1,340</u>	<u>-</u>	<u>(63,871)</u>	<u>-</u>
Total non-operating income and expenses	<u>55,567</u>	<u>-</u>	<u>26,972</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	4,440,229	4	4,311,791	4
INCOME TAX EXPENSE (Note 23)	<u>811,437</u>	<u>1</u>	<u>877,889</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>3,628,792</u>	<u>3</u>	<u>3,433,902</u>	<u>3</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 13, 19, 20 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(38)	-	3,145	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	17,364	-	(41,514)	-

(Continued)

# momo.com Inc. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
Share of remeasurement of defined benefit plans of associates accounted for using equity method	\$ -	-	\$ 367	-
Income tax benefit (expense) related to items that will not be reclassified subsequently to profit or loss	8	-	(629)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation	(10,752)	-	30,407	-
Share of other comprehensive (loss) income of associates accounted for using equity method	(1,605)	-	7,958	-
Other comprehensive income (loss), net of tax	4,977	-	(266)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 3,633,769	3	\$ 3,433,636	3
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 3,628,069	3	\$ 3,434,626	3
Non-controlling interests	723	-	(724)	-
	\$ 3,628,792	3	\$ 3,433,902	3
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 3,633,062	3	\$ 3,434,311	3
Non-controlling interests	707	-	(675)	-
	\$ 3,633,769	3	\$ 3,433,636	3
EARNINGS PER SHARE (Note 24)				
Basic	\$ 15.10		\$ 14.29	
Diluted	\$ 15.10		\$ 14.29	

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, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company						Other Equity		Total Equity
	Common Stock	Capital Surplus	Retained Earnings		Exchange Differences on Translation	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Non-controlling Interests		
			Legal Reserve	Special Reserve				Unappropriated Earnings	
BALANCE AT JANUARY 1, 2022	\$ 1,820,761	\$ 2,446,415	\$ 1,128,868	\$ 142,530	\$ 3,427,094	\$ (107,892)	\$ (98,785)	\$ 8,758,991	\$ 8,849,013
Distribution of 2021 earnings	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	332,764	-	(332,764)	-	-	-	-
Special reserve	-	-	-	64,147	(64,147)	-	-	-	-
Cash dividends	-	-	-	-	(2,366,989)	-	-	(2,366,989)	(2,366,989)
Stock dividends	182,076	-	-	-	(182,076)	-	-	-	-
Changes in equity of associates accounted for using equity method	-	-	-	-	(1,244)	-	-	(1,244)	(1,244)
Issue of stock dividends from capital surplus	182,076	(182,076)	-	-	-	-	-	-	-
Net profit (loss) for the year ended December 31, 2022	-	-	-	-	3,434,626	-	-	3,434,626	3,433,902
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	2,883	38,316	(41,514)	(315)	(266)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	3,437,509	38,316	(41,514)	3,434,311	3,433,636
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	-	(4,754)	-	-	(4,754)	(5,880)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	510	-	(510)	-	-
Changes in equity of non-current assets held for sale	-	(4,940)	-	-	-	-	-	(4,940)	(4,940)
BALANCE AT DECEMBER 31, 2022	2,184,913	2,259,399	1,461,632	206,677	3,913,139	(69,576)	(140,809)	9,815,375	9,903,596
Distribution of 2022 earnings	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	343,202	-	(343,202)	-	-	-	-
Special reserve	-	-	-	3,708	(3,708)	-	-	-	-
Cash dividends	-	-	-	-	(3,277,369)	-	-	(3,277,369)	(3,277,369)
Issue of stock dividends from capital surplus	218,491	(218,491)	-	-	-	-	-	-	-
Net profit for the year ended December 31, 2023	-	-	-	-	3,628,069	-	-	3,628,069	3,628,792
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	(30)	(12,341)	17,364	4,993	4,977
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	3,628,039	(12,341)	17,364	3,633,062	3,633,769
Reorganization	-	(70,980)	-	-	-	-	-	(70,980)	(70,980)
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	-	(6,506)	-	-	(6,506)	(8,085)
Cash dividends for non-controlling interests of subsidiaries	-	-	-	-	-	-	-	(962)	(962)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2023	\$ 2,403,404	\$ 1,969,928	\$ 1,804,834	\$ 210,385	\$ 3,831,533	\$ (81,917)	\$ (44,585)	\$ 10,093,582	\$ 10,179,969

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, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 4,440,229	\$ 4,311,791
Adjustments for:		
Depreciation expenses	1,168,317	1,048,464
Amortization expenses	39,778	60,005
Expected credit loss	2,080	1,228
Gain on financial assets at fair value through profit or loss	(49,954)	(7,546)
Finance costs	19,878	13,026
Interest income	(107,548)	(55,669)
Share of (profit) loss of associates accounted for using equity method	(1,340)	63,871
Loss on disposal of property, plant and equipment	978	135
Gain on disposal of non-current assets held for sale	-	(109,805)
Impairment loss on non-financial assets	83,158	82,231
Others	936	391
Changes in operating assets and liabilities		
Accounts receivable	(20,747)	(62,667)
Accounts receivable from related parties	(104,673)	(181,850)
Other receivables	(452,158)	(568,832)
Inventories	(142,406)	(750,998)
Prepayments	805	(417)
Other current assets	2,982	71
Right to recover products	6,628	(12,605)
Contract liabilities	(71,503)	117,498
Accounts payable	(526,652)	2,122,826
Accounts payable to related parties	(57,488)	(103,081)
Other payables	35,948	155,294
Provisions	(519)	(140)
Other current liabilities	254,141	192,001
Net defined benefit plans	(59)	(4)
Refund liabilities	(11,055)	10,898
Cash generated from operations	4,509,756	6,326,116
Interest received	132	61
Income tax paid	(846,607)	(994,143)
Net cash generated from operating activities	<u>3,663,281</u>	<u>5,332,034</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	-	(375,000)
Disposal of financial assets at fair value through other comprehensive income	4,028	2,138
Acquisition of financial assets at fair value through profit or loss	-	(230,000)
Disposal of non-current assets held for sale	-	200,156
Acquisition of property, plant and equipment	(1,215,008)	(2,404,718)

(Continued)

## momo.com Inc. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Disposal of property, plant and equipment	\$ 750	\$ 733
Increase in refundable deposits	(82,507)	(103,246)
Decrease in refundable deposits	87,254	6,259
Acquisition of intangible assets	(9,420)	(36,144)
Increase in other financial assets	(199,966)	(355,006)
Decrease in other financial assets	94,382	409,547
Increase in prepayments for equipment	(97,700)	(252,228)
Interest received	104,590	52,576
Net cash outflow on acquisition of e-book business	<u>(43,000)</u>	<u>-</u>
Net cash used in investing activities	<u>(1,356,597)</u>	<u>(3,084,933)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in guarantee deposits received	66,784	68,240
Decrease in guarantee deposits received	(41,366)	(43,424)
Repayment of the principal portion of lease liabilities	(793,028)	(646,220)
Cash dividends paid (including paid to non-controlling interests)	(3,278,331)	(2,366,989)
Acquisition of additional interests in subsidiary	(8,085)	(5,880)
Interest paid	<u>(19,192)</u>	<u>(12,685)</u>
Net cash used in financing activities	<u>(4,073,218)</u>	<u>(3,006,958)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(23)</u>	<u>170</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,766,557)	(759,687)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>8,044,437</u>	<u>8,804,124</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 6,277,880</u>	<u>\$ 8,044,437</u>

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

(Concluded)

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

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

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#### **1. ORGANIZATION AND OPERATIONS**

momo.com Inc. (“momo” or the “Company”), a ROC corporation, was incorporated on September 27, 2004. The Company’s shares were listed on the ROC Over-the-Counter Securities Exchange on February 27, 2014. On December 19, 2014, the Company’s shares were shifted to be listed on the Taiwan Stock Exchange. The Company is mainly engaged in TV and radio production, radio and TV program distribution, radio and TV commercial, video program distribution, issuing of magazine, retailing, and retail sale no storefront.

The consolidated financial statements comprise the Company and its subsidiaries (collectively, the “Group”).

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

#### **2. APPROVAL OF FINANCIAL STATEMENTS**

The consolidated financial statements were approved by the Company’s Board of Directors on February 16, 2024.

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

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

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies:

##### Amendments to IAS 1 “Disclosure of Accounting Policies”

When applying the amendments, the Group refers to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Moreover:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;
- The Group may consider the accounting policy information material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The accounting policy information is likely to be considered material to the financial statements if that information relates to material transactions, other events or conditions and:

- 1) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
- 2) The Group chose the accounting policy from options permitted by the standards;
- 3) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;
- 4) The accounting policy relates to an area for which the Group is required to make significant judgments or assumptions in applying an accounting policy, and the Group discloses those judgments or assumptions; or
- 5) The accounting is complex, and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

Refer to Note 4 for related accounting policy information.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

<b><u>New, Amended and Revised Standards and Interpretations</u></b>	<b><u>Effective Date Announced by IASB (Note 1)</u></b>
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

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

<b><u>New, Amended and Revised Standards and Interpretations</u></b>	<b><u>Effective Date Announced by IASB (Note 1)</u></b>
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
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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

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

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

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards 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 financial instruments which are measured at fair value, and net defined benefit assets which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

##### **c. 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 during the year 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 12, Table 6 and Table 7 for detailed information of subsidiaries (including percentages of ownership and main business).

e. Business combination

Reorganization under common control is accounted for applying the book-value method.

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 year 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 year 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 year. 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 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 costs or 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. 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.

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. 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.

k. Non-current assets held for sale

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

When the Group is committed to a sale plan involving the disposal of an investment or a portion of an investment in an associate, only the investment or the portion of the investment that will be disposed of is classified as held for sale when the classification criteria are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

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

## 1. 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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

### 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 FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

##### i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 29.

##### ii. 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, 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.

iii. 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 accounts receivable and other receivables).

The Group always recognizes lifetime expected credit losses (ECLs) for 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.

m. 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. Revenue from sale of goods are recognized when the goods are transferred or 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 to customers. The transaction price is allocated to the product, mo coins or advance receipts from prepaid bonus on a relative stand-alone selling price basis. The stand-alone selling price per mo coins or advance receipts from prepaid bonus is estimated on the basis of the likelihood of redemption, based on past experience. The stand-alone selling price of the product sold is estimated on the basis of the retail price. Allocated transaction price is recognized as other financial liabilities as collected and will be deducted when mo coins or advance receipts from prepaid bonus are redeemed. mo coins or 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 revenue from rendering of services are service revenue and advertising revenue. Service revenue is 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. The Group provides platform usage and management services to customers which is recognized as advertising revenue during the contract period.

## n. 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; (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 years in which they are incurred.

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 expenses when employees have rendered service entitling them to the contributions.

Defined benefit costs (including net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Net interest on the net defined benefit 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 assets represent the actual 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.

p. 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 Act 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 year 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. MATERIAL 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.

When developing material accounting estimates, the estimates and underlying assumptions are reviewed on an ongoing basis.

### Material Accounting Judgements

#### a. 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.

b. Principal versus agent

For contracts with customers relating to the sale of goods and providing service, the Group recognizes revenue on a net basis when it satisfies its performance obligations after taking other indicators into consideration such as not being primarily responsible, and before passing the goods and service on to customers. The Group recognizes revenue on a gross basis when it satisfies its performance obligations if the transfer of the goods and service satisfies other indicators such as its being primarily responsible.

**Key Sources of Estimation Uncertainty**

Impairment of investments in associates

The Group immediately recognizes impairment losses on its net investment in an associate when there is an indication that the investment may be impaired and the carrying amount may not be recoverable. The Group's management evaluates the impairment based on the estimated future cash flows expected to be generated by the associate, including assumptions on the growth rate of sales. The Group also takes into consideration market conditions and industry development when evaluating the appropriateness of the relevant assumptions.

**6. CASH AND CASH EQUIVALENTS**

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Cash on hand and revolving funds	\$ 3	\$ 3
Cash in banks	1,517,217	1,690,469
Time deposits	<u>4,760,660</u>	<u>6,353,965</u>
	<u>\$ 6,277,880</u>	<u>\$ 8,044,437</u>
The market rate intervals of time deposits	0.52%-1.41%	0.4%-2.6%

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Domestic unlisted stock	<u>\$ 287,500</u>	<u>\$ 237,546</u>

In July 2022, the Group acquired 8.02% equity interest of Gaius Automotive Inc. with the investment amount of \$230,000 thousand. In August 2023, momo's percentage of ownership interest in Gaius Automotive Inc. decreased to 7.61% as momo did not exercise the rights to participate in any share issuance for cash.

As of December 31, 2023 and 2022, the financial assets were not pledged.



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

### Equity Instrument Investments

	December 31	
	2023	2022
<u>Current</u>		
Foreign listed stock	\$ 623	\$ -
Foreign unlisted stock	<u>-</u>	<u>4,217</u>
	<u>\$ 623</u>	<u>\$ 4,217</u>
<u>Non-current</u>		
Domestic unlisted stock	<u>\$ 405,306</u>	<u>\$ 403,487</u>

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

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

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

As of December 31, 2023 and 2022, the financial assets were not pledged.

## 9. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31	
	2023	2022
<u>Accounts receivable</u>		
Measured at amortized cost		
Gross carrying amount	\$ 200,717	\$ 180,166
Less: Allowance for impairment loss	<u>(1,087)</u>	<u>(1,486)</u>
	<u>\$ 199,630</u>	<u>\$ 178,680</u>
<u>Other receivables</u>		
Measured at amortized cost		
Gross carrying amount	\$ 2,713,782	\$ 2,265,218
Less: Allowance for impairment loss	<u>(2,951)</u>	<u>(5,469)</u>
	<u>\$ 2,710,831</u>	<u>\$ 2,259,749</u>

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

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

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

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

December 31, 2023

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

December 31, 2022

	Not Past Due	1 to 120 Days Past Due	121 to 365 Days Past Due	Over 365 Days Past Due	Total
Gross carrying amount	\$ 2,415,056	\$ 21,417	\$ 3,254	\$ 5,657	\$ 2,445,384
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(226)</u>	<u>(1,072)</u>	<u>(5,657)</u>	<u>(6,955)</u>
Amortized cost	<u>\$ 2,415,056</u>	<u>\$ 21,191</u>	<u>\$ 2,182</u>	<u>\$ -</u>	<u>\$ 2,438,429</u>

The expected credit loss rate of each period above, excluding abnormal transactions which have been recognized 100% credit loss, is lower than 2.27% when the aging of the receivables not past due or within 120 days and is between 4.07%-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:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Beginning balance	\$ 6,955	\$ 12,772
Add: Provision	2,080	1,228
Recovery	2	-
Less: Write-off	<u>(4,999)</u>	<u>(7,045)</u>
Ending balance	<u>\$ 4,038</u>	<u>\$ 6,955</u>

## 10. INVENTORIES

	December 31	
	2023	2022
Merchandise	\$ 4,621,814	\$ 4,479,408

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 were \$93,903,301 thousand and \$88,408,385 thousand, respectively, which included reversal of inventory write-downs of \$2,486 thousand and \$935 thousand, respectively.

## 11. OTHER FINANCIAL ASSETS

	December 31	
	2023	2022
<u>Current</u>		
Pledged time deposits and restricted deposits	\$ 65,195	\$ 65,200
Time deposits with original maturities of more than 3 months	<u>134,656</u>	<u>69,552</u>
	<u>\$ 199,851</u>	<u>\$ 134,752</u>

### Non-current

Pledged time deposits and restricted deposits	<u>\$ 272,995</u>	<u>\$ 233,329</u>
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- The ranges of interest rates for time deposits with original maturities of more than 3 months were 0.53%-3.85% and 0.27%-2.6% per annum as of December 31, 2023 and 2022, respectively.
- The Group estimates the expected credit risks of the above financial assets are not significant, and all the credit risks did not increase after initial recognition.
- Refer to Note 31 for information relating to other financial assets pledged as security.

## 12. SUBSIDIARIES

- Subsidiaries included in the consolidated financial statements

Investor	Subsidiary	Nature of Activities	% of Ownership		Note
			2023	2022	
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	Note 2
momo	Fuli Insurance Agent Co., Ltd.(formerly known as Fuli Property Insurance Agent Co., Ltd.) (FI)	Comprehensive insurance agent	100.00	100.00	Note 1 and 2
momo	Bebe Poshe International Co., Ltd. (Bebe Poshe)	Wholesale of cosmetics	93.73	88.68	Note 3
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	73.62	-
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	93.55	93.55	Note 4
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 1: Fuli Property Insurance Agent Co., Ltd. was renamed Fuli Insurance Agent Co., Ltd. in January 2023, which was approved by the Board of Directors. On February 4, 2023, the government approval has been successfully obtained.

Note 2: In order to integrate organizational resources, maximize operational synergies, and enhance competitiveness, the Board of Directors of FI resolved to merge with FLI on October 2023, and FI was the surviving company. The base date of merge was November 30, 2023.

Note 3: momo acquired equity interest of Bebe Poshe's non-controlling interests in March and May 2023 and October 2022. Please refer to Note 25 for the details.

Note 4: FGE is no longer viable as a going concern due to long-term losses. The Board of Directors resolved the liquidation on October 2023, currently in process of liquidation.

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

### 13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

#### Investments in Associates

Investee Company	December 31			
	2023		2022	
	Amount	% of Ownership	Amount	% of Ownership
Global Home Shopping Co., Ltd. (GHS)	\$ 391,900	20.00	\$ 486,008	20.00

Refer to Table 7 for the nature of activities, principal places of business and countries of incorporation of the associates.

a. GHS

In June 2015, momo acquired 20% equity interests of GHS through its subsidiary - Honest Development.

Due to intense market competition in China, the actual operating conditions did not perform as expected. The Group carried out the impairment test on the equity investment by comparing its recoverable amount with its carrying amount. The Group calculated its recoverable amount on the basis of the value in use of the investment and estimated its present value by using the discount rate 13.75% and 14.26% as of December 31, 2023 and 2022. Based on assessment, the Group recognized impairment loss of \$83,158 thousand and \$82,231 thousand in other gains and losses for the years ended December 31, 2023 and 2022.

b. TV Direct Public Company Limited

During 2020, momo acquired 24.99% equity interest of TV Direct Public Company Limited ("TV Direct").

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

During the period from June to August 2022, momo sold all shares of TV Direct for \$200,156 thousand, and gain on disposal of non-current assets held for sale was \$109,805 thousand.

c. Summarized financial information of the Group's associates was as follows:

The summarized financial information below represents amounts shown in the associates' consolidated financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Group for equity accounting purposes.

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
The Group's share of:		
Net profit (loss) for the year	\$ 1,340	\$ (63,871)
Other comprehensive (loss) income	<u>(1,605)</u>	<u>8,325</u>
Total comprehensive loss for the year	<u>\$ (265)</u>	<u>\$ (55,546)</u>

All the associates are accounted for using the equity method.

## 14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery	Office Equipment	Lease Improvement	Other Equipment	Property under Construction	Total
<b>Cost</b>								
Balance at January 1, 2022	\$ 2,338,155	\$ 1,776,262	\$ 1,774,390	\$ 160,793	\$ 346,305	\$ 137,159	\$ 344,303	\$ 6,877,367
Additions	924,481	1,142	137,730	30,720	47,716	15,100	1,057,632	2,214,521
Disposals	-	-	(475)	(2,644)	(983)	(556)	(571)	(5,229)
Reclassifications	396,548	-	3,120	698	2,445	22,386	(3,263)	421,934
Effects of foreign currency exchange differences	-	-	1,064	28	-	4	-	1,096
Balance at December 31, 2022	<u>\$ 3,659,184</u>	<u>\$ 1,777,404</u>	<u>\$ 1,915,829</u>	<u>\$ 189,595</u>	<u>\$ 395,483</u>	<u>\$ 174,093</u>	<u>\$ 1,398,101</u>	<u>\$ 9,509,689</u>
<b>Accumulated depreciation and impairment</b>								
Balance at January 1, 2022	\$ -	\$ 329,639	\$ 1,056,257	\$ 116,529	\$ 251,323	\$ 43,770	\$ -	\$ 1,797,518
Depreciation expenses	-	79,452	209,645	25,321	55,644	22,792	-	392,854
Disposals	-	-	(473)	(2,501)	(983)	(404)	-	(4,361)
Effects of foreign currency exchange differences	-	-	1,064	27	-	4	-	1,095
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 409,091</u>	<u>\$ 1,266,493</u>	<u>\$ 139,376</u>	<u>\$ 305,984</u>	<u>\$ 66,162</u>	<u>\$ -</u>	<u>\$ 2,187,106</u>
Carrying amount at December 31, 2022	<u>\$ 3,659,184</u>	<u>\$ 1,368,313</u>	<u>\$ 649,336</u>	<u>\$ 50,219</u>	<u>\$ 89,499</u>	<u>\$ 107,931</u>	<u>\$ 1,398,101</u>	<u>\$ 7,322,583</u>
<b>Cost</b>								
Balance at January 1, 2023	\$ 3,659,184	\$ 1,777,404	\$ 1,915,829	\$ 189,595	\$ 395,483	\$ 174,093	\$ 1,398,101	\$ 9,509,689
Additions	-	-	109,783	30,608	25,161	29,228	1,006,802	1,201,582
Disposals	-	-	(96,764)	(6,450)	(2,162)	(2,601)	-	(107,977)
Reclassifications	-	-	25,023	-	-	17,780	-	42,803
Balance at December 31, 2023	<u>\$ 3,659,184</u>	<u>\$ 1,777,404</u>	<u>\$ 1,953,871</u>	<u>\$ 213,753</u>	<u>\$ 418,482</u>	<u>\$ 218,500</u>	<u>\$ 2,404,903</u>	<u>\$ 10,646,097</u>
<b>Accumulated depreciation and impairment</b>								
Balance at January 1, 2023	\$ -	\$ 409,091	\$ 1,266,493	\$ 139,376	\$ 305,984	\$ 66,162	\$ -	\$ 2,187,106
Depreciation expenses	-	51,559	217,518	28,313	53,722	32,757	-	383,869
Disposals	-	-	(96,036)	(6,408)	(1,879)	(1,926)	-	(106,249)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 460,650</u>	<u>\$ 1,387,975</u>	<u>\$ 161,281</u>	<u>\$ 357,827</u>	<u>\$ 96,993</u>	<u>\$ -</u>	<u>\$ 2,464,726</u>
Carrying amount at December 31, 2023	<u>\$ 3,659,184</u>	<u>\$ 1,316,754</u>	<u>\$ 565,896</u>	<u>\$ 52,472</u>	<u>\$ 60,655</u>	<u>\$ 121,507</u>	<u>\$ 2,404,903</u>	<u>\$ 8,181,371</u>

No impairment loss or reversal of impairment loss was recognized for the years ended December 31, 2023 and 2022.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	5-50 years
Machinery	1-12 years
Office equipment	2-10 years
Lease improvement	1-10 years
Other equipment	1-15 years

As of December 31, 2023 and 2022, the property, plant and equipment were not pledged as collateral.

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Carrying amount</u>		
Land	\$ 3,077	\$ -
Buildings	3,597,128	1,587,318
Office equipment	78	577
Transportation equipment	<u>3,467</u>	<u>207</u>
	<u>\$ 3,603,750</u>	<u>\$ 1,588,102</u>
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Additions to right-of-use assets	<u>\$2,805,345</u>	<u>\$ 738,737</u>
Depreciation charge for right-of-use assets		
Land	\$ 1,440	\$ 1,386
Buildings	781,598	650,224
Office equipment	499	2,929
Transportation equipment	<u>911</u>	<u>1,071</u>
	<u>\$ 784,448</u>	<u>\$ 655,610</u>

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the years ended December 31, 2023 and 2022.

### b. Lease liabilities

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Carrying amount</u>		
Current	<u>\$ 796,384</u>	<u>\$ 628,254</u>
Non-current	<u>\$2,826,367</u>	<u>\$ 997,045</u>

The ranges of discount rate for lease liabilities was 0.61%-1.4% and 0.61%-0.86% per annum as of December 31, 2023 and 2022, respectively.

c. Material leasing activities and terms

The Group leases buildings for the use of offices and warehouses with lease terms of 2 to 10.1 years. The Group does not have bargain purchase options to acquire the buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Expenses relating to short-term leases	\$ 33,442	\$ 31,927
Expenses relating to low-value asset leases	\$ 26,235	\$ 23,408
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 67,948	\$ 75,368
Total cash outflow for leases	\$ (939,845)	\$ (789,608)

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 \$20,514 thousand and \$20,400 thousand as of December 31, 2023 and 2022, respectively.

## 16. ACCOUNTS PAYABLE

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Suppliers	\$ 10,133,305	\$ 10,659,957

## 17. OTHER PAYABLES

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Payables for salaries and bonus	\$ 600,353	\$ 537,912
Payables for business tax	128,597	156,495
Payables for equipment and construction	53,396	72,200
Payables for pension	36,642	35,087
Others	807,245	778,604
	<u>\$ 1,626,233</u>	<u>\$ 1,580,298</u>

## 18. OTHER CURRENT LIABILITIES

	December 31	
	2023	2022
Collection about travelling merchandise	\$ 168,314	\$ 161,798
Other financial liabilities	905,211	577,549
Others	<u>171,005</u>	<u>251,042</u>
	<u>\$ 1,244,530</u>	<u>\$ 990,389</u>

## 19. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

Domestic firms of the Group adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages. The employees of the Group’s subsidiaries in other countries are members of state-managed retirement benefit plans operated by local governments. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

For the years ended December 31, 2023 and 2022, the pension expenses of defined contribution plans were \$133,738 thousand and \$124,759 thousand 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 contributes 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	
	2023	2022
Present value of defined benefit obligation	\$ 12,374	\$ 12,316
Fair value of plan assets	<u>(16,347)</u>	<u>(16,268)</u>
Net defined benefit assets	<u>\$ (3,973)</u>	<u>\$ (3,952)</u>



Movements in net defined benefit assets were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Assets</b>
Balance at January 1, 2022	\$ 14,218	\$ (15,021)	\$ (803)
Net interest expense (income)	71	(75)	(4)
Recognized in profit or loss	71	(75)	(4)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,172)	(1,172)
Actuarial gain			
Changes in financial assumptions	(1,924)	-	(1,924)
Experience adjustments	(49)	-	(49)
Recognized in other comprehensive income	(1,973)	(1,172)	(3,145)
Balance at December 31, 2022	12,316	(16,268)	(3,952)
Net interest expense (income)	185	(244)	(59)
Recognized in profit or loss	185	(244)	(59)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(101)	(101)
Actuarial loss (gain)			
Changes in financial assumptions	209	-	209
Experience adjustments	(70)	-	(70)
Recognized in other comprehensive loss (income)	139	(101)	38
Benefits paid	(266)	266	-
Balance at December 31, 2023	\$ 12,374	\$ (16,347)	\$ (3,973)

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:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Discount rate	1.375%	1.5%
Expected rate 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:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Discount rate		
0.25% increase	\$ (414)	\$ (431)
0.25% decrease	\$ 432	\$ 450
Expected rate of salary increase		
0.25% increase	\$ 420	\$ 438
0.25% decrease	\$ (405)	\$ (422)

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.

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Average duration of the defined benefit obligation	13.7 years	14.3 years

## 20. EQUITY

### a. Common stock

As of December 31, 2023 and 2022, momo had authorized 300,000 thousand common shares with 240,340 thousand and 218,491 thousand shares issued and outstanding at par value \$10 per share.

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

b. Capital surplus

	December 31	
	2023	2022
Issuance of common shares	\$ 1,844,467	\$ 2,133,938
Changes in percentage of ownership interests in subsidiaries	125,291	125,291
Expired employee share options	<u>170</u>	<u>170</u>
	<u>\$ 1,969,928</u>	<u>\$ 2,259,399</u>

Under the ROC Company Act, the capital surplus generated from the excess of the issuance price over the par value of common stock may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends up to a certain percentage of momo's paid-in capital. Changes in percentage of ownership interests in subsidiaries and expired employee share options may be used to offset a deficit.

c. Retained earnings and dividends policy

momo's Articles of Incorporation provide that, in the event that momo, according to the financial report, earns profits in a fiscal year, such profits shall first be applied to pay the applicable taxes, recover losses, set aside legal reserve pursuant to laws and regulations until the accumulated legal reserves equal momo's paid-in capital, and set aside or reverse a special reserve in accordance with the law or to satisfy the business needs of momo. The remaining balance and any unappropriated earnings of the previous fiscal years shall be distributed to the shareholders with more than 10% as dividends in accordance with resolutions of the shareholders' meetings. For information about the accrual basis of the compensation of employees and remuneration of directors and the actual appropriations, please refer to Note 22(d).

Based on the consideration of the needs of the Company's operations and to maximize shareholders' interest, the Board of Directors proposed, for approval in the shareholder's meeting, to distribute dividends per residual dividend policy. The Board makes the decision based on the Company's future capital budget-planning and funding needs for the following fiscal year, in addition to factors such as the Company's profitability, financial structure and diluted earnings per share.

Dividends are distributed in the form of stock dividends or cash dividends, of which, cash dividends shall amount to at least to 10%, in order to sustain company operations and growth while balancing the need for dividend distribution and shareholders rights.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals momo's paid-in capital. The legal reserve may be used to offset a deficit. If momo has no deficit and the legal reserve has exceeded 25% of momo's paid-in capital, the excess may be transferred to capital or distributed in cash.

Pursuant to existing regulations, momo is required to set aside and reverse additional special reserve equivalent to the net debit balance of other equity items, such as exchange differences on translation and unrealized valuation gain (loss) on financial assets at FVTOCI.

The appropriations of earnings for 2022 and 2021, which were approved in the shareholders' meetings on May 19, 2023 and May 20, 2022, respectively, were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Legal reserve	\$ 343,202	\$ 332,764
Special reserve	\$ 3,708	\$ 64,147
Cash dividends	\$ 3,277,369	\$ 2,366,989
Stock dividends	\$ -	\$ 182,076
Cash dividends per share (NT\$)	\$ 15	\$ 13
Stock dividends per share (NT\$)	\$ -	\$ 1

The Company's shareholders resolved in the shareholders' meeting on May 19, 2023 and May 20, 2022 to issue stock dividends of \$218,491 thousand and \$182,076 thousand, respectively, from capital surplus.

The appropriations of earnings for 2023 will be proposed by the Board of Directors and resolved by the shareholders in their meeting.

d. Other equity items

1) Exchange differences on translation

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Beginning balance	\$ (69,576)	\$ (107,892)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(10,736)	30,358
Share from associates accounted for using equity method	(1,605)	7,958
Other comprehensive (loss) income recognized for the year	(12,341)	38,316
Ending balance	\$ (81,917)	\$ (69,576)

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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Beginning balance	\$ (140,809)	\$ (98,785)
Recognized for the year		
Unrealized gain (loss) - equity instruments	2,310	(41,514)
Income tax effect	15,054	-
Other comprehensive income (loss) recognized for the year	17,364	(41,514)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	78,860	(510)
Ending balance	\$ (44,585)	\$ (140,809)

e. Non-controlling interests

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Beginning balance	\$ 88,221	\$ 90,022
Share in profit (loss) for the year	723	(724)
Other comprehensive (loss) income during the year		
Exchange differences on the translation of the financial statements of foreign entities	(16)	49
Acquisition of non-controlling interests in subsidiaries (Note 25)	(1,579)	(1,126)
Cash dividends for non-controlling interests of subsidiaries	<u>(962)</u>	<u>-</u>
Ending balance	<u>\$ 86,387</u>	<u>\$ 88,221</u>

## 21. OPERATING REVENUE

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Multimedia business and catalogues	\$ 4,066,297	\$ 4,792,617
E-commerce	105,135,677	98,607,403
Others	<u>40,944</u>	<u>36,415</u>
	<u>\$ 109,242,918</u>	<u>\$ 103,436,435</u>

Please refer to Note 4(m) and Note 36 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:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Sale of goods	\$ 203,340	\$ 80,360
Others	<u>-</u>	<u>4,471</u>
	<u>\$ 203,340</u>	<u>\$ 84,831</u>

## 22. PROFIT BEFORE INCOME TAX

### a. Other gains and losses

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Gain on financial assets at FVTPL	\$ 49,954	\$ 7,546
Gain on disposal of non-current assets held for sale (Note 13)	-	109,805
Impairment loss on investments accounted for using equity method (Note 13)	(83,158)	(82,231)
Net foreign exchange (losses) gains	(1,554)	4,629
Loss on disposal of property, plant and equipment	(978)	(135)
Others	(196)	(23)
	<u>\$ (35,932)</u>	<u>\$ 39,591</u>

### b. Finance costs

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Interest on lease liabilities	\$ 19,783	\$ 12,943
Others	<u>95</u>	<u>83</u>
	<u>\$ 19,878</u>	<u>\$ 13,026</u>

### c. Employee benefits expense, depreciation and amortization

Function Nature	<b>For the Year Ended December 31, 2023</b>			<b>For the Year Ended December 31, 2022</b>		
	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total</b>	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total</b>
Employee benefits expense						
Salary	\$ 1,221,601	\$ 1,538,121	\$ 2,759,722	\$ 1,136,066	\$ 1,431,801	\$ 2,567,867
Insurance expense	134,644	154,705	289,349	123,270	143,765	267,035
Pension	61,583	72,096	133,679	57,230	67,525	124,755
Other employee benefits	78,004	96,451	174,455	74,498	81,007	155,505
Depreciation expenses	952,173	216,144	1,168,317	835,897	212,567	1,048,464
Amortization expenses	9,656	30,122	39,778	9,467	50,538	60,005

### d. Compensation of employees and remuneration of directors

According to momo's Articles, if the Company earns profits in a fiscal year, such profits shall be appropriated as follows:

- 1) A maximum of 0.3% as director remuneration.
- 2) 0.1% to 1% as employee compensation.

However, if the Company is operating at a loss, profits shall be retained to make up the losses of preceding years.

Compensation of employees may be distributed to, including but not limited to, employees of parents or subsidiaries of the Company meeting certain specific requirements set by the Board of Directors or its authorized persons.

The Company's estimated compensation of employees and remuneration of directors were made by applying the rates to the aforementioned regulation. The compensation of employees and the remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Board of Directors on February 16, 2024 and February 17, 2023, respectively, were as follows:

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

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, 2022 and 2021.

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

## 23. INCOME TAX

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

Major components of income tax expense were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax		
In respect of the current year	\$ 923,073	\$ 840,536
Adjustments for prior years	(9,860)	(4,838)
	<u>913,213</u>	<u>835,698</u>
Deferred tax		
In respect of the current year	(101,776)	42,191
Income tax expense recognized in profit or loss	<u>\$ 811,437</u>	<u>\$ 877,889</u>

A reconciliation of accounting profit and income tax expense is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Profit before tax	\$ 4,440,229	\$ 4,311,791
Income tax expense calculated at the statutory rate (20%)	\$ 888,046	\$ 862,358
Adjustment items in determining taxable profit	(9,449)	(3,026)
		(Continued)

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Temporary differences	\$ 52,606	\$ (21,211)
Deferred tax	(101,776)	42,191
Investment tax credits	(9,615)	-
Adjustments for prior years' tax	(9,860)	(4,838)
Unrecognized loss carryforwards/deductible temporary differences	1,781	2,848
Effect of different tax rates of group entities operating in other jurisdictions	<u>(296)</u>	<u>(433)</u>
Income tax expense recognized in profit or loss	<u>\$ 811,437</u>	<u>\$ 877,889</u> (Concluded)

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 directly in equity

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax		
Disposal of investments in equity instruments designated as at FVTOCI	\$ 14,997	\$ -
Deferred tax		
Disposal of investments in equity instruments designated as at FVTOCI	<u>(14,997)</u>	<u>-</u>
Income tax benefit (expense) recognized directly in equity	<u>\$ -</u>	<u>\$ -</u>

c. Income tax recognized in other comprehensive income

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Deferred tax		
Unrealized valuation loss on financial assets at FVTOCI	\$ 15,054	\$ -
Remeasurement of defined benefit plans	<u>8</u>	<u>(629)</u>
Income tax benefit (expense) recognized in other comprehensive income	<u>\$ 15,062</u>	<u>\$ (629)</u>



d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2023

<b>Deferred Tax Assets</b>	<b>Beginning Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Recognized Directly in Equity</b>	<b>Ending Balance</b>
Temporary differences					
Allowance for inventory valuation loss	\$ 9,125	\$ (2,119)	\$ -	\$ -	\$ 7,006
Unrealized valuation loss on financial assets at FVTOCI	-	-	15,054	(14,997)	57
Share of loss of accounted for using equity method - foreign	-	70,197	-	-	70,197
Other financial liabilities	8,584	25,851	-	-	34,435
Others	<u>10,007</u>	<u>(197)</u>	<u>-</u>	<u>-</u>	<u>9,810</u>
	<u>\$ 27,716</u>	<u>\$ 93,732</u>	<u>\$ 15,054</u>	<u>\$ (14,997)</u>	<u>\$ 121,505</u>
<b>Deferred Tax Liabilities</b>	<b>Beginning Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive loss</b>	<b>Recognized Directly in Equity</b>	<b>Ending Balance</b>
Temporary differences					
Defined benefit obligation	\$ 790	\$ 13	\$ (8)	\$ -	\$ 795
Unrealized valuation gain on financial assets at FVTOCI	3,774	(3,774)	-	-	-
Others	<u>23,738</u>	<u>(4,283)</u>	<u>-</u>	<u>-</u>	<u>19,455</u>
	<u>\$ 28,302</u>	<u>\$ (8,044)</u>	<u>\$ (8)</u>	<u>\$ -</u>	<u>\$ 20,250</u>

For the year ended December 31, 2022

<b>Deferred Tax Assets</b>	<b>Beginning Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Recognized Directly in Equity</b>	<b>Ending Balance</b>
Temporary differences					
Allowance for inventory valuation loss	\$ 11,888	\$ (2,763)	\$ -	\$ -	\$ 9,125
Others	<u>45,410</u>	<u>(26,819)</u>	<u>-</u>	<u>-</u>	<u>18,591</u>
	<u>\$ 57,298</u>	<u>\$ (29,582)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,716</u>
<b>Deferred Tax Liabilities</b>	<b>Beginning Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Recognized Directly in Equity</b>	<b>Ending Balance</b>
Temporary differences					
Defined benefit obligation	\$ 161	\$ -	\$ 629	\$ -	\$ 790
Unrealized valuation gain on financial assets at FVTOCI	3,774	-	-	-	3,774
Others	<u>11,129</u>	<u>12,609</u>	<u>-</u>	<u>-</u>	<u>23,738</u>
	<u>\$ 15,064</u>	<u>\$ 12,609</u>	<u>\$ 629</u>	<u>\$ -</u>	<u>\$ 28,302</u>

- e. Unused loss carryforwards for which no deferred tax assets have been recognized

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Loss carryforwards	<u>\$ 65,754</u>	<u>\$ 112,480</u>

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, 2023, the Group had not recognized the prior years' loss carryforwards, totaling \$65,754 thousand, as deferred tax assets. The expiry years are from 2024 to 2033.

f. Income tax assessments

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

<u>Company</u>	<u>Year</u>
momo	2021
FST	2021
FLI	2021
FI	2021
Bebe Poshe	2021
FSL	2021
MFS	2021
Prosperous Living	2021

## 24. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Basic earnings per share	\$ <u>15.10</u>	\$ <u>14.29</u>
Diluted earnings per share	\$ <u>15.10</u>	\$ <u>14.29</u>

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares on August 21, 2023. The basic and diluted earnings per share adjusted retrospectively for the year ended December 31, 2022 were as follows:

Unit: NT\$ Per Share

	<u>Before Retrospective Adjustment</u>	<u>After Retrospective Adjustment</u>
Basic earnings per share	\$ <u>15.72</u>	\$ <u>14.29</u>
Diluted earnings per share	\$ <u>15.72</u>	\$ <u>14.29</u>

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

### Net Profit for the Year

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Earnings used in the computation of basic and diluted earnings per share	\$ <u>3,628,069</u>	\$ <u>3,434,626</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Weighted average number of common shares used in the computation of basic earnings per share	240,340	240,340
Effect of potentially dilutive common shares:		
Compensation of employees	<u>9</u>	<u>7</u>
Weighted average number of common shares used in the computation of diluted earnings per share	<u>240,349</u>	<u>240,347</u>

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. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS**

In March and May 2023, and October 2022, the Group acquired equity interests of Bebe Poshe, and consequently the shareholding in Bebe Poshe increased. Please refer to Note 12.

The above transactions were accounted for as equity transactions, since it did not have effect on the Group's control over its subsidiary.

Bebe Poshe

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Consideration paid	\$ (8,085)	\$ (5,880)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	<u>1,579</u>	<u>1,126</u>
Differences recognized from equity transactions	<u>\$ (6,506)</u>	<u>\$ (4,754)</u>
<u>Line items adjusted for equity transactions</u>		
Unappropriated Earnings	<u>\$ (6,506)</u>	<u>\$ (4,754)</u>

## 26. REORGANIZATION

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

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

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

## 27. CASH FLOW INFORMATION

Changes in liabilities arising from financing activities:

For the year ended December 31, 2023

	<b>Beginning Balance</b>	<b>Cash Flows</b>	<b>Non-cash Changes</b>		<b>Ending Balance</b>
			<b>New Leases</b>	<b>Others</b>	
Lease liabilities	<u>\$ 1,625,299</u>	<u>\$ (812,220)</u>	<u>\$ 2,795,366</u>	<u>\$ 14,306</u>	<u>\$ 3,622,751</u>

For the year ended December 31, 2022

	<b>Beginning Balance</b>	<b>Cash Flows</b>	<b>Non-cash Changes</b>		<b>Ending Balance</b>
			<b>New Leases</b>	<b>Others</b>	
Lease liabilities	<u>\$ 1,534,172</u>	<u>\$ (658,905)</u>	<u>\$ 737,409</u>	<u>\$ 12,623</u>	<u>\$ 1,625,299</u>

## 28. 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.

## 29. FINANCIAL INSTRUMENTS

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

Management of the Group considers that the carrying amounts of financial assets and financial liabilities in the consolidated financial statements that are not measured at fair value approximate their fair values, or their fair values cannot be reliably measured.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

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

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Unlisted stock - domestic	\$ -	\$ -	\$ 237,546	\$ 237,546
Financial assets at FVTOCI				
Investments in equity instruments				
Unlisted stock - foreign	\$ -	\$ -	\$ 4,217	\$ 4,217
Unlisted stock - domestic	-	-	403,487	403,487
	\$ -	\$ -	\$ 407,704	\$ 407,704

There were no transfers between the fair value measurements of Levels 1 and 2 for the year ended December 31, 2023.

2) Valuation techniques and assumption used in fair value determination

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

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

The fair values of domestic and foreign unlisted stocks were determined using the market approach, asset approach or income approach. The evaluations were referenced to the valuation of the same type of companies, the transaction prices of recent financing activities, the information of companies or estimated free cash flows to measure its fair values. The unobservable inputs were the liquidity discount rates and the stock price volatility. At December 31, 2023 and 2022, the ranges of liquidity discount rates were 24.08% and 18.33%-30%, and the ranges of stock price volatility were 25.42% and 38.91%-52.39%.

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

a) Financial assets at FVTPL - equity instruments:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Beginning balance	\$ 237,546	\$ -
Recognized in profit or loss (gain on financial assets at FVTPL)	49,954	7,546
Purchases	<u>-</u>	<u>230,000</u>
Ending balance	<u>\$ 287,500</u>	<u>\$ 237,546</u>

b) Financial assets at FVTOCI - equity instruments:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Beginning balance	\$ 407,704	\$ 76,356
Recognized in other comprehensive income (loss) (unrealized valuation income (loss) on financial assets at FVTOCI)	2,595	(41,514)
Purchases	-	375,000
Disposal	<u>(4,993)</u>	<u>(2,138)</u>
Ending balance	<u>\$ 405,306</u>	<u>\$ 407,704</u>

c. Categories of financial instruments

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	\$ 287,500	\$ 237,546
Financial assets at FVTOCI		
Investments in equity instruments	405,929	407,704
Financial assets at amortized cost (Note 1)	<u>10,278,827</u>	<u>11,377,354</u>
	<u>\$ 10,972,256</u>	<u>\$ 12,022,604</u>

Financial liabilities

Financial liabilities at amortized cost (Note 2)	<u>\$ 13,336,663</u>	<u>\$ 13,521,788</u>
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Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, accounts receivable, other receivables, other financial assets and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise accounts payable, other payables, other financial liabilities and guarantee deposits received.

d. Financial risk management objectives and policies

1) The Group is exposed to the following risks due to usage of financial instruments:

- a) Credit risk
- b) Liquidity risk
- c) Market risk

This note presents information concerning the Group's risk exposure and the Group's targets, policies and procedures to measure and manage the risks.

2) Risk management framework

a) Decision-making mechanism:

The highest decision-making authority is the Board of Directors. The Board of Directors assesses material risks in accordance with operation strategy while monitoring the overall risks and their strategy execution steadily. In addition, the Operations and Management Committee conducts periodic reviews of each business group's operating target and performance to meet the Group's guidance and budget.

b) Risk management policies:

- i. Promote a risk-management-based business model.
- ii. Establish a risk management mechanism that can effectively recognize, evaluate, supervise and control risk.
- iii. Create a company-wide risk management structure that can limit risk to an acceptable level.
- iv. Introduce best risk management practices and continue to seek improvements.

c) Monitoring mechanism:

The Internal Audit Office regularly monitors and assesses the potential risks that the Group may face and use this information as a reference for drafting its annual audit plan. The Internal Audit Office should report any discrepancy to the concerned unit chief and ensure that remediation efforts are completed.

3) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty of a financial instrument fails to meet its contractual obligations, which arises principally from the Group's receivables from customers and financial instruments. The Group deals with customers with good reputation and monitors customers' credit risk and credit ratings continuously. The Group transacts with a large number of unrelated customers and, thus, credit risk is not highly concentrated.

The Group's maximum exposure to credit risk of all kinds of financial instruments is equal to the carrying amount.



#### 4) Liquidity risk

Liquidity risk is the risk that the Group fails to meet the obligations associated with its financial liabilities that are settled by delivering cash and cash equivalents or other financial asset. The Group's approach to manage liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable loss or damage to the Group's reputation.

The Group manages and maintains sufficient level of capital to ensure the requirements of paying estimated operating expenditures, including financial obligations on each contract. The Group also monitors its bank credit facilities to ensure that the provisions of loan contracts are all complied with properly. As of December 31, 2023 and 2022, the Group had unused bank facilities of \$50,000 thousand.

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, 2023

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

##### December 31, 2022

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Lease liabilities	\$ 60,054	\$ 120,109	\$ 462,638	\$ 897,542	\$ 113,649

#### 5) Market risk

Market risk is the risk that arises from the changes in foreign exchange rates, interest rates, and prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable range and to optimize the return.

The Group engages in financial instrument transactions without involving any significant risk such as exchange rate risk, interest rate risk, and other price risk; therefore, the Group's market risk is insignificant.

##### a) Exchange rate risk

Most of the operating revenue and expenses are measured in the Group's functional currency. Overall, exchange rate risk is not significant.

For the Group's foreign currency assets and liabilities exposed to significant exchange rate risk, please refer to Note 34.

### Sensitivity analysis

The Group was mainly exposed to the USD, EUR and RMB.

The Group's exchange rate risk comes mainly from conversion gains and losses of accounts denominated in foreign currencies such as cash and cash equivalents, accounts receivable, other receivables, other financial assets, 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 (decreased) increased as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Appreciated 5%	\$ (6,543)	\$ (6,216)
Depreciated 5%	\$ 6,543	\$ 6,216

#### 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:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Fair value interest rate risk		
Financial assets	\$ 5,008,243	\$ 4,712,559
Financial liabilities	3,622,751	1,625,299
Cash flow interest rate risk		
Financial assets	1,949,442	3,883,206

### 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, 2023 and 2022 would have increased or decreased by \$9,747 thousand and \$19,416 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 profit for the years ended December 31, 2023 and 2022 would have increased or decreased by \$14,375 thousand and \$11,877 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income for the years ended December 31, 2023 and 2022 would have increased or decreased by \$20,296 thousand and \$20,385 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

### **30. TRANSACTIONS WITH RELATED PARTIES**

momo's parent is Wealth Media Technology Co., Ltd., which held 45.01% of common stocks of momo as of December 31, 2023 and 2022, respectively. momo's ultimate parent and ultimate controlling party is Taiwan Mobile Co., Ltd.

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**

<b>Related Party Name</b>	<b>Related Party Categories</b>
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
Taipei New Horizon Co., Ltd.	Other related party
Taiwan Fixed Network Co., Ltd.	Other related party
Taiwan Digital Service Co., Ltd.	Other related party
TFN Media Co., Ltd.	Other related party
Win TV Broadcasting Co., Ltd.	Other related party
Taiwan Kuro Times Co., Ltd.	Other related party (Note 1)
Yeong Jia Leh Cable TV Co., Ltd.	Other related party
Mangrove Cable TV Co., Ltd.	Other related party
Phoenix Cable TV Co., Ltd.	Other related party
Union Cable TV Co., Ltd.	Other related party
Globalview Cable TV Co., Ltd.	Other related party
AppWorks Ventures Co., Ltd.	Other related party
Mistake Entertainment Co., Ltd.	Other related party
AppWorks School Co., Ltd.	Other related party
Mepay Co., Ltd.	Other related party
Fansta Co., Ltd.	Other related party
Tropics Entertainment Co., Ltd.	Other related party
NADA Holdings Corp.	Other related party
Fubon Life Insurance Co., Ltd. (Fubon Life)	Other related party
Fubon Insurance Co., Ltd.	Other related party
Taipei Fubon Commercial Bank Co., Ltd. (TFCB)	Other related party
Fubon Bank (China) Co., Ltd.	Other related party

(Continued)

Related Party Name	Related Party Categories
Fubon Securities Co., Ltd.	Other related party
Fubon Securities Investment Trust Co., Ltd.	Other related party
Fubon Investment Services Co., Ltd.	Other related party
Fubon Financial Venture Capital Co., Ltd.	Other related party
Fubon Financial Holding Co., Ltd.	Other related party
Fubon Futures Co., Ltd.	Other related party
Fubon Marketing Co., Ltd.	Other related party (Note 2)
Fubon Sports & Entertainment Co., Ltd.	Other related party
Fubon Gymnasium Co., Ltd.	Other related party
Fubon Asset Management Co., Ltd.	Other related party
Fubon Property Management Co., Ltd. (FPM)	Other related party
Fubon Land Development Co., Ltd.	Other related party
Fubon Real Estate Management Co., Ltd.	Other related party
Fubon Hospitality Management Co., Ltd.	Other related party
Fubon Insurance Agency Co., Ltd.	Other related party (Note 2)
Fubon Insurance Agency Co., Ltd.	Other related party (formerly known as Fu-Sheng Insurance Agency Co., Ltd.)
P. League+ Co., Ltd.	Other related party
Jih Sun International Bank, Ltd.	Other related party (Note 3)
Jih Sun Securities Co., Ltd.	Other related party (Note 3)
Jih Sun Futures Co., Ltd.	Other related party (Note 3)
Chung Hsing Constructions Co., Ltd.	Other related party
Fu Yi Health Management Co., Ltd.	Other related party
Chen Feng Investment Ltd.	Other related party
Chen Yun Co., Ltd.	Other related party
Hung Fu Investment Co., Ltd.	Other related party
Ming Dong Co., Ltd.	Other related party
Cho Pharma Inc.	Other related party
kbro Co., Ltd. (kbro)	Other related party
One Production Film Co., Ltd.	Other related party (Note 3)
Daanwenshan CATV Co., Ltd.	Other related party
North Taoyuan CATV Co., Ltd.	Other related party
Yangmingshan CATV Co., Ltd.	Other related party
Hsin Taipei CATV Co., Ltd.	Other related party
Chinpingtao CATV Co., Ltd.	Other related party
Hsintangcheng CATV Co., Ltd.	Other related party
Chuanlien CATV Co., Ltd.	Other related party
Chen Tao Cable TV Co., Ltd.	Other related party
Fengmeng Cable TV Co., Ltd.	Other related party
Hsinpingtao CATV Co., Ltd.	Other related party
Kuansheng CATV Co., Ltd.	Other related party
Nantien CATV Co., Ltd.	Other related party
Taiwan Win TV Media Co., Ltd.	Other related party
Uospace Tech Co., Ltd.	Other related party
More Sounds Film Production Co., Ltd.	Other related party
Fubon Cultural & Educational Foundation	Other related party
Fubon Charity Foundation	Other related party
Fubon Art Foundation	Other related party
Taiwan Mobile Foundation	Other related party
Taipei Fubon Bank Charity Foundation	Other related party
Fubon Life Art Museum Foundation	Other related party
Taipei New Horizon Management Agency	Other related party

(Concluded)

Note 1: Not a related party since the fourth quarter of 2023.

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

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

b. Operating revenue

Line Items	Related Party Categories	For the Year Ended December 31	
		2023	2022
Sales	Ultimate parent entity	\$ 244,649	\$ 247,316
	Associates	-	1,020
	Other related parties	<u>22,420</u>	<u>12,383</u>
		<u>\$ 267,069</u>	<u>\$ 260,719</u>

The Group renders sales service to other related parties. The transaction terms with related parties were not significantly different from those with third parties.

c. Purchases

Related Party Categories	For the Year Ended December 31	
	2023	2022
Ultimate parent entity	\$ 3,038,450	\$ 2,836,202
Other related parties	<u>287,130</u>	<u>291,500</u>
	<u>\$ 3,325,580</u>	<u>\$ 3,127,702</u>

The entities mentioned above provide sales, broadcast, and other services. The transaction terms with related parties were not significantly different from those with third parties.

d. Receivables from related parties

Line Items	Related Party Categories/Name	December 31	
		2023	2022
Accounts receivable	Ultimate parent entity	\$ 146,732	\$ 50,391
	Associates	<u>-</u>	<u>2</u>
	Other related parties		
	TFCB	239,796	233,631
	Others	<u>4,778</u>	<u>2,609</u>
		<u>244,574</u>	<u>236,240</u>
		<u>\$ 391,306</u>	<u>\$ 286,633</u>
Other receivables	Ultimate parent entity	\$ 52,680	\$ 66,042
	Other related parties		
	TFCB	<u>450,459</u>	<u>279,206</u>
		<u>\$ 503,139</u>	<u>\$ 345,248</u>

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

e. Payables to related parties

Line Items	Related Party Categories	December 31	
		2023	2022
Accounts payable	Ultimate parent entity	\$ 285,939	\$ 343,588
	Other related parties	<u>787</u>	<u>626</u>
		<u>\$ 286,726</u>	<u>\$ 344,214</u>
Other payables	Ultimate parent entity	<u>\$ 81,928</u>	<u>\$ 89,052</u>

The outstanding trade payables to related parties are unsecured.

f. Bank deposits

Line Items	Related Party Categories/Name	December 31	
		2023	2022
Cash and cash equivalents	Other related parties		
	TFCB	<u>\$ 3,360,824</u>	<u>\$ 772,798</u>
Other financial assets	Other related parties	<u>\$ 15,728</u>	<u>\$ 21,086</u>

g. Lease arrangements

	Related Party Categories/Name	For the Year Ended December 31	
		2023	2022
Acquisition of right-of-use assets	Other related parties		
	Fubon Life	<u>\$ 711,076</u>	<u>\$ 85,197</u>
Line Items	Related Party Categories/Name	December 31	
		2023	2022
Lease liabilities	Other related parties		
	Fubon Life	<u>\$ 695,471</u>	<u>\$ 173,354</u>

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	Purchase Price For the Year Ended December 31	
		2023	2022
E-Book business	Ultimate parent entity	<u>\$ 71,400</u>	<u>\$ -</u>

i. Others

1) Refundable deposits

Related Party Categories/Name	December 31	
	2023	2022
Other related parties		
Fubon Life	\$ 59,906	\$ 46,270

2) Operating expenses

Related Party Categories/Name	For the Year Ended December 31	
	2023	2022
Ultimate parent entity	\$ 53,124	\$ 73,762
Other related parties		
TFCB	870,197	701,334
FPM	16,692	15,836
Others	60,285	48,055
	<u>947,174</u>	<u>765,225</u>
	\$ 1,000,298	\$ 838,987

3) Other income and expenses

Related Party Categories/Name	For the Year Ended December 31	
	2023	2022
Associates	\$ 3,794	\$ 15,056
Other related parties		
TFCB	60,861	60,590
	<u>\$ 64,655</u>	<u>\$ 75,646</u>

4) Interest income

Related Party Categories/Name	For the Year Ended December 31	
	2023	2022
Other related parties		
TFCB	\$ 13,102	\$ 2,169

j. Compensation of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 109,067	\$ 91,207
Post-employment benefits	1,728	1,816
Termination benefits	<u>17</u>	<u>-</u>
	<u>\$ 110,812</u>	<u>\$ 93,023</u>

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

### 31. ASSETS PLEDGED

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Other financial assets - current	\$ 65,195	\$ 65,200
Other financial assets - non-current	<u>272,995</u>	<u>233,329</u>
	<u>\$ 338,190</u>	<u>\$ 298,529</u>

### 32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

- a. In accordance with the Ministry of Economic Affairs' policy, momo entered into a contract with DBS Bank (Taiwan) Ltd., which provided performance guarantee for advance receipts from prepaid bonus of \$95,569 thousand, mo coins of \$37,775 thousand, electronic tickets of \$185,173 thousand, and physical tickets of \$8,762 thousand as of December 31, 2023, respectively.
- b. As of December 31, 2023 and 2022, the amounts of lease commitments commencing after the balance sheet date were \$310,885 thousand and \$2,079,295 thousand, respectively.
- c. Due to the business development needs, momo's Board of Directors resolved the logistics warehouse construction and equipment procurement in Southern District in July 2020. As of December 31, 2023, contract amount not yet paid for the logistics warehouse construction and equipment were \$337,177 thousand and \$374,810 thousand, respectively. In addition, momo's Board of Directors resolved the logistics warehouse construction in Central District in January 2023. As of December 31, 2023, contract amount not yet paid for the logistics warehouse construction was \$5,037,714 thousand.

### 33. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In January 2024, momo's Board of Directors resolved to participate in the capital increase of Fubon Green Power Co., Ltd., with a total investment amount capped at 550,000 thousand.



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

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

December 31, 2023

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

December 31, 2022

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
RMB	\$ 16,951	4.401 (RMB:NTD)	\$ 74,603
USD	1,801	30.725 (USD:NTD)	55,333
EUR	60	32.65 (EUR:NTD)	<u>1,951</u>
			<u>\$ 131,887</u>
Non-monetary items			
Financial assets at FVTOCI			
HKD	1,070	3.942 (HKD:NTD)	\$ 4,217
Investments accounted for using equity method			
RMB	110,431	4.401 (RMB:NTD)	<u>486,008</u>
			<u>\$ 490,225</u>

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Foreign currency liabilities</u>			
Monetary items			
RMB	\$ 375	4.401 (RMB:NTD)	\$ 1,650
USD	111	30.725 (USD:NTD)	3,413
EUR	77	32.65 (EUR:NTD)	<u>2,501</u>
			<u>\$ 7,564</u> (Concluded)

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange (losses) gains were \$(1,554) thousand and \$4,629 thousand, respectively. It is impractical to disclose net foreign exchange (losses) gains by each significant foreign currency due to the variety of foreign currencies transactions and the functional currencies of the entities in the Group.

### 35. SEPARATELY DISCLOSED ITEMS

#### a. Information on significant transactions

- 1) Financing provided to others. (None)
- 2) Endorsements/guarantees provided. (None)
- 3) Marketable securities held (excluding investments in subsidiaries and associates). (Table 1)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (Table 2)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 3)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 4)
- 9) Trading in derivative instruments. (None)
- 10) Intercompany relationships and significant intercompany transactions. (Table 5)

#### b. Information on investees. (Table 6)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the 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)

### 36. SEGMENT INFORMATION

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

Other segments include FST - travel agent, FLI - life insurance agent, FI - comprehensive insurance agent, Bebe Poshe - wholesale of cosmetics, FSL - logistics industry, MFS - wholesaling, Prosperous Living - wholesale and retail sales, Asian Crown (BVI) - investment, and Honest Development - investment; for the years ended December 31, 2023 and 2022, 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:

	<b>Multimedia Business and Catalogues</b>	<b>E-commerce</b>	<b>Others</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
<u>For the year ended December 31, 2023</u>					
Revenue					
Non-inter-company revenue	\$ 4,066,388	\$ 105,138,539	\$ 1,499,092	\$ (1,461,101)	\$ 109,242,918
Segment profits	\$ 210,887	\$ 4,132,230	\$ (51,218)	\$ 148,330	\$ 4,440,229
<u>For the year ended December 31, 2022</u>					
Revenue					
Non-inter-company revenue	\$ 4,793,610	\$ 98,609,267	\$ 1,286,051	\$ (1,252,493)	\$ 103,436,435
Segment profits	\$ 373,848	\$ 3,823,011	\$ (78,143)	\$ 193,075	\$ 4,311,791

b. Geographical information

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

TABLE 1

## momo.com Inc. AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

DECEMBER 31, 2023

(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, 2023			Note
				Shares (Thousands)	Carrying Amount	% of Ownership	Fair Value
momo	Foreign listed stock	-	Financial assets at FVTOCI - current	728	\$ 623	0.04	\$ 623
	eSun						
	Domestic unlisted stock						
	We Can Medicines Co., Ltd.						
	LINE Bank Taiwan Limited	-	Financial assets at FVTOCI - non-current	3,073	96,815	7.68	96,815
	Gaius Automotive Inc.	-	Financial assets at FVTPL - non-current	37,500	308,491	2.50	308,491
		-		5,750	287,500	7.61	287,500

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

TABLE 2

## 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, 2023  
(In Thousands of New Taiwan Dollars)

Buyer	Property	Event Date	Transaction Amount	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	2023.10.31	\$ 5,302,857	Based on contract terms	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	None

**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, 2023**  
(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	\$ 243,432	-	Based on contract terms	\$	-	\$ 146,572	25	
			Purchase	3,036,787	3	Based on contract terms		-	(285,939)	(3)	
	FSL	Subsidiary	Purchase	1,163,435	1	Based on contract terms		-	(280,121)	(3)	
	MFS	Subsidiary	Purchase	174,322	-	Based on contract terms		-	(14,687)	-	
	kbno	Other related party	Purchase	130,124	-	Based on contract terms		-	(68)	-	

## 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, 2023  
(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	11.44	\$ -	-	\$ 146,361	\$ -
	TFCB	Other related party	Other receivables	-	-	-	51,504	-
			Accounts receivable	Note	-	-	239,677	-
FSL			Other receivables	-	-	-	450,321	-
			Accounts receivable	4.37	-	-	267,254	-
			Accounts receivable		-	-		-

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



TABLE 5

**momom.com Inc. AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Number	Investee Company	Counterparty	Relationship (Note)	Transaction Details			% of Consolidated Total Operating Revenue or Total Assets
				Financial Statement Accounts	Amount	Payment Terms	
0	momom	Bebe Poshe FSL MFS Prosperous Living	1 1 1 1	Operating costs Accounts payable Operating costs Accounts payable Operating costs Operating costs	\$ 21,283 280,121 1,163,435 14,687 174,322 38,861	The terms of transaction are determined in accordance with mutual agreements or general business practices	0.02 0.99 1.06 0.05 0.16 0.04

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

TABLE 6

## momo.com Inc. AND SUBSIDIARIES

## INFORMATION ON INVESTEEES

## FOR THE YEAR ENDED DECEMBER 31, 2023

(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, 2023		Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Shares (Thousands)	%			
momo	FST	Taiwan	Travel agent	\$ 6,000	\$ 6,000	3,000	100.00	\$ 53,008	\$ 11,415	
	FLI	Taiwan	Life insurance agent	-	3,000	-	-	-	(1,502)	Note 3
	FI	Taiwan	Comprehensive insurance agent	3,000	3,000	500	100.00	9,894	288	Note 3
	Asian Crown (BVI)	British Virgin Islands	Investment	885,285	885,285	9,735	81.99	12,929	(5,520)	
	Honest Development	Samoa	Investment	670,448	670,448	21,778	100.00	465,798	(82,414)	
	Bebe Poshe	Taiwan	Wholesale of cosmetics	98,965	90,880	9,373	93.73	29,579	35	Note 4
	FSL	Taiwan	Logistics industry	250,000	250,000	25,000	100.00	362,637	94,815	
	MFS	Taiwan	Wholesaling	100,000	100,000	10,000	100.00	107,287	8,888	
	Prosperous Living	Taiwan	Wholesale and retail sales	220,850	220,850	22,085	73.62	227,058	8,028	
	Fortune Kingdom	Samoa	Investment	1,132,789	1,132,789	11,594	100.00	11,315	(5,536)	Note 2
Fortune Kingdom	HK Fubon Multimedia	Hong Kong	Investment	1,132,789	1,132,789	11,594	100.00	11,315	(5,536)	Note 2
Honest Development	HK Yue Numerous	Hong Kong	Investment	670,448	670,448	16,600	100.00	465,798	(82,414)	Note 2

Note 1: Share of profit (loss) was eliminated in consolidation.

Note 2: The income/loss of the investee was already included in the income/loss of the investor, and it is not presented in this table.

Note 3: In order to integrate organizational resources, maximize operational synergies, and enhance competitiveness, the Board of Directors of FI resolved to merge with FLI on October 2023, and FI was the surviving company. The base date of merge was November 30, 2023.

Note 4: In March and May 2023, momo's percentage of ownership interest in Bebe Poshe increased to 93.73% due to the acquisition of non-controlling interest.

Note 5: Please refer to Table 7 for information on investments in mainland China.

**momo.com Inc. AND SUBSIDIARIES**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(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, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outward	Inward							
FGE	Wholesaling	\$ 334,722 (RMB 77,500)	b.	\$ 815,413 (USD 14,000) (RMB 89,267)	\$ -	\$ -	\$ 815,413 (USD 14,000) (RMB 89,267)	\$ (6,043)	76.70	\$ (4,635)	\$ 2,290	\$ -	Note 2
Haobo	Investment	47,509 (RMB 11,000)	b.	-	-	-	-	(82,110)	100.00	(82,110)	437,479	-	
GHS	Wholesaling	215,950 (RMB 50,000)	b.	-	-	-	-	37,667	20.00	1,340	391,900	-	

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$1,477,603 (USD14,000, RMB89,267 and HKD168,539)	\$1,477,603 (USD14,000, RMB89,267 and HKD168,539)	\$6,107,981

Note 1: Methods of investment are as follows:

- a. Direct investment in mainland China.
- b. Indirect investment in mainland China through a subsidiary in a third place.
  - 1) FGE is HK Fubon Multimedia's subsidiary.
  - 2) Haobo is HK Yue Numerous' subsidiary.
  - 3) GHS is Haobo's associate.
- c. Others.

Note 2: FGE is no longer viable as a going concern due to long-term losses. The Board of Directors resolved the liquidation on October 2023, currently in process of liquidation.

Note 3: The exchange rates on December 31, 2023 are USD1=NT\$30.705, RMB1=NT\$4.319 and HKD1=NT\$3.929.

**TABLE 8****momo.com Inc.****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2023**

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

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

**momo.com Inc.**

**Financial Statements for the  
Years Ended December 31, 2023 and 2022 and  
Independent Auditors' Report**

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
momo.com Inc.

### **Opinion**

We have audited the accompanying parent company only financial statements of momo.com Inc. (“momo”), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of momo as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China (ROC). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only 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 parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only 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, 2023 are stated as follows:

#### Risk of Revenue Recognition

momo's primary source of revenue is generated from virtual channels, including multimedia business, 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 Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only 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 Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only 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 Standards on Auditing of 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 parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of 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 parent company only 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 parent company only 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 parent company only financial statements, including the disclosures, and whether the parent company only 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 parent company only 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 parent company only financial statements for the year ended December 31, 2023, 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 Chun-Hung Chen.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 16, 2024

Notice to Readers

*The accompanying parent company only 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 parent company only financial statements are those generally applied in the ROC.*

*For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.*

**momo.com Inc.**
**BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

	2023		2022	
	Amount	%	Amount	%
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 6 and 29)	\$ 5,469,353	20	\$ 7,128,301	27
Financial assets at fair value through other comprehensive income - current (Note 8)	623	-	4,217	-
Accounts receivable, net (Note 9)	197,758	1	177,218	1
Accounts receivable from related parties (Note 29)	390,562	1	286,267	1
Other receivables, net (Notes 9 and 29)	2,714,047	10	2,265,399	9
Inventories (Note 10)	4,588,519	16	4,447,225	17
Prepayments	56,985	-	58,149	-
Other financial assets - current (Notes 11 and 30)	63,300	-	67,550	-
Other current assets	11,261	-	13,033	-
Right to recover products - current (Note 20)	168,496	1	175,124	1
Total current assets	13,660,904	49	14,622,483	56
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Note 7)	287,500	1	237,546	1
Financial assets at fair value through other comprehensive income - non-current (Note 8)	405,306	1	403,487	2
Investments accounted for using equity method (Note 12)	1,268,190	5	1,365,182	5
Property, plant and equipment (Note 13)	8,101,233	29	7,262,200	28
Right-of-use assets (Notes 14 and 29)	3,603,750	13	1,588,102	6
Intangible assets (Notes 25 and 29)	38,043	-	55,043	-
Deferred tax assets (Note 22)	119,980	-	25,192	-
Prepayments for equipment	133,464	-	91,235	-
Refundable deposits (Note 29)	224,612	1	235,635	1
Net defined benefit assets - non-current (Note 18)	3,973	-	3,952	-
Other financial assets - non-current (Notes 11 and 30)	257,795	1	218,129	1
Total non-current assets	14,443,846	51	11,485,703	44
<b>TOTAL</b>	<b>\$ 28,104,750</b>	<b>100</b>	<b>\$ 26,108,186</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Contract liabilities - current (Note 20)	\$ 131,911	-	\$ 203,414	1
Accounts payable (Note 15)	9,987,484	36	10,511,531	40
Accounts payable to related parties (Note 29)	594,372	2	622,376	2
Other payables (Notes 16 and 29)	1,520,824	5	1,499,452	6
Current tax liabilities	467,076	2	402,758	2
Lease liabilities - current (Notes 14, 28 and 29)	796,384	3	628,254	2
Refund liabilities - current (Note 20)	179,947	1	191,002	1
Other current liabilities (Note 17)	1,075,513	4	827,152	3
Total current liabilities	14,753,511	53	14,885,939	57
<b>NON-CURRENT LIABILITIES</b>				
Provisions - non-current	31,252	-	26,709	-
Deferred tax liabilities (Note 22)	20,250	-	28,298	-
Lease liabilities - non-current (Notes 14, 28 and 29)	2,826,367	10	997,045	4
Guarantee deposits received	379,788	1	354,820	1
Total non-current liabilities	3,257,657	11	1,406,872	5
Total liabilities	18,011,168	64	16,292,811	62
<b>EQUITY (Note 19)</b>				
Common stock	2,403,404	8	2,184,913	8
Capital surplus	1,969,928	7	2,259,399	9
Retained earnings				
Legal reserve	1,804,834	6	1,461,632	6
Special reserve	210,385	1	206,677	1
Unappropriated earnings	3,831,533	14	3,913,139	15
Total retained earnings	5,846,752	21	5,581,448	22
Other equity	(126,502)	-	(210,385)	(1)
Total equity	10,093,582	36	9,815,375	38
<b>TOTAL</b>	<b>\$ 28,104,750</b>	<b>100</b>	<b>\$ 26,108,186</b>	<b>100</b>

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

**momo.com Inc.**
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	<b>2023</b>		<b>2022</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
OPERATING REVENUE (Notes 20 and 29)	\$ 109,205,957	100	\$ 103,403,362	100
OPERATING COSTS (Notes 10, 18, 21 and 29)	<u>98,871,222</u>	<u>90</u>	<u>93,341,963</u>	<u>90</u>
GROSS PROFIT FROM OPERATIONS	<u>10,334,735</u>	<u>10</u>	<u>10,061,399</u>	<u>10</u>
OPERATING EXPENSES (Notes 9, 18, 21 and 29)				
Marketing expenses	3,167,840	3	3,313,679	3
Administrative expenses	2,786,107	3	2,587,429	3
Research and development expenses	283,288	-	227,377	-
Expected credit loss	<u>2,080</u>	<u>-</u>	<u>1,193</u>	<u>-</u>
Total operating expenses	<u>6,239,315</u>	<u>6</u>	<u>6,129,678</u>	<u>6</u>
NET OTHER INCOME AND EXPENSES (Note 29)	<u>149,803</u>	<u>-</u>	<u>211,515</u>	<u>-</u>
OPERATING INCOME	<u>4,245,223</u>	<u>4</u>	<u>4,143,236</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 29)	97,354	-	50,522	-
Other income	4,665	-	6,031	-
Other gains and losses, net (Notes 12 and 21)	48,996	-	119,592	-
Finance costs (Note 21)	(19,878)	-	(13,026)	-
Share of profit (loss) of subsidiaries and associates accounted for using equity method (Note 12)	<u>32,931</u>	<u>-</u>	<u>(25,938)</u>	<u>-</u>
Total non-operating income and expenses	<u>164,068</u>	<u>-</u>	<u>137,181</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	4,409,291	4	4,280,417	4
INCOME TAX EXPENSE (Note 22)	<u>781,222</u>	<u>1</u>	<u>845,791</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>3,628,069</u>	<u>3</u>	<u>3,434,626</u>	<u>3</u>

(Continued)

**momo.com Inc.**

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	<b>2023</b>		<b>2022</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
OTHER COMPREHENSIVE INCOME (LOSS)				
(Notes 12, 18, 19 and 22)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ (38)	-	\$ 3,145	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	17,364	-	(41,514)	-
Share of remeasurement of defined benefit plans of associates accounted for using equity method	-	-	367	-
Income tax benefit (expense) related to items that will not be reclassified subsequently to profit or loss	8	-	(629)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation	-	-	22,053	-
Share of other comprehensive (loss) income of subsidiaries and associates accounted for using equity method	(12,341)	-	16,263	-
Other comprehensive income (loss), net of tax	4,993	-	(315)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,633,062</u>	<u>3</u>	<u>\$ 3,434,311</u>	<u>3</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 15.10</u>		<u>\$ 14.29</u>	
Diluted	<u>\$ 15.10</u>		<u>\$ 14.29</u>	

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, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

	Other Equity					
	Retained Earnings			Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation
BALANCE AT JANUARY 1, 2022	\$ 1,820,761	\$ 2,446,415	\$ 1,128,868	\$ 142,530	\$ 3,427,094	\$ (107,892)
Distribution of 2021 earnings	-	-	-	-	-	-
Legal reserve	-	-	332,764	-	(332,764)	-
Special reserve	-	-	-	64,147	(64,147)	-
Cash dividends	-	-	-	-	(2,366,989)	-
Stock dividends	182,076	-	-	-	(182,076)	-
Changes in equity of associates accounted for using equity method	-	-	-	-	(1,244)	-
Issue of stock dividends from capital surplus	182,076	(182,076)	-	-	-	-
Net profit for the year ended December 31, 2022	-	-	-	-	3,434,626	-
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	2,883	38,316
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	3,437,509	38,316
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	-	(4,754)	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	510	(510)
Changes in equity of non-current assets held for sale	-	(4,940)	-	-	-	-
BALANCE AT DECEMBER 31, 2022	2,184,913	2,259,399	1,461,632	206,677	3,913,139	(69,576)
Distribution of 2022 earnings	-	-	343,202	-	(343,202)	-
Legal reserve	-	-	-	3,708	(3,708)	-
Cash dividends	-	-	-	-	(3,277,369)	-
Issue of stock dividends from capital surplus	218,491	(218,491)	-	-	-	-
Net profit for the year ended December 31, 2023	-	-	-	-	3,628,069	-
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	(30)	(12,341)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	3,628,039	(12,341)
Reorganization	-	(70,980)	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	-	(6,506)	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(78,860)	-
BALANCE AT DECEMBER 31, 2023	\$ 2,403,404	\$ 1,969,928	\$ 1,804,834	\$ 210,385	\$ 3,831,533	\$ (81,917)
						\$ (44,585)
						\$ 10,093,582

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

**momo.com Inc.**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 4,409,291	\$ 4,280,417
Adjustments for:		
Depreciation expenses	1,146,488	1,034,829
Amortization expenses	38,756	58,682
Expected credit loss	2,080	1,193
Gain on financial assets at fair value through profit or loss	(49,954)	(7,546)
Finance costs	19,878	13,026
Interest income	(97,354)	(50,522)
Share of (profit) loss of subsidiaries and associates accounted for using equity method	(32,931)	25,938
Loss on disposal of property, plant and equipment	956	135
Gain on disposal of non-current assets held for sale	-	(109,805)
Others	(186)	1,430
Changes in operating assets and liabilities		
Accounts receivable	(20,337)	(62,442)
Accounts receivable from related parties	(104,295)	(182,333)
Other receivables	(449,781)	(571,337)
Inventories	(141,294)	(762,762)
Prepayments	1,164	(3,112)
Other current assets	1,772	1,220
Right to recover products	6,628	(12,605)
Contract liabilities	(71,503)	117,498
Accounts payable	(524,047)	2,032,093
Accounts payable to related parties	(28,004)	7,988
Other payables	18,870	136,320
Provisions	(519)	(140)
Other current liabilities	248,361	139,889
Net defined benefit plans	(59)	(4)
Refund liabilities	(11,055)	10,898
Cash generated from operations	4,362,925	6,098,948
Interest received	132	61
Income tax paid	(804,678)	(967,381)
Net cash generated from operating activities	<u>3,558,379</u>	<u>5,131,628</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(375,000)
Disposal of financial assets at fair value through other comprehensive income	4,028	2,138
Acquisition of financial assets at fair value through profit or loss	-	(230,000)
Acquisition of investments accounted for using equity method	(8,085)	(5,880)
Disposal of subsidiary accounted for using equity method	1,634	-
Disposal of non-current assets held for sale	-	200,156

(Continued)

**momo.com Inc.****STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

	2023	2022
Acquisition of property, plant and equipment	\$ (1,198,409)	\$ (2,396,014)
Disposal of property, plant and equipment	750	161
Increase in refundable deposits	(82,490)	(102,829)
Decrease in refundable deposits	85,180	5,818
Acquisition of intangible assets	(9,420)	(34,782)
Increase in other financial assets	(45,419)	(189,035)
Decrease in other financial assets	10,003	156,692
Increase in prepayments for equipment	(79,444)	(228,985)
Interest received	94,439	47,794
Dividends received	117,527	63,199
Net cash outflow on acquisition of e-book business	<u>(43,000)</u>	<u>-</u>
Net cash used in investing activities	<u>(1,152,706)</u>	<u>(3,086,567)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in guarantee deposits received	65,884	67,440
Decrease in guarantee deposits received	(40,916)	(42,824)
Repayment of the principal portion of lease liabilities	(793,028)	(646,220)
Cash dividends paid	(3,277,369)	(2,366,989)
Interest paid	<u>(19,192)</u>	<u>(12,685)</u>
Net cash used in financing activities	<u>(4,064,621)</u>	<u>(3,001,278)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,658,948)	(956,217)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>7,128,301</u>	<u>8,084,518</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,469,353</u>	<u>\$ 7,128,301</u>

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

(Concluded)

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

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**1. ORGANIZATION AND OPERATIONS**

momo.com Inc. (“momo” or the “Company”), a ROC corporation, was incorporated on September 27, 2004. The Company’s shares were listed on the ROC Over-the-Counter Securities Exchange on February 27, 2014. On December 19, 2014, the Company’s shares were shifted to be listed on the Taiwan Stock Exchange. The Company is mainly engaged in TV and radio production, radio and TV program distribution, radio and TV commercial, video program distribution, issuing of magazine, retailing, and retail sale no storefront.

The 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, 2024.

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

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

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company’s accounting policies:

Amendments to IAS 1 “Disclosure of Accounting Policies”

When applying the amendments, the Company refers to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Moreover:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;
- The Company may consider the accounting policy information material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The accounting policy information is likely to be considered material to the financial statements if that information relates to material transactions, other events or conditions and:

- 1) The Company changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;



- 2) The Company chose the accounting policy from options permitted by the standards;
- 3) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;
- 4) The accounting policy relates to an area for which the Company is required to make significant judgments or assumptions in applying an accounting policy, and the Company discloses those judgments or assumptions; or
- 5) The accounting is complex, and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

Refer to Note 4 for related accounting policy information.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

<b><u>New, Amended and Revised Standards and Interpretations</u></b>	<b><u>Effective Date Announced by IASB (Note 1)</u></b>
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

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

<b><u>New, Amended and Revised Standards and Interpretations</u></b>	<b><u>Effective Date Announced by IASB (Note 1)</u></b>
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
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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

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

**a. Statement of compliance**

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 financial instruments which are measured at fair value, and net defined benefit assets which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

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. Reorganization under common control

Reorganization under common control is accounted for applying the book-value method.

e. 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 parent company only 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.

f. 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 costs or selling expenses. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Investments accounted for using equity method

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

1) Investments 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 accounted 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.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is 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.

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. 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.

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.

h. 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.

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.

j. Non-current assets held for sale

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

When the Company is committed to a sale plan involving the disposal of an investment or a portion of an investment in an associate, only the investment or the portion of the investment that will be disposed of is classified as held for sale when the classification criteria are met, and the Company discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

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

k. 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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

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 FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 28.

ii. 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, 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.

iii. 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 accounts receivable and other receivables).

The Company always recognizes lifetime expected credit losses (ECLs) for 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.

1. 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. Revenue 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 to customers. The transaction price is allocated to the product, mo coins or advance receipts from prepaid bonus on a relative stand-alone selling price basis. The stand-alone selling price per mo coins or advance receipts from prepaid bonus is estimated on the basis of the likelihood of redemption, based on past experience. The stand-alone selling price of the product sold is estimated on the basis of the retail price. Allocated transaction price is recognized as other financial liabilities as collected and will be deducted when mo coins or advance receipts from prepaid bonus are redeemed. mo coins or 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 revenue from rendering of services are service revenue and advertising revenue. Service revenue is 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. The Company provides platform usage and management services to customers which is recognized as advertising 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 years in which they are incurred.

n. 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 net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Net interest on the net defined benefit 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 assets represent the actual 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.

o. Taxation

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

1) Current tax

Income tax payable is based on taxable profit for the year determined according to the applicable tax laws of the tax jurisdiction.

According to the Income Tax Act 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 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 year 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. MATERIAL 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.

When developing material accounting estimates, the estimates and underlying assumptions are reviewed on an ongoing basis.

### Material Accounting Judgements

#### a. 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.

#### b. Principal versus agent

For contracts with customers relating to the sale of goods and providing service, the Company recognizes revenue on a net basis when it satisfies its performance obligations after taking other indicators into consideration such as not being primarily responsible, and before passing the goods and service on to customers. The Company recognizes revenue on a gross basis when it satisfies its performance obligations if the transfer of the goods and service satisfies other indicators such as its being primarily responsible.

## 6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash in banks	\$ 1,414,403	\$ 1,544,162
Time deposits	<u>4,054,950</u>	<u>5,584,139</u>
	<u>\$ 5,469,353</u>	<u>\$ 7,128,301</u>
The market rate intervals of time deposits	1.1%-1.41%	0.88%-2.6%

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

	December 31	
	2023	2022
<u>Non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Domestic unlisted stock	<u>\$ 287,500</u>	<u>\$ 237,546</u>

In July 2022, the Company acquired 8.02% equity interest of Gaius Automotive Inc. with the investment amount of \$230,000 thousand. In August 2023, momo's percentage of ownership interest in Gaius Automotive Inc. decreased to 7.61% as momo did not exercise the rights to participate in any share issuance for cash.

As of December 31, 2023 and 2022, the financial assets were not pledged.

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

### Equity Instrument Investments

	December 31	
	2023	2022
<u>Current</u>		
Foreign listed stock	\$ 623	\$ -
Foreign unlisted stock	<u>-</u>	<u>4,217</u>
	<u>\$ 623</u>	<u>\$ 4,217</u>
<u>Non-current</u>		
Domestic unlisted stock	<u>\$ 405,306</u>	<u>\$ 403,487</u>

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

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

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

As of December 31, 2023 and 2022, the financial assets were not pledged.

## 9. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Accounts receivable</u>		
Measured at amortized cost		
Gross carrying amount	\$ 198,845	\$ 178,697
Less: Allowance for impairment loss	<u>(1,087)</u>	<u>(1,479)</u>
	<u>\$ 197,758</u>	<u>\$ 177,218</u>
<u>Other receivables</u>		
Measured at amortized cost		
Gross carrying amount	\$ 2,716,998	\$ 2,270,868
Less: Allowance for impairment loss	<u>(2,951)</u>	<u>(5,469)</u>
	<u>\$ 2,714,047</u>	<u>\$ 2,265,399</u>

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

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

The Company writes off accounts receivable and other receivables when there is evidence indicating that the counterparty is in severe financial difficulty and accounts receivable and other receivables are considered uncollectible. For accounts receivable and other receivables that have been written off, the 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, 2023

	<b>Not Past Due</b>	<b>1 to 120 Days Past Due</b>	<b>121 to 365 Days Past Due</b>	<b>Over 365 Days Past Due</b>	<b>Total</b>
Gross carrying amount	\$ 2,824,724	\$ 86,186	\$ 2,416	\$ 2,517	\$ 2,915,843
Loss allowance (Lifetime ECLs)	<u>(2)</u>	<u>(52)</u>	<u>(1,467)</u>	<u>(2,517)</u>	<u>(4,038)</u>
Amortized cost	<u>\$ 2,824,722</u>	<u>\$ 86,134</u>	<u>\$ 949</u>	<u>\$ -</u>	<u>\$ 2,911,805</u>

December 31, 2022

	Not Past Due	1 to 120 Days Past Due	121 to 365 Days Past Due	Over 365 Days Past Due	Total
Gross carrying amount	\$ 2,419,921	\$ 20,740	\$ 3,254	\$ 5,650	\$ 2,449,565
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(226)</u>	<u>(1,072)</u>	<u>(5,650)</u>	<u>(6,948)</u>
Amortized cost	<u>\$ 2,419,921</u>	<u>\$ 20,514</u>	<u>\$ 2,182</u>	<u>\$ -</u>	<u>\$ 2,442,617</u>

The expected credit loss rate of each period above, excluding abnormal transactions which have been recognized 100% credit loss, is lower than 2.27% when the aging of the receivables not past due or within 120 days and is between 4.07%-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:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Beginning balance	\$ 6,948	\$ 12,759
Add: Provision	2,080	1,193
Recovery	2	-
Less: Write-off	<u>(4,992)</u>	<u>(7,004)</u>
Ending balance	<u>\$ 4,038</u>	<u>\$ 6,948</u>

## 10. INVENTORIES

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Merchandise	<u>\$ 4,588,519</u>	<u>\$ 4,447,225</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 were \$93,938,194 thousand and \$88,426,851 thousand, respectively, which included reversal of inventory write-downs of \$807 thousand and \$3,062 thousand, respectively.

## 11. OTHER FINANCIAL ASSETS

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Current</u>		
Pledged time deposits and restricted deposits	\$ 63,300	\$ 63,300
Time deposits with original maturities of more than 3 months	<u>-</u>	<u>4,250</u>
	<u>\$ 63,300</u>	<u>\$ 67,550</u>
<u>Non-current</u>		
Pledged time deposits and restricted deposits	<u>\$ 257,795</u>	<u>\$ 218,129</u>

- a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 1.05%-1.44% per annum as of December 31, 2022.
- b. The Company 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 30 for information relating to other financial assets pledged as security.

## 12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2023	2022
Investments in subsidiaries	<u>\$ 1,268,190</u>	<u>\$ 1,365,182</u>

### a. Investments in subsidiaries

Investee Company	December 31		December 31		Note
	2023	% of Ownership	2022	% of Ownership	
Fu Sheng Travel Service Co., Ltd. (FST)	\$ 53,008	100.00	\$ 46,612	100.00	-
Fuli Life Insurance Agent Co., Ltd. (FLI)	-	-	2,922	100.00	Note 2
Fuli Insurance Agent Co., Ltd. (formerly known as Fuli Property Insurance Agent Co., Ltd.) (FI)	9,894	100.00	12,983	100.00	Notes 1 and 2
Bebe Poshe International Co., Ltd. (Bebe Poshe)	29,579	93.73	27,953	88.68	Note 3
Fu Sheng Logistics Co., Ltd. (FSL)	362,637	100.00	374,472	100.00	-
MFS Co., Ltd. (MFS)	107,287	100.00	98,399	100.00	-
Prosperous Living Co., Ltd. (Prosperous Living)	227,058	73.62	223,833	73.62	-
Asian Crown International Co., Ltd. (Asian Crown (BVI))	12,929	81.99	17,506	81.99	-
Honest Development Co, Ltd. (Honest Development)	<u>465,798</u>	100.00	<u>560,502</u>	100.00	-
	<u>\$ 1,268,190</u>		<u>\$ 1,365,182</u>		

Note 1: Fuli Property Insurance Agent Co., Ltd. was renamed Fuli Insurance Agent Co., Ltd. in January 2023, which was approved by the Board of Directors. On February 4, 2023, the government approval has been successfully obtained.

Note 2: In order to integrate organizational resources, maximize operational synergies, and enhance competitiveness, the Board of Directors of FI resolved to merge with FLI on October 2023, and FI was the surviving company. The base date of merge was November 30, 2023.

Note 3: momo acquired equity interest of Bebe Poshe's non-controlling interests in March and May 2023 and October 2022. Please refer to Note 24 for the details.

In June 2015, momo's subsidiary acquired 20% equity interests of Global Home Shopping Co., Ltd. (GHS), which is invested by Haobo Information Consulting (Shenzhen) Co., Ltd. (Haobo). Due to increased competition in the market of China, the actual operating did not perform as expected. As a result, the recoverable amount of Haobo's equity investment of GHS was less than the carrying amount. Haobo recognized impairment losses of \$83,158 thousand and \$82,231 thousand for the years ended December 31, 2023 and 2022, respectively. momo also recognized share of loss of subsidiaries accounted for using equity method by subsidiaries proportional.

Refer to Table 5 and Table 6 for the details of the subsidiaries indirectly held by the Company.



b. Investments in associates

1) TV Direct Public Company Limited

During 2020, momo acquired 24.99% equity interest of TV Direct Public Company Limited (“TV Direct”).

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

During the period from June to August 2022, momo sold all shares of TV Direct for \$200,156 thousand, and gain on disposal of non-current assets held for sale was \$109,805 thousand.

2) Summarized financial information of the Company’s associates was as follows:

The summarized financial information below represents amounts shown in the associates’ consolidated financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Company for equity accounting purposes.

**For the Year  
Ended  
December 31,  
2022**

The Company’s share of:

Net loss for the year	\$ (44,798)
Other comprehensive income	<u>367</u>

Total comprehensive loss for the year	<u>\$ (44,431)</u>
---------------------------------------	--------------------

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 under Construction	Total
<u>Cost</u>								
Balance at January 1, 2022	\$ 2,338,155	\$ 1,776,262	\$ 1,631,230	\$ 158,699	\$ 346,305	\$ 85,243	\$ 343,732	\$ 6,679,626
Additions	924,481	1,142	135,581	30,539	47,716	11,729	1,057,632	2,208,820
Disposals	-	-	(475)	(2,643)	(983)	(556)	-	(4,657)
Reclassifications	<u>396,548</u>	<u>-</u>	<u>3,120</u>	<u>698</u>	<u>2,445</u>	<u>-</u>	<u>(3,263)</u>	<u>399,548</u>
Balance at December 31, 2022	<u>\$ 3,659,184</u>	<u>\$ 1,777,404</u>	<u>\$ 1,769,456</u>	<u>\$ 187,293</u>	<u>\$ 395,483</u>	<u>\$ 96,416</u>	<u>\$ 1,398,101</u>	<u>\$ 9,283,337</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2022	\$ -	\$ 329,639	\$ 916,712	\$ 114,455	\$ 251,323	\$ 34,150	\$ -	\$ 1,646,279
Depreciation expenses	-	79,452	207,907	25,281	55,644	10,935	-	379,219
Disposals	<u>-</u>	<u>-</u>	<u>(473)</u>	<u>(2,501)</u>	<u>(983)</u>	<u>(404)</u>	<u>-</u>	<u>(4,361)</u>
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 409,091</u>	<u>\$ 1,124,146</u>	<u>\$ 137,235</u>	<u>\$ 305,984</u>	<u>\$ 44,681</u>	<u>\$ -</u>	<u>\$ 2,021,137</u>
Carrying amount at December 31, 2022	<u>\$ 3,659,184</u>	<u>\$ 1,368,313</u>	<u>\$ 645,310</u>	<u>\$ 50,058</u>	<u>\$ 89,499</u>	<u>\$ 51,735</u>	<u>\$ 1,398,101</u>	<u>\$ 7,262,200</u>

(Continued)

	Land	Buildings	Machinery	Office Equipment	Lease Improvement	Other Equipment	Property under Construction	Total
<u>Cost</u>								
Balance at January 1, 2023	\$ 3,659,184	\$ 1,777,404	\$ 1,769,456	\$ 187,293	\$ 395,483	\$ 96,416	\$ 1,398,101	\$ 9,283,337
Additions	-	-	108,601	30,609	25,161	6,326	1,006,802	1,177,499
Disposals	-	-	(17,700)	(4,397)	(2,162)	(2,318)	-	(26,557)
Reclassifications	-	-	25,023	-	-	257	-	25,280
Balance at December 31, 2023	<u>\$ 3,659,184</u>	<u>\$ 1,777,404</u>	<u>\$ 1,885,380</u>	<u>\$ 213,505</u>	<u>\$ 418,482</u>	<u>\$ 100,681</u>	<u>\$ 2,404,903</u>	<u>\$ 10,459,539</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2023	\$ -	\$ 409,091	\$ 1,124,146	\$ 137,235	\$ 305,984	\$ 44,681	\$ -	\$ 2,021,137
Depreciation expenses	-	51,559	215,422	28,252	53,722	13,085	-	362,040
Disposals	-	-	(16,993)	(4,355)	(1,879)	(1,644)	-	(24,871)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 460,650</u>	<u>\$ 1,322,575</u>	<u>\$ 161,132</u>	<u>\$ 357,827</u>	<u>\$ 56,122</u>	<u>\$ -</u>	<u>\$ 2,358,306</u>
Carrying amount at December 31, 2023	<u>\$ 3,659,184</u>	<u>\$ 1,316,754</u>	<u>\$ 562,805</u>	<u>\$ 52,373</u>	<u>\$ 60,655</u>	<u>\$ 44,559</u>	<u>\$ 2,404,903</u>	<u>\$ 8,101,233</u>

(Concluded)

No impairment loss or reversal of impairment loss was recognized for the years ended December 31, 2023 and 2022.

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, 2023 and 2022, the property, plant and equipment were not pledged as collateral.

## 14. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Carrying amount</u>		
Land	\$ 3,077	\$ -
Buildings	3,597,128	1,587,318
Office equipment	78	577
Transportation equipment	<u>3,467</u>	<u>207</u>
	<u>\$ 3,603,750</u>	<u>\$ 1,588,102</u>

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Additions to right-of-use assets	<u>\$ 2,805,345</u>	<u>\$ 738,737</u>
Depreciation charge for right-of-use assets		
Land	\$ 1,440	\$ 1,386
Buildings	781,598	650,224
Office equipment	499	2,929
Transportation equipment	<u>911</u>	<u>1,071</u>
	<u>\$ 784,448</u>	<u>\$ 655,610</u>

Except for the aforementioned additions and recognized depreciation, the Company did not have significant sublease or impairment of right-of-use assets for the years ended December 31, 2023 and 2022.

b. Lease liabilities

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Carrying amount</u>		
Current	<u>\$ 796,384</u>	<u>\$ 628,254</u>
Non-current	<u>\$ 2,826,367</u>	<u>\$ 997,045</u>

The ranges of discount rates for lease liabilities were 0.61%-1.4% and 0.61%-0.86% per annum as of December 31, 2023 and 2022, respectively.

c. Material leasing activities and terms

The Company leases buildings for the use of offices and warehouses with lease terms of 2 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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Expenses relating to short-term leases	<u>\$ 32,060</u>	<u>\$ 30,071</u>
Expenses relating to low-value asset leases	<u>\$ 26,202</u>	<u>\$ 23,285</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 67,948</u>	<u>\$ 75,368</u>
Total cash outflow for leases	<u>\$ (938,430)</u>	<u>\$ (787,629)</u>

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 \$20,514 thousand and \$20,400 thousand as of December 31, 2023 and 2022, respectively.

## 15. ACCOUNTS PAYABLE

	December 31	
	2023	2022
Suppliers	<u>\$ 9,987,484</u>	<u>\$ 10,511,531</u>

## 16. OTHER PAYABLES

	December 31	
	2023	2022
Payables for salaries and bonus	\$ 529,876	\$ 479,313
Payables for business tax	123,755	151,555
Payables for equipment and construction	44,457	71,120
Payables for pension	31,597	30,952
Others	<u>791,139</u>	<u>766,512</u>
	<u>\$ 1,520,824</u>	<u>\$ 1,499,452</u>

## 17. OTHER CURRENT LIABILITIES

	December 31	
	2023	2022
Other financial liabilities	\$ 905,214	\$ 577,549
Others	<u>170,299</u>	<u>249,603</u>
	<u>\$ 1,075,513</u>	<u>\$ 827,152</u>

## 18. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

For the years ended December 31, 2023 and 2022, the pension expenses of defined contribution plans were \$115,467 thousand and \$110,177 thousand, respectively.

### b. Defined benefit plans

The defined benefit plan adopted by the Company 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. The Company contributes 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 Company 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 Company 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 Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Present value of defined benefit obligation	\$ 12,374	\$ 12,316
Fair value of plan assets	<u>(16,347)</u>	<u>(16,268)</u>
Net defined benefit assets	<u>\$ (3,973)</u>	<u>\$ (3,952)</u>

Movements in net defined benefit assets were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Assets</b>
Balance at January 1, 2022	\$ 14,218	\$ (15,021)	\$ (803)
Net interest expense (income)	<u>71</u>	<u>(75)</u>	<u>(4)</u>
Recognized in profit or loss	<u>71</u>	<u>(75)</u>	<u>(4)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,172)	(1,172)
Actuarial gain			
Changes in financial assumptions	(1,924)	-	(1,924)
Experience adjustments	<u>(49)</u>	<u>-</u>	<u>(49)</u>
Recognized in other comprehensive income	<u>(1,973)</u>	<u>(1,172)</u>	<u>(3,145)</u>
Balance at December 31, 2022	<u>12,316</u>	<u>(16,268)</u>	<u>(3,952)</u>
Net interest expense (income)	<u>185</u>	<u>(244)</u>	<u>(59)</u>
Recognized in profit or loss	<u>185</u>	<u>(244)</u>	<u>(59)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(101)	(101)
Actuarial loss (gain)			
Changes in financial assumptions	209	-	209
Experience adjustments	<u>(70)</u>	<u>-</u>	<u>(70)</u>
Recognized in other comprehensive income	<u>139</u>	<u>(101)</u>	<u>38</u>
Benefits paid	<u>(266)</u>	<u>266</u>	<u>-</u>
Balance at December 31, 2023	<u>\$ 12,374</u>	<u>\$ (16,347)</u>	<u>\$ (3,973)</u>

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:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Discount rate	1.375%	1.5%
Expected rate 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:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Discount rate		
0.25% increase	\$ (414)	\$ (431)
0.25% decrease	\$ 432	\$ 450
Expected rate of salary increase		
0.25% increase	\$ 420	\$ 438
0.25% decrease	\$ (405)	\$ (422)

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.

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Average duration of the defined benefit obligation	13.7 years	14.3 years

## 19. EQUITY

### a. Common stock

As of December 31, 2023 and 2022, momo had authorized 300,000 thousand common shares, with 240,340 thousand and 218,491 thousand shares issued and outstanding at par value \$10 per share.

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

### b. Capital surplus

	December 31	
	2023	2022
Issuance of common shares	\$ 1,844,467	\$ 2,133,938
Changes in percentage of ownership interests in subsidiaries	125,291	125,291
Expired employee share options	<u>170</u>	<u>170</u>
	<u>\$ 1,969,928</u>	<u>\$ 2,259,399</u>

Under the ROC Company Act, the capital surplus generated from the excess of the issuance price over the par value of common stock may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends up to a certain percentage of momo's paid-in capital. Changes in percentage of ownership interests in subsidiaries and expired employee share options may be used to offset a deficit.

### c. Retained earnings and dividends policy

momo's Articles of Incorporation provide that, in the event that momo, according to the financial report, earns profits in a fiscal year, such profits shall first be applied to pay the applicable taxes, recover losses, set aside legal reserve pursuant to laws and regulations until the accumulated legal reserves equal momo's paid-in capital, and set aside or reverse a special reserve in accordance with the law or to satisfy the business needs of momo. The remaining balance and any unappropriated earnings of the previous fiscal years shall be distributed to the shareholders with more than 10% as dividends in accordance with resolutions of the shareholders' meetings. For information about the accrual basis of the compensation of employees and remuneration of directors and the actual appropriations, please refer to Note 21(d).

Based on the consideration of the needs of the Company's operations and to maximize shareholders' interest, the Board of Directors proposed, for approval in the shareholder's meeting, to distribute dividends per residual dividend policy. The Board makes the decision based on the Company's future capital budget-planning and funding needs for the following fiscal year, in addition to factors such as the Company's profitability, financial structure and diluted earnings per share.

Dividends are distributed in the form of stock dividends or cash dividends, of which, cash dividends shall amount to at least to 10%, in order to sustain company operations and growth while balancing the need for dividend distribution and shareholders rights.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals momo's paid-in capital. The legal reserve may be used to offset a deficit. If momo has no deficit and the legal reserve has exceeded 25% of momo's paid-in capital, the excess may be transferred to capital or distributed in cash.

Pursuant to existing regulations, momo is required to set aside and reverse additional special reserve equivalent to the net debit balance of other equity items, such as exchange differences on the translation and unrealized valuation gain (loss) on financial assets at FVTOCI.

The appropriations of earnings for 2022 and 2021, which were approved in the shareholders' meetings on May 19, 2023 and May 20, 2022, respectively, were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Legal reserve	\$ 343,202	\$ 332,764
Special reserve	\$ 3,708	\$ 64,147
Cash dividends	\$ 3,277,369	\$ 2,366,989
Stock dividends	\$ -	\$ 182,076
Cash dividends per share (NT\$)	\$ 15	\$ 13
Stock dividends per share (NT\$)	\$ -	\$ 1

The Company's shareholders resolved in the shareholders' meeting on May 19, 2023 and May 20, 2022 to issue stock dividends of \$218,491 thousand and \$182,076 thousand, respectively, from capital surplus.

The appropriations of earnings for 2023 will be proposed by the Board of Directors and resolved by the shareholders in their meetings.

d. Other equity items

1) Exchange differences on translation

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Beginning balance	\$ (69,576)	\$ (107,892)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	-	22,053
Share from subsidiaries and associates accounted for using equity method	(12,341)	16,263
Other comprehensive (loss) income recognized for the year	(12,341)	38,316
Ending balance	\$ (81,917)	\$ (69,576)



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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Beginning balance	\$ (140,809)	\$ (98,785)
Recognized for the year		
Unrealized gain (loss) - equity instruments	2,310	(41,514)
Share from associates accounted for using equity method	15,054	-
Other comprehensive income (loss) recognized for the year	17,364	(41,514)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	(78,860)	(510)
Ending balance	\$ (44,585)	\$ (140,809)

## 20. OPERATING REVENUE

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Multimedia business and catalogues	\$ 4,066,388	\$ 4,793,610
E-commerce	105,138,539	98,609,267
Others	1,030	485
	<u>\$ 109,205,957</u>	<u>\$ 103,403,362</u>

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:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Sale of goods	\$ 203,340	\$ 80,360
Others	-	4,471
	<u>\$ 203,340</u>	<u>\$ 84,831</u>

## 21. PROFIT BEFORE INCOME TAX

### a. Other gains and losses

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Gain on financial assets at FVTPL	\$ 49,954	\$ 7,546
Gain on disposal of non-current assets held for sale (Note 12)	-	109,805
Net foreign exchange (losses) gains	(244)	2,373
Loss on disposal of property, plant and equipment	(956)	(135)
Others	<u>242</u>	<u>3</u>
	<u>\$ 48,996</u>	<u>\$ 119,592</u>

### b. Finance costs

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Interest on lease liabilities	\$ 19,783	\$ 12,943
Others	<u>95</u>	<u>83</u>
	<u>\$ 19,878</u>	<u>\$ 13,026</u>

### c. Employee benefits expense, depreciation and amortization

<b>Nature</b>	<b>For the Year Ended December 31, 2023</b>			<b>For the Year Ended December 31, 2022</b>		
	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total</b>	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total</b>
Employee benefits expense						
Salary	\$ 922,186	\$ 1,468,339	\$ 2,390,525	\$ 906,736	\$ 1,381,349	\$ 2,288,085
Insurance expense	99,840	149,905	249,745	97,306	139,181	236,487
Pension	45,370	70,038	115,408	44,934	65,239	110,173
Compensation of directors	-	27,436	27,436	-	14,097	14,097
Other employee benefits	64,402	93,818	158,220	63,955	77,670	141,625
Depreciation expenses	930,862	215,626	1,146,488	823,114	211,715	1,034,829
Amortization expenses	9,656	29,100	38,756	9,467	49,215	58,682

As of December 31, 2023 and 2022, the average number of employees of the Company were 2,937 and 2,869, respectively. There were 8 and 7 non-employee directors, respectively. The calculation basis was consistent with employee benefits expenses.

The Company's average employee benefits expenses for the years ended December 31, 2023 and 2022 were \$995 thousand and \$970 thousand, respectively; average employee salary were \$816 thousand and \$799 thousand, respectively, and the increase in the average employee salary was 2.1%.

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 of remuneration of the 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, Information Security Committee and Sustainable Development 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 ratio (no more than 0.3%) based on the Articles of Incorporation, when the Company earns profits in a fiscal year.

2) The policies of the payment of compensation for the employees (including internal managers):

The salary structure includes mainly the monthly salary, other bonus, 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 capabilities, and responsibilities, while other bonuses take into account performance evaluation.
- b) For year-end bonus, the distribution amount shall be determined based on the annual business performance. 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, if the Company incurs accumulated losses, it should be covered in advance.
- c) 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.

d. Compensation of employees and remuneration of directors

According to momo's Articles, if the Company earns profits in a fiscal year, such profits shall be appropriated as follows:

- 1) A maximum of 0.3% as director remuneration.
- 2) 0.1% to 1% as employee compensation.

However, if the Company is operating at a loss, profits shall be retained to make up the losses of preceding years.

Compensation of employees may be distributed to, including but not limited to, employees of parents or subsidiaries of the Company meeting certain specific requirements set by the Board of Directors or its authorized persons.

The Company's estimated compensation of employees and remuneration of directors were made by applying the rates to the aforementioned regulation. The compensation of employees and the remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Board of Directors on February 16, 2024 and February 17, 2023, respectively, were as follows:

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

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, 2022 and 2021.

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

## 22. INCOME TAX

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

Major components of income tax expense were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax		
In respect of the current year	\$ 894,004	\$ 807,113
Adjustments for prior years	(10,011)	(4,616)
	<u>883,993</u>	<u>802,497</u>
Deferred tax		
In respect of the current year	(102,771)	43,294
Income tax expense recognized in profit or loss	<u>\$ 781,222</u>	<u>\$ 845,791</u>

A reconciliation of accounting profit and income tax expense is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Profit before tax	<u>\$ 4,409,291</u>	<u>\$ 4,280,417</u>

(Continued)

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Income tax expense calculated at the statutory rate (20%)	\$ 881,858	\$ 856,083
Share of profit or loss of domestic investments accounted for using equity method	(23,974)	(24,236)
Adjustment items in determining taxable profit	(9,829)	(2,621)
Temporary differences	54,550	(22,113)
Deferred tax	(102,771)	43,294
Investment tax credits	(8,601)	-
Adjustments for prior years' tax	<u>(10,011)</u>	<u>(4,616)</u>
Income tax expense recognized in profit or loss	<u>\$ 781,222</u>	<u>\$ 845,791</u>

(Concluded)

b. Income tax recognized directly in equity

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax		
Disposal of investments in equity instruments designated as at FVTOCI	\$ 14,997	\$ -
Deferred tax		
Disposal of investments in equity instruments designated as at FVTOCI	<u>(14,997)</u>	<u>-</u>
Income tax benefit (expense) recognized directly in equity	<u>\$ -</u>	<u>\$ -</u>

c. Income tax recognized in other comprehensive income

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Deferred tax		
Unrealized valuation loss on financial assets at FVTOCI	\$ 15,054	\$ -
Remeasurement of defined benefit plans	<u>8</u>	<u>(629)</u>
Income tax expense recognized in other comprehensive income	<u>\$ 15,062</u>	<u>\$ (629)</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2023

<b>Deferred Tax Assets</b>	<b>Beginning Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Recognized Directly in Equity</b>	<b>Ending Balance</b>
Temporary differences					
Allowance for inventory valuation loss	\$ 8,548	\$ (2,200)	\$ -	\$ -	\$ 6,348
Unrealized valuation loss on financial assets at FVTOCI	-	-	15,054	(14,997)	57
Share of loss of accounted for using equity method - foreign	-	70,197	-	-	70,197
Other financial liabilities	8,584	25,851	-	-	34,435
Others	<u>8,060</u>	<u>883</u>	<u>-</u>	<u>-</u>	<u>8,943</u>
	<u>\$ 25,192</u>	<u>\$ 94,731</u>	<u>\$ 15,054</u>	<u>\$ (14,997)</u>	<u>\$ 119,980</u>

<b>Deferred Tax Liabilities</b>	<b>Beginning Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Loss</b>	<b>Recognized Directly in Equity</b>	<b>Ending Balance</b>
Temporary differences					
Defined benefit obligation	\$ 790	\$ 13	\$ (8)	\$ -	\$ 795
Unrealized valuation gain on financial assets at FVTOCI	3,774	(3,774)	-	-	-
Others	<u>23,734</u>	<u>(4,279)</u>	<u>-</u>	<u>-</u>	<u>19,455</u>
	<u>\$ 28,298</u>	<u>\$ (8,040)</u>	<u>\$ (8)</u>	<u>\$ -</u>	<u>\$ 20,250</u>

For the year ended December 31, 2022

<b>Deferred Tax Assets</b>	<b>Beginning Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Recognized Directly in Equity</b>	<b>Ending Balance</b>
Temporary differences					
Allowance for inventory valuation loss	\$ 11,118	\$ (2,570)	\$ -	\$ -	\$ 8,548
Others	<u>44,754</u>	<u>(28,110)</u>	<u>-</u>	<u>-</u>	<u>16,644</u>
	<u>\$ 55,872</u>	<u>\$ (30,680)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,192</u>

<b>Deferred Tax Liabilities</b>	<b>Beginning Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Recognized Directly in Equity</b>	<b>Ending Balance</b>
Temporary differences					
Defined benefit obligation	\$ 161	\$ -	\$ 629	\$ -	\$ 790
Unrealized valuation gain on financial assets at FVTOCI	3,774	-	-	-	3,774
Others	<u>11,120</u>	<u>12,614</u>	<u>-</u>	<u>-</u>	<u>23,734</u>
	<u>\$ 15,055</u>	<u>\$ 12,614</u>	<u>\$ 629</u>	<u>\$ -</u>	<u>\$ 28,298</u>

d. Income tax assessments

The tax authorities have examined income tax returns of the Company through 2021.

## 23. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Basic earnings per share	<u>\$ 15.10</u>	<u>\$ 14.29</u>
Diluted earnings per share	<u>\$ 15.10</u>	<u>\$ 14.29</u>

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares on August 21, 2023. The basic and diluted earnings per share adjusted retrospectively for the year ended December 31, 2022 were as follows:

Unit: NT\$ Per Share

	<b>Before Retrospective Adjustment</b>	<b>After Retrospective Adjustment</b>
Basic earnings per share	<u>\$ 15.72</u>	<u>\$ 14.29</u>
Diluted earnings per share	<u>\$ 15.72</u>	<u>\$ 14.29</u>

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

### Net Profit for the Year

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 3,628,069</u>	<u>\$ 3,434,626</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Weighted average number of common shares used in the computation of basic earnings per share	240,340	240,340
Effect of potentially dilutive common shares:		
Compensation of employees	<u>9</u>	<u>7</u>
Weighted average number of common shares used in the computation of diluted earnings per share	<u>240,349</u>	<u>240,347</u>

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.

**24. PARTIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES - WITHOUT LOSS OF CONTROL**

In March and May 2023, and October 2022, the Company acquired equity interests of Bebe Poshe, and consequently the shareholding in Bebe Poshe increased. Please refer to Note 12.

The above transactions were accounted for as equity transactions, since the Company did not cease to have control over these subsidiaries.

**25. REORGANIZATION**

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

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

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



## 26. CASH FLOW INFORMATION

Changes in liabilities arising from financing activities:

For the year ended December 31, 2023

	<b>Beginning Balance</b>	<b>Cash Flows</b>	<b>Non-cash Changes</b>		<b>Ending Balance</b>
			<b>New Leases</b>	<b>Others</b>	
Lease liabilities	<u>\$ 1,625,299</u>	<u>\$ (812,220)</u>	<u>\$ 2,795,366</u>	<u>\$ 14,306</u>	<u>\$ 3,622,751</u>

For the year ended December 31, 2022

	<b>Beginning Balance</b>	<b>Cash Flows</b>	<b>Non-cash Changes</b>		<b>Ending Balance</b>
			<b>New Leases</b>	<b>Others</b>	
Lease liabilities	<u>\$ 1,534,172</u>	<u>\$ (658,905)</u>	<u>\$ 737,409</u>	<u>\$ 12,623</u>	<u>\$ 1,625,299</u>

## 27. 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.

## 28. FINANCIAL INSTRUMENTS

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

Management of momo considers that the carrying amounts of financial assets and financial liabilities in the financial statements that are not measured at fair value approximate their fair values, or their fair values cannot be reliably measured.

### b. Fair value of financial instruments measured at fair value on a recurring basis

#### 1) Fair value hierarchy

December 31, 2023

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

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Unlisted stock - domestic	\$ <u>-</u>	\$ <u>-</u>	\$ <u>237,546</u>	\$ <u>237,546</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Unlisted stock - foreign	\$ -	\$ -	\$ 4,217	\$ 4,217
Unlisted stock - domestic	<u>-</u>	<u>-</u>	<u>403,487</u>	<u>403,487</u>
	\$ <u>-</u>	\$ <u>-</u>	\$ <u>407,704</u>	\$ <u>407,704</u>

There were no transfers between the fair value measurements of Levels 1 and 2 for the year ended December 31, 2023.

2) Valuation techniques and assumption used in fair value determination

- a) The fair value of financial instruments traded in active markets is based on quoted market prices (including stocks of publicly traded companies).
- b) Valuation techniques and inputs applied for Level 3 fair value measurement:

The fair values of domestic and foreign unlisted stocks were determined using the market approach, asset approach or income approach. The evaluations were referenced to the valuation of the same type of companies, the transaction prices of recent financing activities, the information of companies or estimated free cash flows to measure its fair values. The unobservable inputs were the liquidity discount rates and the stock price volatility. At December 31, 2023 and 2022, the ranges of liquidity discount rates were 24.08% and 18.33%-30%, and the ranges of stock price volatility were 25.42% and 38.91%-52.39%.

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

- a) Financial assets at FVTPL - equity instruments:

	<b><u>For the Year Ended December 31</u></b>	
	<b>2023</b>	<b>2022</b>
Beginning balance	\$ 237,546	\$ -
Recognized in profit or loss (gain on financial assets at FVTPL)	49,954	7,546
Purchases	<u>-</u>	<u>230,000</u>
Ending balance	\$ <u>287,500</u>	\$ <u>237,546</u>

b) Financial assets at FVTOCI - equity instruments:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Beginning balance	\$ 407,704	\$ 76,356
Recognized in other comprehensive income (loss) (unrealized valuation income (loss) on financial assets at FVTOCI)	2,595	(41,514)
Purchases	-	375,000
Disposals	<u>(4,993)</u>	<u>(2,138)</u>
Ending balance	<u>\$ 405,306</u>	<u>\$ 407,704</u>

c. Categories of financial instruments

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	\$ 287,500	\$ 237,546
Financial assets at FVTOCI		
Investments in equity instruments	405,929	407,704
Financial assets at amortized cost (Note 1)	<u>9,317,427</u>	<u>10,378,499</u>
	<u>\$ 10,010,856</u>	<u>\$ 11,023,749</u>

Financial liabilities

Financial liabilities at amortized cost (Note 2)	<u>\$ 13,387,682</u>	<u>\$ 13,565,728</u>
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Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, accounts receivable, other receivables, other financial assets and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise accounts payable, other payables, 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 momo's operating target and performance to meet the 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 level of capital 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, 2023 and 2022, momo had unused bank facilities of \$0 thousand.

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, 2023

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

December 31, 2022

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Lease liabilities	\$ <u>60,054</u>	\$ <u>120,109</u>	\$ <u>462,638</u>	\$ <u>897,542</u>	\$ <u>113,649</u>

5) Market risk

Market risk is the risk that arises from changes in foreign exchange rates, interest rates, and prices, and 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 other price risk; therefore, momo's market risk is insignificant.

a) Exchange rate risk

Most of the operating revenue and expenses are measured in momo's functional currency. Overall, exchange rate risk is not significant.

For momo's foreign currency assets and liabilities exposed to significant exchange rate risk, please refer to Note 33.

Sensitivity analysis

momo was mainly exposed to the USD, EUR 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, accounts receivable, other receivables, 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 (decreased) increased as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Appreciated 5%	<u>\$ (2,198)</u>	<u>\$ (1,863)</u>
Depreciated 5%	<u>\$ 2,198</u>	<u>\$ 1,863</u>

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:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Fair value interest rate risk		
Financial assets	\$ 4,535,243	\$ 4,064,434
Financial liabilities	3,622,751	1,625,299
Cash flow interest rate risk		
Financial assets	1,461,440	3,532,052

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, 2023 and 2022 would have increased or decreased by \$7,307 thousand and \$17,660 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 profit for the years ended December 31, 2023 and 2022 would have increased or decreased by \$14,375 thousand and \$11,877 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income for the years ended December 31, 2023 and 2022 would have increased or decreased by \$20,296 thousand and \$20,385 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

## 29. TRANSACTIONS WITH RELATED PARTIES

momo's parent is Wealth Media Technology Co., Ltd., which held 45.01% of common stocks of momo as of December 31, 2023 and 2022, respectively. momo's ultimate parent and ultimate controlling party is Taiwan Mobile Co., Ltd.

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 (Note 1)
FI	Subsidiary
Bebe Poshe	Subsidiary
FSL	Subsidiary
MFS	Subsidiary
Prosperous Living	Subsidiary
Fubon Gehua (Beijing) Enterprise Ltd. (FGE)	Subsidiary
GHS	Associates
Taipei New Horizon Co., Ltd.	Other related party
Taiwan Fixed Network Co., Ltd.	Other related party
Taiwan Digital Service Co., Ltd.	Other related party
TFN Media Co., Ltd.	Other related party
Win TV Broadcasting Co., Ltd.	Other related party
Taiwan Kuro Times Co., Ltd.	Other related party (Note 1)
Yeong Jia Leh Cable TV Co., Ltd.	Other related party
Mangrove Cable TV Co., Ltd.	Other related party
Phoenix Cable TV Co., Ltd.	Other related party
Union Cable TV Co., Ltd.	Other related party
Globalview Cable TV Co., Ltd.	Other related party
AppWorks Ventures Co., Ltd.	Other related party
Mistake Entertainment Co., Ltd.	Other related party
AppWorks School Co., Ltd.	Other related party
Mepay Co., Ltd.	Other related party
Fansta Co., Ltd.	Other related party
Tropics Entertainment Co., Ltd.	Other related party
NADA Holdings Corp.	Other related party
Fubon Life Insurance Co., Ltd. (Fubon Life)	Other related party
Fubon Insurance Co., Ltd.	Other related party
Taipei Fubon Commercial Bank Co., Ltd. (TFCB)	Other related party
Fubon Securities Co., Ltd.	Other related party
Fubon Securities Investment Trust Co., Ltd.	Other related party

(Continued)

Related Party Name	Related Party Categories
Fubon Investment Services Co., Ltd.	Other related party
Fubon Financial Venture Capital Co., Ltd.	Other related party
Fubon Financial Holding Co., Ltd.	Other related party
Fubon Futures Co., Ltd.	Other related party
Fubon Marketing Co., Ltd.	Other related party (Note 2)
Fubon Sports & Entertainment Co., Ltd.	Other related party
Fubon Gymnasium Co., Ltd.	Other related party
Fubon Asset Management Co., Ltd.	Other related party
Fubon Property Management Co., Ltd. (FPM)	Other related party
Fubon Land Development Co., Ltd.	Other related party
Fubon Real Estate Management Co., Ltd.	Other related party
Fubon Hospitality Management Co., Ltd.	Other related party
Fubon Insurance Agency Co., Ltd.	Other related party (Note 2)
Fubon Insurance Agency Co., Ltd.	Other related party (formerly known as Fu-Sheng Insurance Agency Co., Ltd.)
P. League+ Co., Ltd.	Other related party
Jih Sun International Bank, Ltd.	Other related party (Note 3)
Jih Sun Securities Co., Ltd.	Other related party (Note 3)
Jih Sun Futures Co., Ltd.	Other related party (Note 3)
Chung Hsing Constructions Co., Ltd.	Other related party
Fu Yi Health Management Co., Ltd.	Other related party
Chen Feng Investment Ltd.	Other related party
Chen Yun Co., Ltd.	Other related party
Hung Fu Investment Co., Ltd.	Other related party
Ming Dong Co., Ltd.	Other related party
Cho Pharma Inc.	Other related party
kbro Co., Ltd.(kbro)	Other related party
One Production Film Co., Ltd.	Other related party (Note 3)
Daanwenshan CATV Co., Ltd.	Other related party
North Taoyuan CATV Co., Ltd.	Other related party
Yangmingshan CATV Co., Ltd.	Other related party
Hsin Taipei CATV Co., Ltd.	Other related party
Chinpingtao CATV Co., Ltd.	Other related party
Hsintangcheng CATV Co., Ltd.	Other related party
Chuanlien CATV Co., Ltd.	Other related party
Chen Tao Cable TV Co., Ltd.	Other related party
Fengmeng Cable TV Co., Ltd.	Other related party
Hsinpingtao CATV Co., Ltd.	Other related party
Kuansheng CATV Co., Ltd.	Other related party
Nantien CATV Co., Ltd.	Other related party
Taiwan Win TV Media Co., Ltd.	Other related party
Uspace Tech Co., Ltd.	Other related party
More Sounds Film Production Co., Ltd.	Other related party
Fubon Cultural & Educational Foundation	Other related party
Fubon Charity Foundation	Other related party
Fubon Art Foundation	Other related party
Taiwan Mobile Foundation	Other related party
Taipei Fubon Bank Charity Foundation	Other related party
Fubon Life Art Museum Foundation	Other related party
Taipei New Horizon Management Agency	Other related party

(Concluded)



Note 1: Not a related party since the fourth quarter of 2023.

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

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

b. Operating revenue

Line Items	Related Party Categories	For the Year Ended December 31	
		2023	2022
Sales	Ultimate parent entity	\$ 243,432	\$ 247,357
	Subsidiaries	2,966	3,220
	Other related parties	<u>12,912</u>	<u>-</u>
		<u>\$ 259,310</u>	<u>\$ 250,577</u>

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	
	2023	2022
Ultimate parent entity	\$ 3,036,787	\$ 2,835,090
Subsidiaries	1,397,901	1,167,436
Other related parties	<u>279,187</u>	<u>285,897</u>
	<u>\$ 4,713,875</u>	<u>\$ 4,288,423</u>

The entities mentioned above provide sales, logistics, broadcast, and other services. The transaction terms with related parties were not significantly different from those with third parties.

d. Receivables from related parties

Line Items	Related Party Categories/Name	December 31	
		2023	2022
Accounts receivable	Ultimate parent entity	\$ <u>146,572</u>	\$ <u>50,391</u>
	Subsidiaries	<u>207</u>	<u>439</u>
	Other related parties		
	TFCB	239,796	233,631
	Others	<u>3,987</u>	<u>1,806</u>
		<u>243,783</u>	<u>235,437</u>
		<u>\$ 390,562</u>	<u>\$ 286,267</u>
Other receivables	Ultimate parent entity	\$ 52,680	\$ 66,042
	Other related parties		
	TFCB	<u>450,321</u>	<u>279,185</u>
		<u>\$ 503,001</u>	<u>\$ 345,227</u>

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

e. Payables to related parties

Line Items	Related Party Categories	December 31	
		2023	2022
Accounts payable	Ultimate parent entity	\$ 285,939	\$ 343,588
	Subsidiaries	307,646	278,162
	Other related parties	<u>787</u>	<u>626</u>
		<u>\$ 594,372</u>	<u>\$ 622,376</u>
Other payables	Ultimate parent entity	<u>\$ 81,927</u>	<u>\$ 89,051</u>

The outstanding trade payables to related parties are unsecured.

f. Bank deposits

Line Items	Related Party Categories/Name	December 31	
		2023	2022
Cash and cash equivalents	Other related parties		
	TFCB	<u>\$ 3,236,465</u>	<u>\$ 607,865</u>

g. Lease arrangements

	Related Party Categories/Name	For the Year Ended December 31	
		2023	2022
Acquisition of right-of-use assets	Other related parties		
	Fubon Life	<u>\$ 711,076</u>	<u>\$ 85,197</u>
Line Items	Related Party Categories/Name	December 31	
		2023	2022
Lease liabilities	Other related parties		
	Fubon Life	<u>\$ 695,471</u>	<u>\$ 173,354</u>

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	Purchase Price	
		For the Year Ended December 31 2023	2022
E-Book business	Ultimate parent entity	<u>\$ 71,400</u>	<u>\$ -</u>

i. Others

1) Refundable deposits

Related Party Categories/Name	December 31	
	2023	2022
Other related parties		
Fubon Life	\$ 59,906	\$ 46,270

2) Operating expenses

Related Party Categories/Name	For the Year Ended December 31	
	2023	2022
Ultimate parent entity	\$ 53,120	\$ 73,760
Other related parties		
TFCB	869,859	701,179
FPM	16,692	15,836
Others	50,143	38,808
	<u>936,694</u>	<u>755,823</u>
	\$ 989,814	\$ 829,583

3) Other income and expenses

Related Party Categories/Name	For the Year Ended December 31	
	2023	2022
Associates	\$ 3,794	\$ 15,056
Other related parties		
TFCB	60,861	60,590
	<u>64,655</u>	<u>75,646</u>

4) Interest income

Related Party Categories/Name	For the Year Ended December 31	
	2023	2022
Other related parties		
TFCB	\$ 11,387	\$ 1,561

j. Compensation of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 107,176	\$ 88,328
Post-employment benefits	1,626	1,713
Termination benefits	<u>17</u>	<u>-</u>
	<u>\$ 108,819</u>	<u>\$ 90,041</u>

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

### 30. ASSETS PLEDGED

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Other financial assets - current	\$ 63,300	\$ 63,300
Other financial assets - non-current	<u>257,795</u>	<u>218,129</u>
	<u>\$ 321,095</u>	<u>\$ 281,429</u>

### 31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of momo on the reporting date were as follows:

- a. In accordance with the Ministry of Economic Affairs' policy, momo entered into a contract with DBS Bank (Taiwan) Ltd., which provided performance guarantee for advance receipts from prepaid bonus of \$95,569 thousand, mo coins of \$37,775 thousand, electronic tickets of \$185,173 thousand, and physical tickets of \$8,762 thousand as of December 31, 2023, respectively.
- b. As of December 31, 2023 and 2022, the amounts of lease commitments commencing after the balance sheet date were \$310,885 thousand and \$2,079,295 thousand, respectively.
- c. Due to the business development needs, momo's Board of Directors resolved the logistics warehouse construction and equipment procurement in Southern District in July 2020. As of December 31, 2023, contract amount not yet paid for the logistics warehouse construction and equipment were \$337,177 thousand and \$374,810 thousand, respectively. In addition, momo's Board of Directors resolved the logistics warehouse construction in Central District in January 2023. As of December 31, 2023, contract amount not yet paid for the logistics warehouse construction was \$5,037,714 thousand.

### 32. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In January 2024, momo's Board of Directors resolved to participate in the capital increase of Fubon Green Power Co., Ltd., with a total investment amount capped at \$550,000 thousand.

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

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

December 31, 2023

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 1,630	30.705 (USD:NTD)	<u>\$ 50,050</u>
Non-monetary items			
Financial assets at FVTOCI			
HKD	159	3.929 (HKD:NTD)	<u>\$ 623</u>
<u>Foreign currency liabilities</u>			
Monetary items			
USD	198	30.705 (USD:NTD)	<u>\$ 6,082</u>

December 31, 2022

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 1,378	30.725 (USD:NTD)	\$ 42,328
EUR	60	32.65 (EUR:NTD)	<u>1,951</u>
			<u>\$ 44,279</u>
Non-monetary items			
Financial assets at FVTOCI			
HKD	1,070	3.942 (HKD:NTD)	<u>\$ 4,217</u>
<u>Foreign currency liabilities</u>			
Monetary items			
RMB	375	4.401 (RMB:NTD)	\$ 1,650
USD	111	30.725 (USD:NTD)	3,413
EUR	60	32.65 (EUR:NTD)	<u>1,951</u>
			<u>\$ 7,014</u>

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange (losses) gains were \$(244) thousand and \$2,373 thousand, respectively. It is impractical to disclose net foreign exchange (losses) gains by each significant foreign currency due to the variety of foreign currencies transactions of the Company.

### 34. SEPARATELY DISCLOSED ITEMS

#### a. Information on significant transactions

- 1) Financing provided to others. (None)
- 2) Endorsements/guarantees provided. (None)
- 3) Marketable securities held (excluding investments in subsidiaries and associates). (Table 1)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (Table 2)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 3)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 4)
- 9) Trading in derivative instruments. (None)

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

#### c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, unrealized gains or losses, and other related information which is helpful to understand the impact of investment in mainland China on financial reports. (None)

#### d. Information of major shareholders

List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 7)

### 35. SEGMENT INFORMATION

Please refer to the consolidated financial statements for the year ended December 31, 2023.

TABLE 1

## momo.com Inc.

## MARKETABLE SECURITIES HELD

DECEMBER 31, 2023

(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, 2023			Note
				Shares (Thousands)	Carrying Amount	% of Ownership	
momo	Foreign listed stock	-	Financial assets at FVTOCI - current	728	\$ 623	0.04	\$ 623
	eSun						
	Domestic unlisted stock			3,073	96,815	7.68	
	We Can Medicines Co., Ltd. LINE Bank Taiwan Limited Gatus Automotive Inc.			37,500 5,750	308,491 287,500	2.50 7.61	

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

TABLE 2

## 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, 2023  
(In Thousands of New Taiwan Dollars)

Buyer	Property	Event Date	Transaction Amount	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	2023.10.31	\$ 5,302,857	Based on contract terms	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	None



TABLE 3

## 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, 2023  
(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	
momo	TWM	Ultimate parent entity	Sale	\$ 243,432	-	Based on contract terms	\$	-	\$ 146,572	25
	FSL	Subsidiary	Purchase	3,036,787	3	Based on contract terms	-	-	(285,939)	(3)
	MFS	Subsidiary	Purchase	1,163,435	1	Based on contract terms	-	-	(280,121)	(3)
	kbro	Other related party	Purchase	174,322	-	Based on contract terms	-	-	(14,687)	-
			Purchase	130,124	-	Based on contract terms	-	-	(68)	-

TABLE 4

## momo.com Inc.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
 DECEMBER 31, 2023  
 (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	11.44	\$ -	-	\$ 146,361	-
			Other receivables	-	-	-	51,504	-
	TFCB	Other related party	Accounts receivable	Note	-	-	239,677	-
FSL			Other receivables	-	-	-	450,321	-
	momo	Parent entity	Accounts receivable	4.37	-	-	267,254	-

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

TABLE 5

## momo.com Inc.

INFORMATION ON INVESTEES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(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, 2023		Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Shares (Thousands)	%	Carrying Amount		
momo	FST	Taiwan	Travel agent	\$ 6,000	\$ 6,000	3,000	100.00	\$ 53,008	\$ 11,415	
	FLI	Taiwan	Life insurance agent	-	3,000	-	-	-	(1,502)	Note 3
	FI	Taiwan	Comprehensive insurance agent	3,000	3,000	500	100.00	9,894	288	Note 3
	Asian Crown (BVI)	British Virgin Islands	Investment	885,285	885,285	9,735	81.99	12,929	(5,520)	
	Honest Development	Samoa	Investment	670,448	670,448	21,778	100.00	-	(82,414)	
	Bebe Poshe	Taiwan	Wholesale of cosmetics	98,965	90,880	9,373	93.73	29,579	35	Note 4
	FSL	Taiwan	Logistics industry	250,000	250,000	25,000	100.00	362,637	94,815	
	MFS	Taiwan	Wholesaling	100,000	100,000	10,000	100.00	107,287	8,888	
	Prosperous Living	Taiwan	Wholesale and retail sales	220,850	220,850	22,085	73.62	227,058	8,028	
Asian Crown (BVI)	Fortune Kingdom	Samoa	Investment	1,132,789	1,132,789	11,594	100.00	11,315	(5,536)	Note 2
Fortune Kingdom	HK Fubon Multimedia	Hong Kong	Investment	1,132,789	1,132,789	11,594	100.00	11,315	(5,536)	Note 2
Honest Development	HK Yue Numerous	Hong Kong	Investment	670,448	670,448	16,600	100.00	465,798	(82,414)	Note 2

Note 1: Share of profit (loss) was eliminated in consolidation.

Note 2: The income/loss of the investee was already included in the income/loss of the investor, and it is not presented in this table.

Note 3: In order to integrate organizational resources, maximize operational synergies, and enhance competitiveness, the Board of Directors of FI resolved to merge with FLI on October 2023, and FI was the surviving company. The base date of merge was November 30, 2023.

Note 4: In March and May 2023, momo's percentage of ownership interest in Bebe Poshe increased to 93.73% due to the acquisition of non-controlling interest.

Note 5: Please refer to Table 6 for information on investments in mainland China.

TABLE 6

## momo.com Inc.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(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, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outward	Inward							
FGE	Wholesaling	\$ 334,722 (RMB 77,500)	b.	\$ 815,413 (USD 14,000) (RMB 89,267)	\$ -	\$ -	\$ 815,413 (USD 14,000) (RMB 89,267)	\$ (6,043)	76.70	\$ (4,635)	\$ 2,290	\$ -	Note 2
Haobo	Investment	47,509 (RMB 11,000)	b.	-	-	-	-	(82,110)	100.00	(82,110)	437,479	-	
GHS	Wholesaling	215,950 (RMB 50,000)	b.	-	-	-	-	37,667	20.00	1,340	391,900	-	
Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023				Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA								
\$1,477,603 (USD14,000, RMB89,267 and HKD168,539)				\$1,477,603 (USD14,000, RMB89,267 and HKD168,539)	\$6,107,981								

Note 1: Methods of investment are as follows:

- a. Direct investment in mainland China.
- b. Indirect investment in mainland China through a subsidiary in a third place.
  - 1) FGE is HK Fubon Multimedia's subsidiary.
  - 2) Haobo is HK Yue Numerous' subsidiary.
  - 3) GHS is Haobo's associate.
- c. Others.

Note 2: FGE is no longer viable as a going concern due to long-term losses. The Board of Directors resolved the liquidation on October 2023, currently in process of liquidation.

Note 3: The exchange rates on December 31, 2023 are USD1=NT\$30.705, RMB1=NT\$4.319 and HKD1=NT\$3.929.

**TABLE 7****momo.com Inc.****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2023**

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

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