

**PCHOME ONLINE INC. AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**With Independent Auditors' Review Report  
For the Nine Months Ended September 30, 2022 and 2021**

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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## Independent Auditors' Review Report

To the Board of Directors of PChome Online Inc.:

### Introduction

We have reviewed the accompanying consolidated balance sheets of the PChome Online Inc. and its subsidiaries (the "Group") of September 30, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the nine months then ended and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards ("IASs") 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standards 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to \$1,970,953 thousand and \$1,417,011 thousand, each constituting 8% and 8% of the consolidated total assets as of September 30, 2022 and 2021, respectively; the total liabilities amounting to \$734,558 thousand and \$397,925 thousand, each constituting 4% and 3% of the consolidated total liabilities as of September 30, 2022 and 2021, respectively, and the total comprehensive income (loss) amounting to loss \$64,763 thousand, loss \$5,284 thousand, gain \$62,818 thousand and loss \$24,908 thousand, constituting 237%, 7%, (57)% and (8)% of the consolidated total comprehensive income (loss) for the three months and the nine months ended September 30, 2022 and 2021, respectively.

Furthermore, as stated in Note 6(f), the other equity accounted investments of the Group in its investee companies of \$271,544 thousand and \$37,518 thousand as of September 30, 2022 and 2021, respectively, and its share of gain or loss of associates and joint ventures accounted for using equity method on these investee companies of loss \$1,474 thousand, gain \$1,949 thousand, gain \$5,123 thousand and gain \$97 thousand for the three months and the nine months ended September 30, 2022 and 2021, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.



## **Qualified Conclusion**

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2022 and 2021, and of its consolidated financial performance and its consolidated cash flows for the nine months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IASs 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the review resulting in this independent auditors’ review report are Yi-Chun Chen and Shu-Ling Lien.

KPMG

Taipei, Taiwan (Republic of China)  
November 4, 2022

## **Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated financial statements of financial position, financial performance and cash flows in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditor’s report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditor’s report and consolidated financial statements, the Chinese version shall prevail.

## (English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS AS OF SEPTEMBER 30, 2022 AND 2021

**PCHOME ONLINE INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**September 30, 2022, December 31, 2021, and September 30, 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

ASSETS		2022.9.30		2021.12.31		2021.9.30		LIABILITIES AND STOCKHOLDERS' EQUITY		2022.9.30		2021.12.31		2021.9.30	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current Assets:</b>								<b>Current Liabilities:</b>							
1100	Cash and cash equivalents (Note (6)(a))	\$ 6,112,643	25	8,147,239	33	8,673,501	51	2100	Short-term borrowings (Notes (6)(l) and (7))	\$ 2,900,346	12	2,263,667	9	743,612	4
1110	Current financial assets at fair value through profit or loss (Note (6)(b))	24,070	-	52,714	-	58,851	-	2130	Current contract liabilities (Note (6)(m))	647,961	2	549,200	2	609,645	4
1170	Accounts and notes receivable, net (Notes (6)(d) and (7))	2,950,895	12	2,705,316	11	528,172	3	2200	Accounts and notes payable	3,686,208	15	3,924,004	16	3,800,049	22
1200	Other receivables, net (Notes (6)(d) and (7))	1,120,833	4	1,331,315	6	1,211,847	7	2230	Other payables (Notes (6)(g) and (7))	1,317,005	5	1,722,756	7	960,455	6
1300	Inventories (Note (6)(e))	1,814,572	7	1,765,068	7	1,238,415	7	2280	Current tax liabilities	156,833	1	419,474	2	161,419	1
1476	Other current financial assets (Note (8))	1,091,639	4	919,441	4	758,794	5	2300	Current lease liabilities (Note (6)(p))	563,640	2	451,788	2	458,515	3
1479	Other current assets, others	519,462	2	386,723	2	405,018	2	2320	Other current liabilities (Note (6)(m))	2,164,457	9	2,393,973	10	1,929,320	11
		<u>13,634,114</u>	<u>54</u>	<u>15,307,816</u>	<u>63</u>	<u>12,874,598</u>	<u>75</u>		Long-term liabilities, current portion (Note (6)(n))	157,042	1	226,625	1	225,000	1
										<u>11,593,492</u>	<u>47</u>	<u>11,951,487</u>	<u>49</u>	<u>8,888,015</u>	<u>52</u>
<b>Non-Current Assets:</b>								<b>Non-Current liabilities:</b>							
1510	Non-current financial assets at fair value through profit or loss (Note (6)(b))	442,563	2	191,512	1	144,365	1	2530	Bonds payable (Note (6)(o))	1,368,942	5	1,361,536	6	1,478,299	9
1517	Non-current financial assets at fair value through other comprehensive income (Note (6)(c))	662,450	3	767,882	3	405,967	2	2540	Long-term borrowings (Notes (6)(n) and (7))	1,531,883	6	1,218,475	5	694,700	4
1550	Investments accounted for using equity method (Note (6)(f))	271,544	1	39,532	-	37,518	-	2580	Non-current lease liabilities (Note (6)(p))	1,651,799	7	1,685,427	7	1,751,922	10
1600	Property, plant and equipment (Note (6)(i))	977,651	4	957,115	4	522,716	3	2612	Long-term accounts payable (Note (6)(g))	500,141	2	549,438	2	-	-
1755	Right-of-use assets (Note (6)(j))	2,148,887	9	2,080,373	9	2,152,712	13	2670	Other non-current liabilities, others	11,603	-	9,853	-	9,437	-
1780	Intangible assets (Note (6)(k))	5,838,079	23	4,127,252	17	173,400	1			<u>5,064,368</u>	<u>20</u>	<u>4,824,729</u>	<u>20</u>	<u>3,934,358</u>	<u>23</u>
1840	Deferred tax assets	136,580	1	120,735	-	44,129	-	<b>Total liabilities</b>		<u>16,657,860</u>	<u>67</u>	<u>16,776,216</u>	<u>69</u>	<u>12,822,373</u>	<u>75</u>
1930	Long-term notes and accounts receivable (Note (6)(d))	559,069	2	565,641	2	-	-	<b>Equity attributable to owners of parent (Note (6)(r)):</b>							
1980	Other non-current financial assets (Note (8))	233,719	1	204,531	1	142,524	1	Share capital:							
1990	Other non-current assets, others	29,002	-	68,137	-	639,898	4	Ordinary share		1,285,139	5	1,274,159	5	1,182,595	7
		<u>11,299,544</u>	<u>46</u>	<u>9,122,710</u>	<u>37</u>	<u>4,263,229</u>	<u>25</u>	Advance receipts for share capital		-	-	10,980	-	100,000	1
								Capital surplus		5,068,883	21	4,692,857	19	1,952,733	11
								Retained earnings		118,716	-	243,510	1	423,917	2
								Other equity interest		43,710	-	182,586	1	7,568	-
								Treasury shares		(210,502)	(1)	(77,362)	-	(78,947)	-
								<b>Total equity attributable to owners of parent:</b>		6,305,946	25	6,326,730	26	3,587,866	21
								<b>Non-controlling interests (Notes (6)(h) and (6)(r))</b>		1,969,852	8	1,327,580	5	727,588	4
								<b>Total equity</b>		<u>8,275,798</u>	<u>33</u>	<u>7,654,310</u>	<u>31</u>	<u>4,315,454</u>	<u>25</u>
<b>Total assets</b>		<u>\$ 24,933,658</u>	<u>100</u>	<u>24,430,526</u>	<u>100</u>	<u>17,137,827</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$ 24,933,658</u>	<u>100</u>	<u>24,430,526</u>	<u>100</u>	<u>17,137,827</u>	<u>100</u>

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)  
**REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS**

**PCHOME ONLINE INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the three months and the nine months ended September 30, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

	For the three months ended September 30,				For the nine months ended September 30,				
	2022		2021		2022		2021		
	Amount	%	Amount	%	Amount	%	Amount	%	
4111	Sales revenue	\$ 10,174,112	102	11,596,304	102	33,332,703	101	35,212,457	102
4170	Less: Sales returns	160,461	2	186,206	2	429,759	1	579,643	2
	<b>Operating revenue, net (Note (6)(u))</b>	<b>10,013,651</b>	<b>100</b>	<b>11,410,098</b>	<b>100</b>	<b>32,902,944</b>	<b>100</b>	<b>34,632,814</b>	<b>100</b>
5000	<b>Operating costs (Note (6)(e))</b>	<b>8,720,397</b>	<b>87</b>	<b>10,033,157</b>	<b>88</b>	<b>28,871,415</b>	<b>88</b>	<b>30,571,660</b>	<b>88</b>
	<b>Gross profit from operations</b>	<b>1,293,254</b>	<b>13</b>	<b>1,376,941</b>	<b>12</b>	<b>4,031,529</b>	<b>12</b>	<b>4,061,154</b>	<b>12</b>
	<b>Operating expenses:</b>								
6100	Selling expenses	892,980	8	1,024,847	9	2,898,345	9	2,950,350	9
6200	Administrative expenses	196,829	2	147,990	1	566,882	2	393,548	1
6300	Research and development expenses	159,209	1	141,986	1	483,000	1	408,383	1
6450	Expected credit loss (Note (6)(d))	33,385	-	422	-	154,980	-	554	-
	<b>Total operating expenses</b>	<b>1,282,403</b>	<b>11</b>	<b>1,315,245</b>	<b>11</b>	<b>4,103,207</b>	<b>12</b>	<b>3,752,835</b>	<b>11</b>
6500	<b>Net other income</b>	-	-	71	-	-	-	(5,913)	-
	<b>Net operating income (loss)</b>	<b>10,851</b>	<b>2</b>	<b>61,767</b>	<b>1</b>	<b>(71,678)</b>	<b>-</b>	<b>302,406</b>	<b>1</b>
	<b>Non-operating income and expenses (Note (6)(w)):</b>								
7100	Interest income	4,708	-	2,390	-	11,644	-	7,153	-
7010	Other income	47,593	-	13,663	-	139,784	-	33,466	-
7020	Other gains and losses, net	1,820	-	31,643	-	200,872	1	57,183	-
7050	Finance costs	(19,745)	-	(13,545)	-	(55,927)	-	(40,168)	-
7060	Share of loss of associates and joint ventures accounted for using equity method, net	(1,474)	-	1,949	-	5,123	-	97	-
	<b>Total non-operating income and expenses</b>	<b>32,902</b>	<b>-</b>	<b>36,100</b>	<b>-</b>	<b>301,496</b>	<b>1</b>	<b>57,731</b>	<b>-</b>
	<b>Profit from continuing operations before tax</b>	<b>43,753</b>	<b>2</b>	<b>97,867</b>	<b>1</b>	<b>229,818</b>	<b>1</b>	<b>360,137</b>	<b>1</b>
7950	<b>Less: Tax expense (Note (6)(q))</b>	<b>61,319</b>	<b>1</b>	<b>23,295</b>	<b>-</b>	<b>195,954</b>	<b>1</b>	<b>102,210</b>	<b>-</b>
	<b>Profit</b>	<b>(17,566)</b>	<b>-1</b>	<b>74,572</b>	<b>-1</b>	<b>33,864</b>	<b>-</b>	<b>257,927</b>	<b>-1</b>
	<b>Other comprehensive income (loss):</b>								
8310	<b>Items that may not be reclassified subsequently to profit or loss</b>								
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income (Note (6)(x))	(12,498)	-	16,437	-	(142,984)	-	84,978	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note (6)(q))	-	-	-	-	-	-	-	-
	<b>Items that may not be reclassified subsequently to profit or loss</b>	<b>(12,498)</b>	<b>-</b>	<b>16,437</b>	<b>-</b>	<b>(142,984)</b>	<b>-</b>	<b>84,978</b>	<b>-</b>
8360	<b>Items that may be reclassified subsequently to profit or loss</b>								
8361	Exchange differences on translation of foreign statements	2,682	-	(5,696)	-	(958)	-	(29,072)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	<b>Items that may be reclassified subsequently to profit or loss</b>	<b>2,682</b>	<b>-</b>	<b>(5,696)</b>	<b>-</b>	<b>(958)</b>	<b>-</b>	<b>(29,072)</b>	<b>-</b>
	<b>Other comprehensive income (loss), net of tax</b>	<b>(9,816)</b>	<b>-</b>	<b>10,741</b>	<b>-</b>	<b>(143,942)</b>	<b>-</b>	<b>55,906</b>	<b>-</b>
8500	<b>Total comprehensive income</b>	<b>\$ (27,382)</b>	<b>1</b>	<b>85,313</b>	<b>1</b>	<b>(110,078)</b>	<b>-</b>	<b>313,833</b>	<b>1</b>
	<b>(Loss) Profit attributable to:</b>								
8610	(Loss) Profit attributable to owners of parent	(27,151)	1	74,895	1	(60,977)	-	275,309	1
8620	Profit (Loss), attributable to non-controlling interests	9,585	-	(323)	-	94,841	-	(17,382)	-
		<b>\$ (17,566)</b>	<b>1</b>	<b>74,572</b>	<b>1</b>	<b>33,864</b>	<b>-</b>	<b>257,927</b>	<b>1</b>
	<b>Comprehensive income attributable to:</b>								
8710	Comprehensive (loss) income, attributable to owners of parent	(37,264)	1	86,917	1	(204,270)	-	335,363	1
8720	Comprehensive income (loss), attributable to non-controlling interests	9,882	-	(1,604)	-	94,192	-	(21,530)	-
		<b>\$ (27,382)</b>	<b>1</b>	<b>85,313</b>	<b>1</b>	<b>(110,078)</b>	<b>-</b>	<b>313,833</b>	<b>1</b>
	<b>Earnings per share (Note (6)(t))</b>								
9750	<b>Basic earnings per share (NT dollars)</b>	<b>\$ (0.22)</b>		<b>0.65</b>		<b>(0.48)</b>		<b>2.37</b>	
9850	<b>Diluted earnings per share (NT dollars)</b>			<b>\$ 0.57</b>				<b>2.13</b>	

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)  
 REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS  
 PCHOME ONLINE INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the nine months ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of Parent										Total Equity Attributable to Owners of Parent	Non-Controlling Interests	Total Equity		
	Share capital						Retained Earnings							Other Equity Interest	
	Ordinary Capital	Advance receipts for share capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned Employee Compensation	Treasury shares					
<b>Balance at January 1, 2021</b>	\$ 1,182,595	-	1,938,916	16,244	-	286,101	(116,979)	76,811	(24,042)	-	3,359,646	724,356	4,084,002		
Profit (loss) for the nine months ended September 30, 2021	-	-	-	-	-	275,309	-	-	-	-	275,309	(17,382)	257,927		
Other comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	-	(24,924)	84,978	-	-	60,054	(4,148)	55,906		
Total comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	275,309	(24,924)	84,978	-	-	335,363	(21,530)	313,833		
Appropriation and distribution of retained earnings:															
Legal reserve appropriated	-	-	-	28,379	-	(28,379)	-	-	-	-	-	-	-		
Special reserve appropriated	-	-	-	-	40,168	(40,168)	-	-	-	-	-	-	-		
Cash dividends of ordinary share	-	-	-	-	-	(153,737)	-	-	-	-	(153,737)	-	(153,737)		
Changes in equity of associates and joint ventures accounted for using equity method	-	-	3,934	-	-	-	-	-	-	-	3,934	-	3,934		
Issue of shares	-	100,000	-	-	-	-	-	-	-	-	100,000	-	100,000		
Purchase of treasury share	-	-	-	-	-	-	-	-	-	(108,254)	(108,254)	-	(108,254)		
Changes in ownership interests in subsidiaries	-	-	8,098	-	-	-	-	-	-	-	8,098	2,998	11,096		
Share-based payment transactions	-	-	1,785	-	-	-	-	-	11,724	29,307	42,816	-	42,816		
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	21,764	21,764		
<b>Balance at September 30, 2021</b>	<b>\$ 1,182,595</b>	<b>100,000</b>	<b>1,952,733</b>	<b>44,623</b>	<b>40,168</b>	<b>339,126</b>	<b>(141,903)</b>	<b>161,789</b>	<b>(12,318)</b>	<b>(78,947)</b>	<b>3,587,866</b>	<b>727,588</b>	<b>4,315,454</b>		
<b>Balance at January 1, 2022</b>	<b>\$ 1,274,159</b>	<b>10,980</b>	<b>4,692,857</b>	<b>44,623</b>	<b>40,168</b>	<b>158,719</b>	<b>(12,414)</b>	<b>202,896</b>	<b>(7,896)</b>	<b>(77,362)</b>	<b>6,326,730</b>	<b>1,327,580</b>	<b>7,654,310</b>		
Profit (Loss) for the nine months ended September 30, 2022	-	-	-	-	-	(60,977)	-	-	-	-	(60,977)	94,841	33,864		
Other comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	-	-	(309)	(142,984)	-	-	(143,293)	(649)	(143,942)		
Total comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	-	(60,977)	(309)	(142,984)	-	-	(204,270)	94,192	(110,078)		
Appropriation and distribution of retained earnings:															
Legal reserve appropriated	-	-	-	9,490	-	(9,490)	-	-	-	-	-	-	-		
Cash dividends of ordinary share	-	-	-	-	-	(63,817)	-	-	-	-	(63,817)	-	(63,817)		
Reversal of special reserve	-	-	-	-	(40,168)	40,168	-	-	-	-	-	-	-		
Conversion of convertible bonds	10,980	(10,980)	-	-	-	-	-	-	-	-	-	-	-		
Purchase of treasury share	-	-	-	-	-	-	-	-	-	(133,140)	(133,140)	-	(133,140)		
Changes in ownership interests in subsidiaries	-	-	376,026	-	-	-	-	-	-	-	376,026	498,777	874,803		
Share-based payment transactions	-	-	-	-	-	-	-	-	4,417	-	4,417	-	4,417		
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	49,303	49,303		
<b>Balance at September 30, 2022</b>	<b>\$ 1,285,139</b>	<b>-</b>	<b>5,068,883</b>	<b>54,113</b>	<b>-</b>	<b>64,603</b>	<b>(12,723)</b>	<b>59,912</b>	<b>(3,479)</b>	<b>(210,502)</b>	<b>6,305,946</b>	<b>1,969,852</b>	<b>8,275,798</b>		

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

**PCHOME ONLINE INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**For the nine months ended September 30, 2022 and 2021**

**(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the nine months ended September 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 229,818	360,137
Adjustments:		
<b>Adjustments to reconcile profit:</b>		
Depreciation expenses	566,351	528,752
Amortization expenses	72,483	19,641
Expected credit losses	154,980	554
Net gain on financial assets at fair value through profit or loss	(175,126)	(59,052)
Interest expenses	55,927	40,168
Interest income	(11,644)	(7,153)
Dividend income	(4,732)	(15,467)
Share-based payment transactions	4,417	13,509
Shares of profit of associates and joint ventures accounted for using equity method	(5,123)	(97)
Gain on disposal of property, plant and equipment	(50)	(13)
Gain on disposal of investments accounted for using equity method	(3,414)	-
(Gain) loss on lease modification	(311)	5,913
<b>Total adjustments to reconcile profit</b>	<b>653,758</b>	<b>526,755</b>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Accounts and notes receivable	(372,150)	(30,934)
Other receivables	224,647	155,030
Inventories	(49,504)	568,003
Other current assets	(129,286)	(103,193)
Other financial assets	(172,198)	(269,186)
<b>Total changes in operating assets</b>	<b>(498,491)</b>	<b>319,720</b>
<b>Changes in operating liabilities:</b>		
Contract liabilities	98,761	55,542
Accounts and notes payable	(237,868)	(68,919)
Other payables	213,396	51,500
Other current liabilities	(230,181)	75,551
Other non-current liabilities	1,555	2,580
<b>Total changes in operating liabilities</b>	<b>(154,337)</b>	<b>116,254</b>
<b>Total changes in operating assets and liabilities</b>	<b>(652,828)</b>	<b>435,974</b>
<b>Total adjustments</b>	<b>930</b>	<b>962,729</b>
Cash flow generated from operations	230,748	1,322,866
Interest received	9,249	6,271
Dividends received	4,732	15,467
Interest paid	(48,958)	(32,028)
Income taxes paid	(474,440)	(10,206)
<b>Net cash flows (used in) from operating activities</b>	<b>(278,669)</b>	<b>1,302,370</b>
<b>Cash flows used in investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(37,552)	(72,565)
Acquisition of financial assets designated at fair value through profit or loss	(47,281)	(65,391)
Proceeds from disposal of financial assets designated at fair value through profit or loss	-	23,040
Acquisition of investments accounted for using equity method	(78,000)	-
Net cash flow from acquisition of subsidiaries	(698,346)	(21,827)
Acquisition of property, plant and equipment	(185,779)	(90,461)
Proceeds from disposal of property, plant and equipment	383	805
(Increase) decrease in refundable deposits	(29,224)	7,067
Acquisition of intangible assets	(39,034)	(10,966)
Other non-current assets	8,246	(570,018)
Other payables	(833,796)	-
<b>Net cash flows used in investing activities</b>	<b>(1,940,383)</b>	<b>(800,316)</b>
<b>Cash flows used in financing activities:</b>		
Increase in short-term borrowings	636,679	243,612
Long-term borrowings	764,825	394,700
Repayments of long-term borrowings	(521,000)	(100,000)
Payments of lease liabilities	(406,486)	(373,441)
Cash dividends paid	(63,817)	(153,737)
Capital increase by cash	-	100,000
Payments to acquire treasury shares	(133,140)	(108,254)
Treasury shares sold to employees	-	29,307
Acquisition of ownership interests in subsidiaries	(138,175)	-
Change in non-controlling interests	49,859	8,630
<b>Net cash flows from financing activities</b>	<b>188,745</b>	<b>40,817</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(4,289)</b>	<b>(17,133)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(2,034,596)</b>	<b>525,738</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>8,147,239</b>	<b>8,147,763</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 6,112,643</b>	<b>8,673,501</b>

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



**PCHOME ONLINE INC. AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022 AND 2021**

**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

**(1) Organization and Business**

PChome Online Inc. (the Company) was incorporated on July 14, 1998. The primary business scope of the Company and its subsidiaries (together referred to as the Group) includes software design, digital information supply, data processing, and wholesaling and retailing of office machinery, equipment, and information software.

On August 30, 2004, the board of directors of the GreTai Securities Market approved the Company's application for stock listing, and it became officially listed and traded on January 25, 2005.

**(2) Approval Date and Procedures of the Consolidated Financial Statements**

These consolidated financial statements were authorized for issuance by the Board of Directors on November 4, 2022.

**(3) New Standards and Interpretations Not Yet Adopted**

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- Amendments to IAS 16 "Property, Plant and Equipment—Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

**PCHOME ONLINE INC. AND SUBSIDIARIES**

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(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<u>Standards or Interpretations</u>	<u>Content of amendment</u>	<u>Effective date per IASB</u>
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023
IFRS16 “Requirements for Sale and Leaseback Transactions”	<p>The amendments to IFRS 16 Leases introduce a new accounting model that will impact how a seller-lessee accounts for variable lease payments in a sale-and-leaseback transaction.</p> <p>Under this new accounting model for variable payments, a seller-lessee will:</p> <ul style="list-style-type: none"><li>● include estimated variable lease payments when it initially measures a lease liability arising from a sale-and-leaseback transaction; and</li><li>● after initial recognition, apply the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains.</li></ul>	January 1, 2024

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

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**PCHOME ONLINE INC. AND SUBSIDIARIES**

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The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information “

**(4) Summary of Significant Accounting Policies**

(a) Statement of compliance

The consolidated interim financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language consolidated interim financial statements, the Chinese version shall prevail.

These consolidated interim financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed by FSC and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed by the FSC (hereinafter referred to IFRS endorsed by the FSC) for full annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated interim financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2021. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2021.

(b) Basis of consolidation

1. List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			2022.9.30	2021.12.31	2021.9.30	
The Company	PChome Store Inc.	Internet services	34.35 %	34.35 %	34.35 %	Note2
”	Linktel Inc.	Type II Telecommunications Business	100.00 %	100.00 %	100.00 %	Note1
”	IT Home Publications Inc.	Magazine publication	100.00 %	100.00 %	100.00 %	”
”	PCHOME US INC.	E-commerce platform	91.97 %	91.97 %	91.97 %	”
”	PC HOME ONLINE INTERNATIONAL CO., LTD.	International trade and investment activities	100.00 %	100.00 %	100.00 %	”

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**PCHOME ONLINE INC. AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			2022.9.30	2021.12.31	2021.9.30	
The Company	ECOMMERCE GROUP CO., LTD.	Investment activities	- %	- %	100.00 %	Note9
"	Pi Mobile Technology Inc.	Online payment processing services	- %	30.32 %	80.85 %	Note6&14
"	PChome (Thailand) Co., Ltd.	E-commerce platform	66.25 %	66.25 %	66.25 %	Note1
"	PChome Travel Inc.	Travel agency business	100.00 %	100.00 %	100.00 %	"
"	PChome Financial Technology Inc.	Information service	100.00 %	100.00 %	100.00 %	"
"	PChome Holding Inc.	Investment activities	100.00 %	100.00 %	100.00 %	
"	PChome Express Co., Ltd.	Transportation and logistics	100.00 %	100.00 %	100.00 %	Note1
"	Chunghwa PChome Fund 1 Co., Ltd.	Investment activities	50.00 %	50.00 %	50.00 %	"
"	Cornerstone Ventures Co., Ltd.	"	51.00 %	51.00 %	51.00 %	"
"	PChome CB Co., Ltd.	E-commerce cross-border services	70.00 %	70.00 %	70.00 %	"
"	Mitch Co., Ltd.	Clothing sales	60.00 %	60.00 %	60.00 %	"
"	YunTan technology Inc.	Information processing and provision of electronic information	70.00 %	70.00 %	70.00 %	Note1&5
"	21st Century Technology Co., Ltd.	Financial technology services	43.63 %	44.84 %	- %	Note6,12,14&17
"	PChome Data Technology Co., Ltd.	Information processing and provision of electronic information	100.00 %	100.00 %	- %	Note1&10
"	PIN technology Inc.	"	85.00 %	- %	- %	Note1&13
"	EC Global Limited	Investment activities	100.00 %	100.00 %	- %	Note1&7
"	RUTEN GLOBAL INC.	"	- %	100.00 %	- %	Note3&8
"	PChome eBay Co., Ltd.	Information processing and provision of electronic information	65.00 %	- %	- %	Note19
PChome eBay Co., Ltd.	Pi Mobile Technology Inc.	Online payment processing services	- %	3.06 %	6.12 %	Note12&14
"	PChome Store Inc.	Internet services	22.16 %	22.16 %	22.16 %	Note2
"	ECOSMOS PTE. LTD.	Information processing and provision of electronic information	100.00 %	100.00 %	100.00 %	Note1&4
"	21st Century Technology Co., Ltd.	Financial technology services	1.41 %	0.87 %	- %	Note12,14&17

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**PCHOME ONLINE INC. AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022 AND 2021**

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			2022.9.30	2021.12.31	2021.9.30	
PC HOME ONLINE INTERNATIONAL CO., LTD.	PCHOME ONLINE INC.	International trade and investment activities	100.00 %	100.00 %	100.00 %	Note1
ECOMMERCE GROUP CO., LTD.	RUTEN GLOBAL INC.	Investment activities	- %	- %	100.00 %	Note3&8
PCHOME ONLINE INC.	PC HOME ONLINE (HK) LTD.	Information service and indirect investment activities	100.00 %	100.00 %	100.00 %	Note1
RUTEN GLOBAL INC.	EC Global Limited	Investment activities	- %	- %	100.00 %	Note1&7
"	PChome eBay Co., Ltd.	Information processing and provision of electronic information	- %	65.00 %	65.00 %	Note19
PChome Holding Inc.	PChome Marketplace Inc.	Investment activities	100.00 %	100.00 %	100.00 %	
PChome Marketplace Inc.	PChome Japan KK	International trading E-commerce	100.00 %	100.00 %	100.00 %	Note1
"	PChome Store Inc.	Internet services	35.78 %	35.78 %	35.78 %	Note2
PChome CB Co., Ltd.	PChome CBS Co., Ltd.	"	100.00 %	100.00 %	100.00 %	Note1
"	PCHOME CB PTE. LTD.	"	100.00 %	100.00 %	100.00 %	"
PCHOME CB PTE. LTD.	PChome Bibian Inc.	E-commerce cross-border services	100.00 %	100.00 %	100.00 %	"
YunTan technology Inc.	einsure insurance broker Inc.	Insurance brokers	100.00 %	100.00 %	100.00 %	Note1&5
21st Century Technology Co., Ltd.	FAN7 TOUR CO., LTD.	Travel agency business	- %	100.00 %	- %	Note1,6&11
"	21st Century Digital Technology Co., Ltd.	Financial technology services	100.00 %	100.00 %	- %	Note 11
"	Pi Mobile Technology Inc.	Online payment processing services	99.49 %	53.59 %	- %	Note6,12,14&16
"	21st Financial Technology Co., Ltd	Investment activities	100.00 %	- %	- %	Note1&15
"	Cherri Tech, Inc.	Financial technology services and indirect investment activities	100.00 %	- %	- %	Note1&18
21st Century Digital Technology Co., Ltd.	FAN7 TOUR CO., LTD.	Travel agency business	100.00 %	- %	- %	Note1,6&11

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**PCHOME ONLINE INC. AND SUBSIDIARIES**

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(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			2022.9.30	2021.12.31	2021.9.30	
Pi Mobile Technology Inc.	Pay and Link Inc.	Electronic payment business	100.00 %	100.00 %	100.00 %	
"	Yun Tung Bao International Co., Ltd.	Online payment processing services	100.00 %	100.00 %	100.00 %	Note1
Cherri Tech, Inc.	Japan Cherri KK	Financial technology services	60.00 %	- %	- %	Note1&18

Note 1: The financial statements of the non-significant subsidiaries have not been reviewed.

Note 2: The Group holds more than 50% of its outstanding equity shares. Therefore, it was included in the consolidated financial statement.

Note 3: The subsidiary had completed the dissolution and liquidation procedures on August 3, 2022.

Note 4: The subsidiary was established on June 4, 2021.

Note 5: The Group acquired 70% of YunTan technology Inc.' s shares on July 1, 2021, and included them in the consolidated financial statements.

Note 6: The Group acquired 45.23% of 21st Century Technology Co., Ltd.' s shares with cash and 50.53% equity of Pi Mobile Technology Inc. on October 1, 2021, and included them in the consolidated financial statements. The judgment regarding control of 21st Century Technology Co., Ltd., please refer to Note(5) of the consolidated financial statements for the year ended December 31, 2021.

Note 7: Organizational adjustment, to be directly held by the Company from October 2021.

Note 8: Organizational adjustment, to be directly held by the Company from November 2021.

Note 9: The subsidiary had completed the dissolution and liquidation procedures on November 3, 2021.

Note 10: The subsidiary was established on November 18, 2021.

Note 11: The subsidiary was established on December 30, 2021.

Note 12: PChome eBay Co., Ltd. transferred 3.06% of Pi Mobile Technology Inc. in exchange for newly issued common shares of 21st Century Technology Co., Ltd, on December 8, 2021. The Company did not subscribe for the shares in proportion to its shareholding, resulting in a decrease in its shareholding ratio from 45.23% to 44.84%.

Note 13: The subsidiary was established on January 10, 2022.

Note 14: The Group exchanged 2.72% and 0.65% of 21st Century Technology Co., Ltd.' s shares with 31.44% and 3.06% of Pi Mobile Technology Inc.' s shares, held by the Company and PChome eBay Co., Ltd., respectively, on January 3, 2022.

Note 15: The subsidiary was established on March 7, 2022.

Note 16: The Group subscribed all newly issued shares Pi Mobile Technology Inc. increasing cash capital for, resulting in a increase in the shareholding ratio from 99.46% to 99.49%.

**PCHOME ONLINE INC. AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022 AND 2021**

**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

Note 17: 21st Century Technology Co., Ltd. issued 3,471 thousand new ordinary shares and 1,111 thousand special shares. However, the Group did not subscribe for the shares in proportion to its shareholding, resulting in the decrease in the Company's shareholding ratio from 47.56% to 43.63% and PChome eBay Co., Ltd.'s shareholding ratio from 1.52% to 1.41%.

Note 18: 21st Century Technology Co., Ltd. Acquired the entire shares of Cherri Tech Inc. in cash and newly issued shares in April, July and September 2022, and included them in the Group's consolidated financial statements.

Note 19: Organizational adjustment, to be directly held by the Company from August 2022.

2. List of subsidiaries which are not included in the consolidated interim financial statements:  
None.

(c) Employee benefits

The pension cost in the consolidated interim financial statements was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the effective tax rate at time of realization or liquidation and recognized directly in equity or other comprehensive income as tax expense.

**(5) Major Sources of Accounting Assumptions, Judgments and Estimation Uncertainty**

The preparation of the consolidated interim financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 "Interim Financial Reporting" and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The principles of preparation of the consolidated interim financial statements and the related significant estimates and underlying assumptions are consistent with Note (5) of the consolidated financial statements for the year ended December 31, 2021.

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**PCHOME ONLINE INC. AND SUBSIDIARIES**

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**(6) Explanation to Significant Accounts**

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2021 consolidated financial statements. Please refer to Note (6) of the consolidated financial statements for the year ended December 31, 2021.

(a) Cash and cash equivalents

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Cash on hand	\$ 2,039	1,683	998
Checking accounts	49,813	42,034	42,049
Savings accounts	4,447,406	6,914,475	6,979,856
Foreign currency deposits	124,673	45,755	154,364
Time deposits	1,469,482	1,113,007	1,465,110
Cash equivalents	<u>19,230</u>	<u>30,285</u>	<u>31,124</u>
Cash and cash equivalents in consolidated statement of cash flows	<u>\$ 6,112,643</u>	<u>8,147,239</u>	<u>8,673,501</u>

Please refer to Note (6)(x) for the interest analysis and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets designated at fair value through profit or loss

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Mandatorily measured at fair value through profit or loss:			
Preferred stocks	\$ 428,298	187,513	138,965
Foreign convertible bonds	38,335	52,714	58,851
Embedded derivative-call options	<u>-</u>	<u>3,999</u>	<u>5,400</u>
Total	<u>\$ 466,633</u>	<u>244,226</u>	<u>203,216</u>
	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Current	\$ 24,070	52,714	58,851
Non-current	<u>442,563</u>	<u>191,512</u>	<u>144,365</u>
Total	<u>\$ 466,633</u>	<u>244,226</u>	<u>203,216</u>



**PCHOME ONLINE INC. AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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- 1.The Group holds preferred stocks issued by domestic and foreign unlisted companies, all of which are non-cumulative preferred stocks with shareholder voting rights, and the dividends are paid at the agreed annual rate, which is adjusted and reset periodically in accordance with the agreed period. Most of the shares have the liquidation preference. According to the ranking order of the preferred stocks, if the targets must be liquidated while the Group holds their preferred stocks, the Group will have the opportunity to get the dividends which are same as the investment amount.
- 2.The maturity period of the foreign convertible bonds, which are issued by the foreign companies and held by the Group, was from 2022 to 2023, while the conversion period will start from 2022 to 2023.
- 3.The Group issued secured convertible bonds in the fourth quarter, 2020. Relevant information please refer to Note (6)(o).
- 4.Relevant information for the price risk please refer to Note (6)(x).
- 5.Abovementioned financial assets designated at fair value through profit or loss of the Group had not been pledged as collateral.

(c) Non-current financial assets at fair value through other comprehensive income

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Equity instruments at fair value through other comprehensive income			
Stocks unlisted on domestic and foreign markets	\$ 654,114	759,546	397,631
Foreign convertible bonds	<u>8,336</u>	<u>8,336</u>	<u>8,336</u>
Total	<u>\$ 662,450</u>	<u>767,882</u>	<u>405,967</u>

- 1.The Group holds these equity instruments, which are not held for trading at designated fair value through other comprehensive income, for long-term strategic purposes.
- 2.For the relevant information about preferred stocks and foreign convertible bonds that are held by the Group, please refer to Note (6)(b).
- 3.For the market price risk, please refer to Note (6)(x).
- 4.There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the nine months ended September 30, 2022 and 2021.
- 5.Abovementioned financial assets at fair value through other comprehensive income of the Group had not been pledged as collateral.

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(d) Notes and accounts receivables, other receivables and long-term receivables

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Notes receivable-measured as amortized cost	\$ 19	322	31
Trade receivable-measured as amortized cost	3,245,102	3,375,136	529,428
Trade receivable-fair value through other comprehensive income	1,348,044	880,501	-
Other receivables-measured as amortized cost	1,080,602	1,329,924	1,209,892
Operating lease receivable	8,991	1,391	2,217
Finance lease receivable	31,241	-	-
Less: Allowance for impairment losses	(409,504)	(249,975)	(1,549)
Less: Unrealized interest revenue	(673,698)	(735,027)	-
	<u>\$ 4,630,797</u>	<u>4,602,272</u>	<u>1,740,019</u>
Current	\$ 4,071,728	4,036,631	1,740,019
Non-current	559,069	565,641	-
	<u>\$ 4,630,797</u>	<u>4,602,272</u>	<u>1,740,019</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, all receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information, including macroeconomic and relevant industry information. The expected credit losses except for 21st Century Digital Technology Co., Ltd., were determined as follows:

	<u>2022.9.30</u>		
	<u>Gross carrying amount</u>	<u>Weighted-average loss rate</u>	<u>Allowance for expected credit losses</u>
Current	\$ 1,623,991	0%~0.0004%	6
Past under 180 days	42,702	0%~10%	984
Over 181 days past due	15,566	25%~100%	5,260
	<u>\$ 1,682,259</u>		<u>6,250</u>

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	<b>2021.12.31</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Allowance for expected credit losses</b>
Current	\$ 1,891,313	0%~0.001%	20
Past under 180 days	44,370	0%~10%	415
Over 181 days past due	360	25%~100%	302
	<b>\$ 1,936,043</b>		<b>737</b>

  

	<b>2021.9.30</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Allowance for expected credit losses</b>
Current	\$ 1,710,697	0.004%~0.29%	33
Past under 180 days	29,788	10%~100%	815
Over 181 days past due	1,083	15%~100%	701
	<b>\$ 1,741,568</b>		<b>1,549</b>

The expected credit losses of the Group's subsidiary, 21st Century Digital Technology Co., Ltd., were determined as follows:

	<b>2022.9.30</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Allowance for expected credit losses</b>
Current	\$ 2,681,211	0%~0.35%	9,275
Past under 180 days	331,308	3%~70%	54,488
Over 181 days past due	345,523	80%~100%	339,491
	<b>\$ 3,358,042</b>		<b>403,254</b>

  

	<b>2021.12.31</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Allowance for expected credit losses</b>
Current	\$ 2,356,143	0%~0.35%	8,462
Past under 180 days	350,618	3%~70%	33,987
Over 181 days past due	209,443	80%~100%	206,789
	<b>\$ 2,916,204</b>		<b>249,238</b>

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The movement in the allowance for notes and trade receivable was as follows:

	<b>For the nine months ended September 30,</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 249,975	1,162
Acquisition through business combinations	4,603	-
Impairment losses recognized	154,980	554
Amounts written off	(54)	(167)
Balance at September 30	<b>\$ 409,504</b>	<b>1,549</b>

The Group entered into an agreement with different financial institutions to sell its accounts receivable. Under the agreement, the Group will guarantee all receivables that cannot be recovered (whether deferred payment or breach the contract) during a specified period. The Group retains all the risks and rewards of such receivables and does not qualify for derecognition of financial assets. As of September 30, 2021, the carrying amount of transferred receivables and related financial liabilities as follows:

<b>2022.9.30</b>					
<b>Purchaser</b>	<b>Foreclosed amount</b>	<b>Credit line</b>	<b>Amount advanced paid (reported on short-term borrowings)</b>	<b>Range of interest Rate</b>	<b>Collateral</b>
KGI Bank	\$ 682,953	800,000	520,000	3.22%	Promissory notes
Far Eastern International Bank	523,794	840,000	490,115	2.965%	Pledge deposits and promissory notes
CMI Credit LTD.	141,297	500,000	127,781	4.11%	Promissory notes

  

<b>2021.12.31</b>					
<b>Purchaser</b>	<b>Transferred amount</b>	<b>Credit line</b>	<b>Amount advanced paid (reported on short-term borrowings)</b>	<b>Range of interest Rate</b>	<b>Collateral</b>
KGI Bank	\$ 275,000	240,000	220,000	2.27% ~ 2.64%	Promissory notes
Far Eastern International Bank	339,136	360,000	311,569	2.965%	Pledge deposits and promissory notes
CMI Credit LTD.	266,365	500,000	223,670	3.86%	"

As of September 30, 2022 and December 31, 2021, the Group provided promissory notes of \$1,740,000 thousand and \$700,000 thousand, respectively, for guaranteed the performance of the above contracts with repurchase agreements to those companies and banks undertaking the sale of the accounts receivable.

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In addition, part of the accounts receivable of the Group are installment payments of goods received from the distributors, and the parties agree to proceed by the agreed terms of the agreement with respect to the payment of all the formalities and expenses associated with the assignment of the debt. The sale of accounts receivable is a non-resource transaction, and the seller is not liable for the performance of the debtor's obligations after the transaction is completed.

(e) Inventories

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Merchandise inventories	\$ 1,850,373	1,784,571	1,266,810
Less: Allowance for inventory valuation and obsolescence losses	<u>(35,801)</u>	<u>(19,503)</u>	<u>(28,395)</u>
	<u>\$ 1,814,572</u>	<u>1,765,068</u>	<u>1,238,415</u>

The details of operating cost were as follows:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cost of goods sold	\$ 8,703,864	10,027,458	28,817,758	30,558,854
Interest cost	15,503	-	35,768	-
Provision for inventory market price decline and obsolescence	760	5,217	16,342	11,160
Loss on disposal of scrap	<u>270</u>	<u>482</u>	<u>1,547</u>	<u>1,646</u>
	<u>\$ 8,720,397</u>	<u>10,033,157</u>	<u>28,871,415</u>	<u>30,571,660</u>

As of September 30, 2022, December 31, 2021 and September 30, 2021, the inventories of the Group were not pledged as collateral.

(f) Investments accounted for using equity method

A summary of the Group's financial information for investments accounted for using the equity method at the reporting date were as follows:

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Associates	<u>\$ 271,544</u>	<u>39,532</u>	<u>37,518</u>

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1. Associates

Associates to the Group consisted of the followings:

Name of Associates	Nature of Relationship with the Group	Main operating location/ Registered Country of the Company	Proportion of shareholding and voting rights		
			2022.9.30	2021.12.31	2021.9.30
Rakuya International Info. Co. Ltd.	Real estate business, and internet information rental service	Taiwan	26.47 %	26.47 %	26.47 %
Ruten Japan KK	Information processing and provision of electronic information	Japan	28.49 %	28.49 %	28.49 %
UPN Information Co., Ltd.	Investment activities	Cayman islands	40.00 %	- %	- %

The Group acquired 40% shares of UPN Information Co., Ltd. with \$226,000 thousand in cash in August 2022. As of September 30, 2022, \$144,461 thousand had not been paid for the related cash acquisition, which was recognized as other payables of \$79,453 thousand and long-term payables of \$65,008 thousand.

2. Collateral

As of September 30, 2022, December 31, 2021, and September 30, 2021, the Group did not provide any investment accounted for using equity method as collateral.

3. Investments were accounted for by the equity method, and the share of profit or loss and other comprehensive income of those investments were recognized based on the financial statements that have not been reviewed.

(g) Acquisition of subsidiary

1. YunTan technology Inc.

1) The Group acquired 70% shares of YunTan technology Inc. for \$54,250 thousand and gained control over it on July 1, 2021.

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2) Acquisition of identifiable asset and liabilities assumed

The date of acquisition of identifiable asset and liabilities assumed is as follows:

Cash and cash equivalents	\$	32,423
Other current assets		1,059
Property, plant and equipment		595
Intangible assets		29,077
Other non-current assets		765
Other payables		(7,473)
Other current liabilities		<u>(33)</u>
The fair value of identifiable net assets	\$	<u><u>56,413</u></u>

3) Goodwill

Goodwill arising from the acquisition has been recognized as follows:

Consideration transferred (cash)	\$	54,250
Non-controlling interest (measured by proportionate share of the fair value of the identifiable net assets)		16,924
Less: fair value of identifiable net assets		<u>(56,013)</u>
Goodwill	\$	<u><u>15,161</u></u>

Goodwill is attributable mainly to the insurance-relating technical services owned by YunTan technology Inc. for its future benefits.

2. 21st Century Technology Co., Ltd.

- 1) On September 17, 2021, the Company was approved by the resolution of the Board of Directors to integrate the resources of both parties, strengthen the Group's layout in financial services, and enhance the competitiveness and business advantages of both parties in line with the Group's development strategy. The Group acquired 50.53% shares of 21st Century Technology Co., Ltd. with \$2,176,262 thousand in cash and 45.23% equity of Pi Mobile Technology Inc. at fair value of \$1,853,758 thousand, and gained control over it on October 1, 2021.

As of September 30, 2022, the amount of \$264,862 thousand was not paid for the related cash acquisition, which was recorded as long-term payables.

21st Century Technology Co., Ltd. increased capital by share swap in December, 2021. PChome eBay Co., Ltd. transferred 3.06% of Pi Mobile Technology Inc. in exchange for newly issued common shares of 21st Century Technology Co., Ltd. The Company did not subscribe for the shares in proportion to its shareholding, resulting in a decrease in its shareholding ratio from 45.23% to 44.84%.

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On January 3, 2022, the Company also conducted a second share swap by exchanging 13,413 thousand shares of Pi Mobile Technology Inc. for 3,996 thousand newly issued shares of 21st Century Technology Co., Ltd., resulting in an increase in the shareholding ratio from 44.84% to 47.56%, and the registration procedures have been completed.

2) Acquisition of identifiable asset and liabilities assumed.

The date of acquisition of identifiable asset and liabilities assumed is as follows:

Cash and cash equivalents	\$	40,622
Accounts receivable		1,768,854
Other current assets		3,353
Long-term investments accounted for using equity method		135,754
Property, plant and equipment		5,240
Right-of-use assets		4,054
Intangible assets		556,851
Deferred tax assets		51,210
Other non-current assets		423,806
Short-term borrowings and notes		(1,105,231)
Current contract liabilities		(1,665)
Accounts payable		(85,369)
Current tax liabilities		(60,205)
Lease liabilities		(4,054)
Other current liabilities		(1,023)
Shareholder current account		<u>(371,000)</u>
The fair value of identifiable net assets	\$	<u><u>1,361,197</u></u>

3) Goodwill

Goodwill arising from the acquisition has been recognized as follows:

Consideration transferred (cash)	\$	2,176,262
Consideration transferred (equity of Pi Mobile Technology Inc.)		1,853,758
Non-controlling interest (measured by proportionate share of the fair value of the identifiable net assets)		745,527
Less: fair value of identifiable net assets		<u>(1,361,197)</u>
Goodwill	\$	<u><u>3,414,350</u></u>

Goodwill is attributable mainly to the digital financial services owned by 21st Century Technology Co., Ltd. for its future benefits.



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3. Cherri Tech Inc.

- 1) In order to strengthen the Group's layout in financial services, and enhance the competitiveness and business advantages of the Company and Cherri Tech Inc. in line with the Group's development strategy, the resources of both parties had been integrated based on the resolution approved during the board meeting held on April 12, 2022, wherein the Group acquired 20.82% shares of Cherri Tech Inc. at the amount of \$524,788 in cash on April 27, 2022, as well as 59.26% shares of Cherri Tech Inc. at the amount of \$269,908 thousand in cash and 3,238 thousand newly issued shares of 21st Century Technology Co., Ltd. on July 29, 2022, resulting in the Group to gain control over Cherri Tech Inc.

The amount of \$359,509 thousand for the related cash acquisition has yet to be paid as of September 30, 2022, resulting in the recognition of other payables amounting to \$189,238 thousand and long-term payables amounting to \$170,271 thousand.

On September 14, 2022, 21st Century Technology Co., Ltd. conducted a share swap by exchanging 927 thousand of its newly issued shares and paying the amount of \$138,175 thousand in cash, resulting in an increase in its shareholding ratio from 80.08% to 100.00%.

- 2) Acquisition of identifiable asset and liabilities assumed.

The date of acquisition of identifiable asset and liabilities assumed is as follows:

Cash and cash equivalents	\$	96,350
Accounts receivable		21,837
Other receivables		11,778
Other current assets		3,381
Property, plant and equipment		2,422
Right-of-use assets		6,301
Intangible assets		227,635
Other non-current assets		2,353
Accounts payable		(73)
Other payables		(35,180)
Lease liabilities		(6,322)
Other current liabilities		(665)
Guarantee deposit received		(195)
The fair value of identifiable net assets	\$	<u><u>329,622</u></u>

The Group will continue to review the above matters during the measurement period. If new information about the facts and circumstances that existed on the acquisition date is obtained within one year from the acquisition date, and is identified an adjustment to the above provisional amount or any additional provision for liabilities existing at the acquisition date, the accounting for acquisitions will be revised.

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3) Goodwill

Goodwill arising from the acquisition has been recognized as follows:

Consideration transferred (cash)	\$	794,696
Consideration transferred (equity of 21st Century Technology Co., Ltd.)		949,388
Non-controlling interest (measured by proportionate share of the fair value of the identifiable net assets)		68,011
Less: fair value of identifiable net assets		<u>(329,622)</u>
Goodwill	\$	<u><u>1,482,473</u></u>

Goodwill is attributable mainly to the digital financial services owned by Cherri Tech Inc. for its future benefits.

(h) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Subsidiaries	Main operation place	Percentage of non-controlling interests		
		2022.9.30	2021.12.31	2021.9.30
PChome eBay Co., Ltd.	Taiwan	35.00 %	35.00 %	35.00 %
Chunghwa PChome Fund 1 Co., Ltd.	Taiwan	50.00 %	50.00 %	50.00 %
21st Century Technology Co., Ltd.	Taiwan	54.96 %	54.29 %	- %

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Intragroup transactions were not eliminated in this information.

1.PChome eBay Co., Ltd.'s collective financial information:

	2022.9.30	2021.12.31	2021.9.30
Current assets	\$ 1,371,188	1,308,223	1,243,608
Non-current assets	77,871	46,583	61,088
Current liabilities	(501,255)	(522,075)	(489,854)
Non-current liabilities	<u>(23,045)</u>	-	-
Net assets	<u>\$ 924,759</u>	<u>832,731</u>	<u>814,842</u>
Non-controlling interests	<u>\$ 323,666</u>	<u>291,456</u>	<u>285,195</u>

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	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Operating revenue	\$ <u>206,908</u>	<u>251,880</u>	<u>645,462</u>	<u>717,043</u>
Net profit	\$ 24,257	27,877	75,013	67,236
Other comprehensive income	599	-	1,223	39
Total comprehensive income	\$ <u>24,856</u>	<u>27,877</u>	<u>76,236</u>	<u>67,275</u>
Profit, attributable to non-controlling interests	\$ <u>8,490</u>	<u>9,757</u>	<u>26,255</u>	<u>23,533</u>
Comprehensive income, attributable to non-controlling interests	\$ <u>8,700</u>	<u>9,757</u>	<u>26,683</u>	<u>23,546</u>

2.Chunghwa PChome Fund 1 Co., Ltd.'s collective financial information:

	2022.9.30		2021.12.31		2021.9.30	
Current assets	\$	151,349		257,811		294,672
Non-current assets		442,564		187,513		138,964
Current liabilities		(271)		(1,008)		(254)
Net assets	\$	<u>593,642</u>		<u>444,316</u>		<u>433,382</u>
Non-controlling interests	\$	<u>296,821</u>		<u>222,158</u>		<u>216,691</u>

  

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Net profit (loss)	\$ (12,395)	23,229	172,366	47,670
Other comprehensive income	-	-	-	-
Total comprehensive income (loss)	\$ <u>(12,395)</u>	<u>23,229</u>	<u>172,366</u>	<u>47,670</u>
Profit (Loss), attributable to non-controlling interests	\$ <u>(6,197)</u>	<u>11,615</u>	<u>86,183</u>	<u>23,835</u>
Comprehensive income (loss), attributable to non-controlling interests	\$ <u>(6,197)</u>	<u>11,615</u>	<u>86,183</u>	<u>23,835</u>

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3. Collective financial information of 21st Century Technology Co., Ltd. and its subsidiaries:

	<u>2022.9.30</u>	<u>2021.12.31</u>
Current assets	\$ 5,089,068	2,178,226
Non-current assets	6,525,950	4,718,142
Current liabilities	(4,737,840)	(1,515,844)
Non-current liabilities	<u>(1,027,391)</u>	<u>(597,197)</u>
Net assets	<u>\$ 5,849,787</u>	<u>4,783,327</u>
Non-controlling interests	<u>\$ 1,336,099</u>	<u>745,822</u>
	<u>For the three months ended September 30, 2022</u>	<u>For the nine months ended September 30, 2022</u>
Operating revenue	<u>\$ 368,592</u>	<u>986,304</u>
Net profit	\$ 52,680	66,161
Other comprehensive loss	<u>(337)</u>	<u>(337)</u>
Total comprehensive income	<u>\$ 52,343</u>	<u>65,824</u>
Loss attributable to non-controlling interests	<u>\$ 20,088</u>	<u>10,673</u>
Comprehensive loss, attributable to non-controlling interests	<u>\$ 20,052</u>	<u>10,637</u>

(i) Property, plant and equipment

	<u>Transportation equipment</u>	<u>Furniture and office equipment</u>	<u>Leasehold improvements</u>	<u>Leased assets</u>	<u>Testing equipment</u>	<u>Total</u>
Carrying amounts:						
Balance at January 1, 2022	\$ <u>69,064</u>	<u>305,958</u>	<u>140,078</u>	<u>1,247</u>	<u>440,768</u>	<u>957,115</u>
Balance at September 30, 2022	\$ <u>61,961</u>	<u>269,659</u>	<u>127,338</u>	<u>271</u>	<u>518,422</u>	<u>977,651</u>
Balance at January 1, 2021	\$ <u>72,944</u>	<u>339,901</u>	<u>152,365</u>	<u>4,580</u>	<u>-</u>	<u>569,790</u>
Balance at September 30, 2021	\$ <u>64,322</u>	<u>316,072</u>	<u>140,537</u>	<u>1,785</u>	<u>-</u>	<u>522,716</u>

The Group purchased relevant equipment for operation in 2022. For relevant significant contracts, please refer to Note (9)(f). As of September 30, 2022, December 31, 2021, and September 30, 2021, the property, plant and equipment were not pledged as collateral.

There were no significant additions, disposal, or recognition and reversal of impairment losses of property, plant and equipment for the nine months ended September 30, 2022 and 2021. Information on depreciation for the period is discussed in Note (12)(a). Please refer to Note (6)(i) of the 2021 annual consolidated financial statements for other related information.

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(j) Right-of-use assets

	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Total</u>
Carrying amount:				
Balance as of January 1, 2022	\$ <u>2,074,820</u>	<u>-</u>	<u>5,553</u>	<u>2,080,373</u>
Balance as of September 30, 2022	\$ <u>2,109,028</u>	<u>35,935</u>	<u>3,924</u>	<u>2,148,887</u>
Balance as of January 1, 2021	\$ <u>2,422,398</u>	<u>46,096</u>	<u>402</u>	<u>2,468,896</u>
Balance as of September 30, 2021	\$ <u>2,148,783</u>	<u>-</u>	<u>3,929</u>	<u>2,152,712</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of right-of-use assets for the nine months ended September 30, 2022 and 2021. Information on depreciation for the period is discussed in Note (12)(a). Please refer to Note (6)(j) of the 2021 annual consolidated financial statements for other related information.

(k) Intangible assets

	<u>Software</u>	<u>Goodwill</u>	<u>Concession</u>	<u>Others</u>	<u>Total</u>
Carrying amounts:					
Balance at January 1, 2022	\$ <u>30,818</u>	<u>3,528,869</u>	<u>487,742</u>	<u>79,823</u>	<u>4,127,252</u>
Balance at September 30, 2022	\$ <u>80,073</u>	<u>5,011,342</u>	<u>447,097</u>	<u>299,567</u>	<u>5,838,079</u>
Balance at January 1, 2021	\$ <u>42,158</u>	<u>99,358</u>	<u>-</u>	<u>-</u>	<u>141,516</u>
Balance at September 30, 2021	\$ <u>34,502</u>	<u>123,360</u>	<u>-</u>	<u>15,538</u>	<u>173,400</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the nine months ended September 30, 2021. Information on amortization for the period is discussed in Note (12)(a). Please refer to Note (6)(g) and (k) of the 2021 annual consolidated financial statements for other related information.

1. On July 29, 2022, The Group obtained the amounts of \$1,482,473 thousand, \$57,421 thousand and \$170,214 thousand, arising from the acquisition of Cherri Tech Inc., in goodwill, expertise and customer relationship, respectively. Please refer to the Note(6)(g) for relevant information.

2. Cash generating units of goodwill apportioned to the consolidated company

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
PChome CB Co., Ltd.	\$ 99,358	99,358	99,358
Yun Tan Technology Inc.	15,161	15,161	-
21st Century Technology Co., Ltd.	3,414,350	3,414,350	-
Cherri Tech Inc.	1,482,473	-	-
Total	\$ <u>5,011,342</u>	<u>3,528,869</u>	<u>99,358</u>

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(l) Short-term borrowings

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Unsecured bank loans	\$ 1,724,950	850,000	743,612
Secured bank loans	1,010,115	617,069	-
Other short-term loans	165,281	546,598	-
Loans from related parties	-	220,000	-
Short-term notes and bills payable	-	30,000	-
	<u>\$ 2,900,346</u>	<u>2,263,667</u>	<u>743,612</u>
Unused short-term credit line	<u>\$ 1,679,364</u>	<u>4,526,823</u>	<u>3,463,588</u>
Range of interest rates	<u>0.97%~4.11%</u>	<u>0.97%~4.00%</u>	<u>0.97%~1.30%</u>

The Group for the collateral for short-term borrowings, please refer to Note (8).

The Group's guaranteed bank and other borrowings arising from the alienation of claims receivable, please refer to Note (6)(d) for relevant explanations.

For details of loans and guarantees provided by related parties, please refer to Note (7).

(m) Current contract liabilities, Other current liabilities and Receipts under custody

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Current contract liabilities	\$ 647,961	549,200	609,645
Receipts under custody-online payment processing service mainly	1,818,348	1,813,698	1,569,766
Current refund liabilities	27,184	37,882	43,338
Other	318,925	542,393	316,216
	<u>\$ 2,812,418</u>	<u>2,943,173</u>	<u>2,538,965</u>

The Group received the advance receipts from consumers who purchased goods or online service points.

Agreements were entered into between the Group and its online sellers for entrusting the Group to collect sellers' online transaction payments. Collections were recognized under other current liabilities and were accounted for as payables to the sellers.

Current refund liabilities were expected to be paid to customers due to their right to refund the goods, and were recognized under other current liabilities.

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(n) Long-term borrowings

The details were as follows:

<b>2022.9.30</b>				
	<b>Currency</b>	<b>Rate</b>	<b>Maturity year</b>	<b>Amount</b>
Unsecured bank loans	TWD	1.07%~3.10%	2028	\$ 397,500
Secured bank loans	TWD	1.125%~1.845%	2028	419,900
Other long-term borrowings	TWD	3.99%	2024	150,000
Loans from related parties	TWD	2.25%	2024	721,525
Less: current portion				(157,042)
Total				<u>\$ 1,531,883</u>
Unused long-term credit lines				<u>\$ 3,431,600</u>
<b>2021.12.31</b>				
	<b>Currency</b>	<b>Rate</b>	<b>Maturity year</b>	<b>Amount</b>
Unsecured bank loans	TWD	0.16%~1.16%	2028	\$ 368,400
Secured bank loans	TWD	0.75%~1.345%	2025	505,700
Other long-term borrowings	TWD	3.99%	2024	150,000
Loans from related parties	TWD	1.00%	2023	421,000
Less: current portion				(226,625)
Total				<u>\$ 1,218,475</u>
Unused long-term credit lines				<u>\$ 2,626,955</u>
<b>2021.9.30</b>				
	<b>Currency</b>	<b>Rate</b>	<b>Maturity year</b>	<b>Amount</b>
Unsecured bank loans	TWD	0.695%~1.16%	2028	\$ 519,700
Secured bank loans	TWD	1.35%	2025	400,000
Less: current portion				(225,000)
Total				<u>\$ 694,700</u>
Unused long-term credit lines				<u>\$ 1,425,300</u>

The circumstances of the Group setting mortgage on assets as a guarantee for bank borrowings, please refer to Note (8).

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The subsidiary PChome Store Inc. entered into the syndicated credit agreement with the financial institution. According to the terms of the agreement, PChome Store Inc. should maintain certain financial ratios during bank loan period. As of September 30, 2022, PChome Store Inc. was in compliance with the financial covenants mentioned above.

The Company is the joint guarantor of the unsecured bank loans of the subsidiaries, PChome Store Inc., Pi Mobile Technology Inc., and PChome Bibian Inc., as of September 30, 2022. For the information about guarantees and endorsements for other parties, please refer to Note (13)(a).

For details of loans and guarantees provided by related parties, please refer to Note (7).

(o) Bonds payable

The details of secured convertible bonds were as follows:

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Total convertible corporate bonds issued	\$ 1,500,000	1,500,000	1,500,000
Unamortized discounted corporate bonds payable	(10,058)	(17,464)	(21,701)
Cumulative converted amount	(121,000)	(121,000)	-
Balance of corporate bonds issued	<u>\$ 1,368,942</u>	<u>1,361,536</u>	<u>1,478,299</u>
Embedded derivative – call options, included in financial assets at fair value through profit or loss	<u>\$ -</u>	<u>3,999</u>	<u>5,400</u>
Equity component – conversion options, included in capital surplus– stock options	<u>\$ 129,737</u>	<u>129,737</u>	<u>141,121</u>

Convertible bonds that were recognized in profit or loss were as follows:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Embedded derivative instruments – call options, included in other gains or losses	<u>\$ (138)</u>	<u>3,450</u>	<u>(3,999)</u>	<u>3,900</u>
Interest expense	<u>\$ 2,500</u>	<u>2,700</u>	<u>7,406</u>	<u>7,998</u>

The Company issued secured 3-year convertible bonds at October 7, 2020, the face value of this bond amounted to \$1,500,000 thousand, coupon rate is 0% and was issued at 107.42% of the face value. Therefore, the actual borrowing amount was \$1,611,304 thousand. The issuance period was from October 7, 2020, to October 7, 2023, while the conversion period started from January 8, 2021, to October 7, 2023. The Company will repay the convertible corporate bonds at face value in one lump sum in cash upon maturity.



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After the bond has been issued for over 3 months and before 40 days, if the closing price of the Company's common shares listed on the Taiwan Stock Exchange exceeds or equals 30% of the conversion price for 30 consecutive days, the Company will get the right to redeem the bonds with cash based on face value.

The face value of the convertible bonds amounting to \$121,000 thousand has been converted and recognized as \$10,980 thousand ordinary capital. Additionally, it caused the decrease of the initially recognized capital surplus—stock options of convertible bonds and discount on bonds payable amounting to \$11,384 thousand and \$1,606 thousand, respectively. The net converted amount exceeded the face value of converting common stocks and therefore the amount of \$119,798 thousand was recognized as capital surplus—premium on bonds payable conversion.

The Company has entered into an agreement to guarantee the issuance of corporate bonds with KGI Bank, Chang Hwa Commercial Bank Ltd. and Far Eastern International Bank Co., Ltd. During the guarantee period (the same as the issuance period of the secured convertible bonds), these financial institutions are responsible for assuming main and subordinated debts such as the principal balance of convertible bonds and interest compensation payables. The guarantee ratio of KGI Bank, Chang Hwa Commercial Bank, Ltd., and Far Eastern International Bank Co., Ltd is 40%, 40% and 20%, respectively.

Relevant information for the price risk of embedded derivative – call options please refer to Note (6)(x).

(p) Lease liabilities

The carrying amounts of lease liabilities of the Group were as follows:

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Current	\$ <u>563,640</u>	<u>451,788</u>	<u>458,515</u>
Non-current	\$ <u>1,651,799</u>	<u>1,685,427</u>	<u>1,751,922</u>

Maturity analysis please refer to Note (6)(x).

The amounts recognized in profit or loss were as follows:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interests on lease liabilities	\$ <u>6,840</u>	<u>6,743</u>	<u>20,109</u>	<u>21,221</u>
Expenses relating to short-term leases	\$ <u>10,786</u>	<u>11,014</u>	<u>29,214</u>	<u>30,701</u>
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	\$ <u>1,627</u>	<u>1,442</u>	<u>6,071</u>	<u>4,239</u>

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The amounts recognized in the statement of cash flows for the Group were as follows:

	<u>For the nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>
Total cash outflow for leases	<u>\$ 461,880</u>	<u>429,602</u>

The Group leases buildings for its office space and warehouses. The leases of office space typically run of a period for 3 to 5 years, and of warehouses for 3 to 12 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(q) Income taxes

1. Income tax expense recognized in profits or losses

The amounts of income tax were as follows:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax expenses:				
Current period	\$ 63,296	35,209	189,374	115,388
5% surtax on unappropriated earnings	-	3,075	22,432	7,043
Adjustment for prior periods	<u>1</u>	<u>(14,989)</u>	<u>(7)</u>	<u>(20,221)</u>
	<u>63,297</u>	<u>23,295</u>	<u>211,799</u>	<u>102,210</u>
Deferred tax expense:				
Origination and reversal of temporary differences	<u>(1,978)</u>	<u>-</u>	<u>(15,845)</u>	<u>-</u>
Income tax expenses	<u>\$ 61,319</u>	<u>23,295</u>	<u>195,954</u>	<u>102,210</u>

2. The amounts of income tax expenses recognized in other comprehensive income for the nine months ended September 30, 2022 and 2021, both were zero.

3. The Company's tax returns for the years through 2019 were examined and approved by the Taipei National Tax Administration.

(r) Capital and other equity

1. Issuance of common stock

As of September 30, 2022, December 31, 2021, and September 30, 2021, the total value of nominal ordinary shares amounted to \$1,500,000 thousand. The face value of each share is \$10. There were 128,514 thousand, 127,416 thousand and 118,259 thousand of ordinary shares issued, respectively. (including the issuance of the employee restricted shares amounted to 880 thousand, 880 thousand and 1,100 thousand shares as of September 30, 2022, December 31, 2021, and September 30, 2021, respectively.) All issued shares were paid up upon issuance.

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On September 17, 2021, the Board of Directors resolved to issue 10,000 thousand common shares at a private placement price of \$106.65 per share, and par value per share is \$10. The Company determined the base date for the capital increase to be on October 1, 2021, and the actual issued shares are 9,377 shares. The relevant statutory registration procedures have been completed.

The aforementioned private placement of ordinary shares and the transfer of any subsequently obtained bonus shares would be subject to section 43(8) requirements under the Securities and Exchange Act. The Company can only apply for these shares to be traded on the Taiwan Stock Exchange after a three-year period has elapsed from the delivery date of the private placement securities (November 18, 2021), and after applying for a public offering with the Financial Supervisory Commission.

In November 2021, due to exercising the right to convert corporate bonds, the denomination of corporate bonds was reduced by \$121,000 thousand, and the Company applied for the conversion of 1,098 thousand ordinary shares. The relevant statutory registration procedures have been completed.

2. Capital surplus

The balances of additional paid-in capital were as follows:

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Share capital	\$ 2,600,396	2,600,396	1,694,160
Conversion premium	119,798	119,798	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	1,714,997	1,714,997	3,111
Changes in equity of subsidiaries	468,514	92,488	91,569
Changes in equity of investment in associates and joint ventures accounted for using the equity method	3,934	3,934	3,934
Issuance of convertible bonds	129,737	129,737	141,121
Share based payment transactions—employee restricted shares	29,369	29,369	17,053
Share based payment transactions—treasury stock	2,138	2,138	1,785
Total	<u>\$ 5,068,883</u>	<u>4,692,857</u>	<u>1,952,733</u>

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According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

3. Retained earnings

The Company's article of incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficit, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve. However, this restriction is not applied when the legal reserve has reached the paid-in capital of the Company; In addition, according to the operation needs of the Company and the provisions of laws and regulations, if there is a balance of the special surplus reserve, priority may be given to the distribution of dividends of the special shares of the current year. And then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the board of directors and submitted to the shareholders' meeting for proposal.

The Company may explicitly stipulate in the Articles of Incorporation to authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The Company adopts the residual dividend policy; the residual earnings will be distributed by cash dividends before the Company fulfills the funding needs, and the ratio for stock dividend shall not exceed 80% of the total distribution. The amount, type and ratio of such dividend distribution, may be approved by the Board of Directors based on the actual profit and financial situation of the current year and submitted to the shareholders' meeting for decision.

The amount of cash dividends of appropriations of earnings for 2021 that had been approved in the meeting of the board of directors on March 23, 2022 was \$63,817 thousand. The amount of cash dividends of appropriations of earnings for 2020 that had been approved in the meeting of the board of directors on March 16, 2021 was \$153,737 thousand. Relevant information would be available at the Market Observation Post System website.

4. Treasury shares

On March 16, 2021, the Board of Directors of the Company resolved to repurchase its ordinary shares from the centralized securities exchange market, in order to transfer to employees, at price between \$60 and \$110 per share, in accordance with the requirements under section 28(2) of the Securities and Exchange Act. As of September 30, 2022, a total of 1,230 thousand shares have been bought back at a cost of \$108,254 thousand. The cost does not exceed the upper limit amount \$108,440 thousand approved by the Board of Directors.

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On May 11, 2022, the Board of Directors of the Company resolved to repurchase its ordinary shares from the centralized securities exchange market, in order to transfer to employees, at price between \$70 and \$125 per share, in accordance with the requirements under section 28(2) of the Securities and Exchange Act. As of September 30, 2022, a total of 1,900 thousand shares have been bought back at a cost of \$133,140 thousand. The cost does not exceed the upper limit amount \$286,781 thousand approved by the Board of Directors.

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and should not hold any shareholder rights before their transfer.

On August 6, 2021, and November 3, 2021, the Board of the Directors of the Company resolved to transfer treasury shares to employees at the transfer price of \$88.01 per share, and the actual number of shares transferred were 333 thousand shares and 18 thousand shares, respectively.

5. Other equity, net of tax

	Exchange difference on translation of foreign financial statements	Unrealized gains from financial assets measured at fair value through other comprehensive income	Unearned Employee Compensation
Balance at January 1, 2022	\$ (12,414)	202,896	(7,896)
Exchange differences on foreign operations	(309)	-	-
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	(142,984)	-
Share-based payment transactions	-	-	4,417
Balance at September 30, 2022	<u>\$ (12,723)</u>	<u>59,912</u>	<u>(3,479)</u>
Balance at January 1, 2021	\$ (116,979)	76,811	(24,042)
Exchange differences on foreign operations	(24,924)	-	-
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	84,978	-
Share-based payment transactions	-	-	11,724
Balance at September 30, 2021	<u>\$ (141,903)</u>	<u>161,789</u>	<u>(12,318)</u>

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6. Non-controlling Interests

	<u>2022</u>	<u>2021</u>
Balance at January 1	\$ 1,327,580	724,356
Shares of non-controlling interests		
Gain (loss) for the nine months ended September 30	94,841	(17,382)
Foreign currency translation differences for foreign operations	(649)	(4,148)
Changes in ownership interests in subsidiaries	498,777	2,998
Changes in non-controlling interests	<u>49,303</u>	<u>21,764</u>
Balance at September 30	<u>\$ 1,969,852</u>	<u>727,588</u>

(s) Share-based payment

The Group had two share-based payment arrangements as follows as of September 30, 2022:

1. Employee restricted shares

The issuance of the employee restricted shares amounting to 1,100 thousand shares with par value of \$10 per share, was approved by the board of directors of the Group on September 29, 2020. This issuance of the employee restricted shares had received approval and was taken effect by the Financial Supervisory Commission on September 11, 2020, and October 22, 2020, was the base date for the capital increase.

Employees who are granted the above-mentioned employee restricted shares and continue to work in the Group for one year, two years and three years from the date of acquisition can receive 40%, 30% and 30% of employee restricted shares, respectively. The employees who are allocated the employee restricted shares, they should deliver the shares to the Group's designated institutional trust for safekeeping before they meet the vested conditions. The shares shall not be sold, pledged, transferred, gifted or otherwise dispensed. During the period which the shares are delivered to the trust for safekeeping, the voting rights of the shareholders meeting shall be vested in the trust. The custodial institution shall implement it in accordance with relevant laws and regulations. If the employees who are granted the above-mentioned restricted employee rights do not meet the acquired conditions after obtaining the new shares, their shares shall be fully recovered and canceled by the Group.

As of September 30, 2022, 460 thousand shares of the employees, who were granted the above-mentioned restricted employee rights but did not meet the acquired conditions, have been recovered, of which 220 thousand shares have been canceled by the Company. The relevant statutory registration procedures have been completed.

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2. Share-based payment transactions

	Equity-settled		
	Treasury stocks transferred to employees	Treasury stocks transferred to employees	Subsidiaries' employee stock options
Grant date	August 6, 2021	November 3, 2021	May 25, 2017
Number of shares granted	333,000 shares	18,000 shares	33,372,000 units
Contract term	2 years	2 years	4 years
Vesting conditions	Immediately vested	Immediately vested	Note 1

Note 1: The Group provides 25% share option to its employee annually according to their years of service, with a maximum of 4 years and a minimum of 1 year.

1) Determining the fair value of equity instruments granted

The Group adopted the Black-Scholes Model to calculate the fair value of the stock option at grant date, and the assumptions adopted in this valuation model were as follows:

	Treasury stocks transferred to employees	Treasury stocks transferred to employees	Subsidiaries' employee stock options
Fair value at grant date	4.88	17.96	-
Stock price at grant date	91.18	105.64	-
Exercise price	-	-	USD 0.09
Expected volatility (%)	46.82%	42.65%	28.78%~60.78%
Expected life of the option (years)	-	-	5 years
Risk-free interest rate (%)	0.0484%	0.0909%	0.95%~1.31%

2) Information on employee stock options

(Unit: Thousands)

	For the nine months ended September 30,			
	2022		2021	
	Weighted-average exercise price	Numbers of options	Weighted-average exercise price	Numbers of options
Balance, beginning of January 1	USD 0.09	15,990	USD 0.09	17,468
Options granted	-	-	-	333
Options forfeited	-	(15,990)	-	(1,245)
Options exercised	-	-	-	(333)
Options expired	-	-	-	-
Balance, end of September 30	0.09	-	0.09	<u>16,223</u>
Options exercisable, end of September 30	-	-	-	<u>16,223</u>

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On April 1, 2022, the Board of Directors resolved to repurchase the remaining employee stock options with \$19,271 thousand in cash.

3. Expenses and liabilities resulted from share-based payments

The incurred expenses from share-based payments transactions for the three months and the nine months ended September 30, 2022 and 2021, were as follows:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Salary expenses	\$ <u>1,489</u>	<u>5,734</u>	<u>4,417</u>	<u>13,757</u>

(t) Earnings per share

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
(Loss) Profit attributable to common stockholders of the Company	\$ <u>(27,151)</u>	<u>74,895</u>	<u>(60,977)</u>	<u>275,309</u>
Weighted-average number of ordinary shares	<u>125,750</u>	<u>115,929</u>	<u>126,562</u>	<u>116,344</u>
Basic earnings per share (New Taiwan Dollars)	\$ <u>(0.22)</u>	<u>0.65</u>	<u>(0.48)</u>	<u>2.37</u>
Profit attributable to common stockholders of the Company (basic)		\$ 74,895		275,309
Influence on related profit or loss of convertible bonds, net of tax		<u>(600)</u>		<u>3,278</u>
Profit attributable to common stockholders of the Company (diluted)		\$ <u>74,295</u>		<u>278,587</u>
Weighted-average number of ordinary shares (basic)		115,929		116,344
Unvested employee restricted shares		66		998
Influence of conversion of convertible bonds		13,393		13,393
Effect of employee stock compensation		<u>252</u>		<u>281</u>
Weighted-average number of ordinary shares (diluted)		<u>129,640</u>		<u>131,016</u>
Diluted earnings per share (New Taiwan Dollars)	\$ <u>0.57</u>			<u>2.13</u>



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Due to the net loss after tax of the Group in 2022, when calculating the potential items of diluted earnings per share, it will have an anti-dilutive effect. Therefore, the diluted earnings per share is excluded.

(u) Revenue from contracts with customers

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Revenue of electronic commerce	\$ 9,618,648	11,338,114	32,024,743	34,494,097
Revenue of non-electronic commerce	395,003	71,984	878,201	138,717
	<u>\$ 10,013,651</u>	<u>11,410,098</u>	<u>32,902,944</u>	<u>34,632,814</u>

For details on accounts receivables and allowance for impairment, please refer to Note (6)(d).

The amount of revenue recognized for the nine months ended September 30, 2022 and 2021 that were included in the contract liability balance at the beginning of the period were \$427,962 thousand and \$554,103 thousand, respectively.

(v) Remunerations to employees, directors and supervisors

In accordance with the articles of the Company should contribute 1%~15% of the profit as employee compensation and less than 1.5% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficit, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

The remunerations to employees amounted to \$(809) thousand, \$6,675 thousand, \$556 thousand and \$26,490 thousand; and the remunerations to directors and supervisors amounted to \$(91) thousand, \$749 thousand, \$62 thousand and \$2,973 thousand, respectively, for the three-months period and the nine-months period ended September 30, 2022 and 2021. These amounts were calculated using the Company's net income before tax without the remunerations to employees and directors for each period, multiplied by the proposed percentage which is stated under the Company's proposed Article of Incorporation. These remunerations were expensed under operating expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the reporting date, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For the year ended December 31, 2021, the remunerations to employees, and directors and supervisors amounted to \$23,702 thousand and \$2,660 thousand, respectively. Upon the resolution of the Board of Directors, the remunerations will be distributed in full. Related information would be available at the Market Observation Post System website.

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(w) Non-operating income and expenses

1. Interest income

The details of interest income were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Interest income from bank deposits	\$ 4,674	2,336	11,281	6,993
Other interest income				
Interest income on lease receivable	34	8	42	32
Other	-	46	321	128
Total interest income	<u>\$ 4,708</u>	<u>2,390</u>	<u>11,644</u>	<u>7,153</u>

2. Other income

The details of other income were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Dividend income	\$ -	2,936	4,732	15,467
Income from fines and penalties	42,480	-	119,592	-
Other income	5,113	10,727	15,460	17,999
Total other income	<u>\$ 47,593</u>	<u>13,663</u>	<u>139,784</u>	<u>33,466</u>

3. Other gains and losses, net

The details of other gains and losses were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Gains on disposal of property, plant and equipment	\$ 25	-	50	13
Gains on disposal of investments	3,414	-	3,414	-
Lease modification	311	-	311	-
Foreign currency exchange gains (losses)	8,303	2,451	22,114	(707)
Gains (Losses) on current financial assets at fair value through profit or loss	(10,164)	29,244	175,126	59,052
Others	(69)	(52)	(143)	(1,175)
Other gains and losses, net	<u>\$ 1,820</u>	<u>31,643</u>	<u>200,872</u>	<u>57,183</u>

4. Finance costs

The details of finance cost were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
	<u>\$ 19,745</u>	<u>13,545</u>	<u>55,927</u>	<u>40,168</u>

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(x) Financial instruments

Except as described in the following paragraph, there were no significant changes in the Group's fair value of financial instruments exposed to credit risk and market risk. For other information about the fair value of financial instruments, please refer to Note (6)(x) of the consolidated financial statements for the year ended December 31, 2021.

1. Liquidity risk

The following are the contractual maturities of financial liabilities of the Group, including estimated interest payments and excluding the impact of netting arrangements:

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>
<b>Balance at September 30, 2022</b>							
Non-derivative financial liabilities							
Short-term borrowings	\$ 2,900,346	2,900,346	1,190,231	1,710,115	-	-	-
Accounts and notes payable	3,686,208	3,686,208	3,686,208	-	-	-	-
Other payables	1,317,005	1,317,005	1,227,090	89,915	-	-	-
Receipts under custody	1,818,348	1,818,348	1,818,348	-	-	-	-
Lease liability	2,215,439	2,215,439	289,487	274,153	539,299	792,146	320,354
Long-term borrowings	1,688,925	1,688,925	53,792	103,250	1,003,025	368,558	160,300
Bonds payable	1,368,942	1,379,000	-	-	1,379,000	-	-
Long-term payables	500,141	500,141	-	-	414,605	85,536	-
	<u>\$ 15,495,354</u>	<u>15,505,412</u>	<u>8,265,156</u>	<u>2,177,433</u>	<u>3,335,929</u>	<u>1,246,240</u>	<u>480,654</u>
<b>Balance at December 31, 2021</b>							
Non-derivative financial liabilities							
Short-term borrowings	\$ 2,263,667	2,263,667	1,923,167	340,500	-	-	-
Accounts and notes payable	3,924,004	3,924,004	3,924,004	-	-	-	-
Other payables	1,722,756	1,722,756	1,689,077	33,679	-	-	-
Receipts under custody	1,813,698	1,813,698	1,813,698	-	-	-	-
Lease liability	2,137,215	2,137,215	246,605	205,183	425,445	1,061,550	198,432
Long-term borrowings	1,445,100	1,445,100	50,000	176,625	577,500	499,619	141,356
Bonds payable	1,361,536	1,379,000	-	-	1,379,000	-	-
Long-term payables	549,438	549,438	-	-	549,438	-	-
	<u>\$ 15,217,414</u>	<u>15,234,878</u>	<u>9,646,551</u>	<u>755,987</u>	<u>2,931,383</u>	<u>1,561,169</u>	<u>339,788</u>
<b>Balance at September 30, 2021</b>							
Non-derivative financial liabilities							
Short-term borrowings	\$ 743,612	743,612	743,612	-	-	-	-
Accounts and notes payable	3,800,049	3,800,049	3,800,049	-	-	-	-
Other payables	960,455	960,455	944,313	16,142	-	-	-
Receipts under custody	1,569,766	1,569,766	1,569,766	-	-	-	-
Lease liability	2,210,437	2,210,437	245,139	213,376	407,548	1,024,021	320,353
Long-term borrowings	919,700	919,700	125,000	100,000	200,000	100,000	394,700
Bonds payable	1,478,299	1,500,000	-	-	-	1,500,000	-
	<u>\$ 11,682,318</u>	<u>11,704,019</u>	<u>7,427,879</u>	<u>329,518</u>	<u>607,548</u>	<u>2,624,021</u>	<u>715,053</u>

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The Group does not expect that the cash flows included in the maturity analysis could occur significantly earlier or in significantly different amounts.

2. Currency risk

1) Currency risk exposure

The Group's significant exposure to foreign currency risk was as follows:

	2022.9.30			2021.12.31			2021.9.30		
	Foreign currency (thousands of dollars)	Exchange rate	TWD	Foreign currency (thousands of dollars)	Exchange rate	TWD	Foreign currency (thousands of dollars)	Exchange rate	TWD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 3,802	31.75	120,716	2,817	27.67	77,949	4,214	27.85	117,347
JPY	56,628	0.2199	12,452	31,795	0.2403	7,640	261,114	0.2488	64,965
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	174	31.75	5,530	340	27.67	9,397	239	27.85	6,648

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, other receivables, and accounts payable that are denominated in foreign currency.

A 5% appreciation or depreciation of the TWD against the USD and JPY as of September 30, 2022 and 2021, would have increased or decreased net income by \$5,106 thousand and \$7,027 thousand, respectively. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the nine months ended September 30, 2022 and 2021.

Due to the variety of functional currency, the Group disclosed the foreign currency gain or loss on monetary items aggregately. For the nine months ended September 30, 2022 and 2021, the foreign exchange gain (loss) (including realized and unrealized) were gain \$22,114 thousand and loss \$707 thousand, respectively.

3) Interest analysis

The interest rate exposure of the Group's financial assets and liabilities is described in Note (6)(x) on liquidity risk management.

The following sensitivity analysis is based on the exposure to the interest rate risk of financial assets and liabilities on the reporting date.

If the interest rate had increased or decreased by 0.1%, the Group's net income would have increased or decreased by \$1,062 thousand and \$5,425 thousand for the nine months ended September 30, 2022 and 2021, respectively, with all other variable factors remaining constant. This is mainly due to the Group's borrowings and deposits at variable rates.

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3. Other market price risk

For the nine months ended September 30, 2022 and 2021, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for profit or loss as illustrated below:

Prices of securities at the reporting date	For the nine months ended September 30,			
	2022		2021	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 1%	\$ 5,233	3,426	3,181	1,112
Decreasing 1%	(5,233)	(3,426)	(3,181)	(1,112)

4. Fair value of financial instruments

1) Fair value hierarchy

The carrying amount and fair value of the Group's financial assets, including the information on fair value hierarchy were as follows:

	2022.9.30				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Fair value through profit or loss</b>					
Preferred stock	\$ 428,298	-	-	428,298	428,298
Domestic and foreign convertible bonds	38,335	-	-	38,335	38,335
	<u>\$ 466,633</u>	<u>-</u>	<u>-</u>	<u>466,633</u>	<u>466,633</u>
<b>Fair value through other comprehensive income</b>					
Domestic and foreign stock of non-listed company	\$ 654,114	-	-	654,114	654,114
Foreign convertible bonds	8,336	-	-	8,336	8,336
	<u>\$ 662,450</u>	<u>-</u>	<u>-</u>	<u>662,450</u>	<u>662,450</u>

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	2021.12.31				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Fair value through profit or loss</b>					
Preferred stock	\$ 187,513	-	-	187,513	187,513
Domestic and foreign convertible bonds	52,714	-	-	52,714	52,714
Embedded derivative-call options	3,999	-	-	3,999	3,999
	<u>\$ 244,226</u>	<u>-</u>	<u>-</u>	<u>244,226</u>	<u>244,226</u>
<b>Fair value through other comprehensive income</b>					
Domestic and foreign stock of non-listed company	\$ 759,546	-	-	759,546	759,546
Foreign convertible bonds	8,336	-	-	8,336	8,336
	<u>\$ 767,882</u>	<u>-</u>	<u>-</u>	<u>767,882</u>	<u>767,882</u>
		2021.9.30			
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Fair value through profit or loss</b>					
Preferred stock	\$ 138,965	-	-	138,965	138,965
Foreign convertible bonds	58,851	-	-	58,851	58,851
Embedded derivative-call option	5,400	-	-	5,400	5,400
	<u>\$ 203,216</u>	<u>-</u>	<u>-</u>	<u>203,216</u>	<u>203,216</u>
<b>Fair value through other comprehensive income</b>					
Domestic stock of non-listed company	\$ 397,631	-	-	397,631	397,631
Foreign convertible bonds	8,336	-	-	8,336	8,336
	<u>\$ 405,967</u>	<u>-</u>	<u>-</u>	<u>405,967</u>	<u>405,967</u>

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2) Valuation techniques for financial instruments measured at fair value

2.1) Non-derivative financial instruments

The financial instruments held by the Group are regarded as non-quoted price of the equity instruments. The fair value of the financial instruments is estimated by the comparable listed company market approach. The major assumption is measured by the multiplier which is derived from comparable listed company market approach. The effect of the estimation has been adjusted by the lack of market liquidity discounted rate.

2.2) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models.

3) Reconciliation of Level 3 fair values

	<u>Fair value through profit or loss</u>	<u>Fair value through other comprehensive income</u>
<b>Opening balance, January 1, 2022</b>	\$ 244,226	767,882
Purchased	47,281	37,552
Total gains and losses recognized:		
In profit or loss	175,126	-
In other comprehensive income	-	(142,984)
<b>Ending Balance, September 30, 2022</b>	<u>\$ 466,633</u>	<u>662,450</u>
<b>Opening balance, January 1, 2021</b>	\$ 101,813	248,424
Purchased	65,391	72,565
Derecognized	(23,040)	-
Total gains and losses recognized:		
In profit or loss	59,052	-
In other comprehensive loss	-	84,978
<b>Ending Balance, September 30, 2021</b>	<u>\$ 203,216</u>	<u>405,967</u>

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For the three months and the nine months ended September 30, 2022 and 2021, the total gains and losses that were included in “other gains and losses” and “unrealized gains and losses from fair value through other comprehensive income” were as follows:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Total gains and losses recognized:				
In other gains and losses	\$ (10,164)	29,244	175,126	59,052
In other comprehensive income, and including “unrealized gains and losses from fair value through other comprehensive income”	(12,498)	16,437	(142,984)	84,978

4) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group’s financial instruments that use Level 3 inputs to measure fair value include “financial assets measured at fair value through profit or loss – derivative financial instruments” and “fair value through other comprehensive income available-for-sale financial assets – equity investments”.

Most of the Group’s financial instruments categorized as Level 3 and have only one significant unobservable input. Derivative financial instruments and equity investments, which have no active market price, have more than one significant unobservable inputs, and those inputs have no correlation between each other.

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Fair value through profit or loss – Embedded derivative – call options	Binomial tree pricing convertible bonds model	Volatility (September 30, 2022, December 31, 2021 and September 30, 2021 were 47.78%, 53.46% and 51.06%, respectively.)	The estimated fair value would increase (decrease) if the volatility were higher (lower).



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<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Fair value through profit or loss – Derivate financial instrument	Comparable listed company market approach	·Market value ratio (September 30, 2022, December 31, 2021 and September 30, 2021 were 2.55~8.02, 2.21~6.59 and 2.01~4.45, respectively.) ·Liquidity discounted rate (September 30, 2022, December 31, 2021 and September 30, 2021 were 26.62%~60.70%, 22.36%~58.06% and 19.40%~41.53%, respectively.)	·The estimated fair value would increase (decrease) if the enterprise value were higher (lower). ·The estimated fair value would increase (decrease) if the lack of liquidity discounted rate were lower (higher).
Fair value through other comprehensive income – Equity investments without an active market	Comparable listed company market approach	·Market value ratio (September 30, 2022, December 31, 2021 and September 30, 2021 were 0.67~8.45, 1.32~9.48 and 0.83~7.24, respectively.) ·Liquidity discounted rate (September 30, 2022, December 31, 2021 and September 30, 2021 were 12.88%~30%, 14.47%~30% and 15.72%~30%, respectively.)	·The estimated fair value would increase (decrease) if the market value were higher (lower). ·The estimated fair value would increase (decrease) if the lack of liquidity discounted rate were lower (higher).

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5) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

Sensitivity analysis for fair values of financial instruments using Level 3 Inputs, the Group's fair value measurement on financial instruments is reasonable. However, the measurement would be different if different valuation models or valuation parameters are used. For financial instruments using level 3 inputs, the impact on the net income or loss and other comprehensive income or loss will be as follows if the valuation parameters changed:

	Input	Variation	Profit or loss		Other comprehensive income	
			Favor-able	Unfavor-able	Favor-able	Unfavor-able
<b>September 30, 2022</b>						
Financial assets at fair value through profit or loss						
Embedded derivative – call options	Volatility	5%	\$ -	-	-	-
Derivative financial instruments	P/S ratio	5%	1,917	(1,917)	-	-
Equity investments without an active market	P/S ratio etc.	5%	21,415	(21,415)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market value ratio	5%	-	-	11,815	(11,532)
"	Liquidity discounted rate	5%	-	-	11,631	(11,497)
			<u>\$ 23,332</u>	<u>(23,332)</u>	<u>23,446</u>	<u>(23,029)</u>
<b>December 31, 2021</b>						
Financial assets at fair value through profit or loss						
Embedded derivative – call options	Volatility	5%	\$ 200	(200)	-	-
Derivative financial instruments	P/S ratio	5%	2,636	(2,636)	-	-
Equity investments without an active market	P/S ratio etc.	5%	9,376	(9,376)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market value ratio	5%	-	-	17,888	(17,390)
"	Liquidity discounted rate	5%	-	-	15,616	(15,648)
			<u>\$ 12,212</u>	<u>(12,212)</u>	<u>33,504</u>	<u>(33,038)</u>

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	Input	Variation	Profit or loss		Other comprehensive income	
			Favor-able	Unfavor-able	Favor-able	Unfavor-able
<b>September 30, 2021</b>						
Financial assets at fair value through profit or loss						
Embedded derivative – call options	Volatility	5%	\$ 270	(270)	-	-
Derivative financial instruments	P/S ratio	5%	2,493	(2,493)	-	-
Equity investments without an active market	P/S ratio etc.	5%	6,948	(6,948)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market value ratio	5%	-	-	15,005	(14,691)
"	Liquidity discounted rate	5%	-	-	14,245	(14,056)
			<u>\$ 9,711</u>	<u>(9,711)</u>	<u>29,250</u>	<u>(28,747)</u>

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(y) Financial risk management

There were no significant changes in the Group's objectives and policies applied in the financial risk management as compared to Note (6)(y) of the annual consolidated financial statements for the year ended December 31, 2021.

(z) Capital management

The Group's objectives, policies, and processes for capital management were consistent with the consolidated financial statements for the year ended December 31, 2021. There were no significant changes in the quantified factors of capital management as compared to the consolidated financial statements for the year ended December 31, 2021. For other information about the capital management, please refer to Note (6)(z) of the consolidated financial statements for the year ended December 31, 2021.

(aa) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the September 30, 2022 and 2021, were as follows:

1. For right-of-use assets under lease, please refer to Note (6)(j).
2. For conversion of convertible bonds to ordinary shares, please refer to Note (6)(o).

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3. The reconciliation of liabilities arising from financing activities was as follows:

	<u>2022.1.1</u>	<u>Cash flows</u>	<u>Non-cash changes</u> <u>Others</u>	<u>2022.9.30</u>
Long-term borrowings	\$ 1,445,100	243,825	-	1,688,925
Short-term borrowings	2,263,667	636,679	-	2,900,346
Lease liabilities	2,137,215	(406,486)	484,710	2,215,439
Bonds payable	1,361,536	-	7,406	1,368,942
Total liabilities from financing activities	<u>\$ 7,207,518</u>	<u>474,018</u>	<u>492,116</u>	<u>8,173,652</u>

  

	<u>2021.1.1</u>	<u>Cash flows</u>	<u>Non-cash changes</u> <u>Others</u>	<u>2021.9.30</u>
Long-term borrowings	\$ 625,000	294,700	-	919,700
Short-term borrowings	500,000	243,612	-	743,612
Lease liabilities	2,518,409	(373,441)	65,469	2,210,437
Bonds payable	1,470,300	-	7,999	1,478,299
Total liabilities from financing activities	<u>\$ 5,113,709</u>	<u>164,871</u>	<u>73,468</u>	<u>5,352,048</u>

**(7) Related-Party Transactions**

(a) Names and relationships with related parties

The followings are entities that have had transactions with related party during the period covered in the consolidated interim financial statements.

<u>Names of related party</u>	<u>Relationships with the Group</u>
Rakuya International Info. Co. Ltd.	Associate of the Company
Ruten Japan KK	"
Cherri Tech Inc. (Note)	"
SHANG-ENINFO CO., LTD	"
UPN Information Co., Ltd.	"
Miho International Cosmetic Co., Ltd.	Other related party of the Company
Eastern Online Co., Ltd.	"
EOLEMBRAIN ONLINE MARKETING RESEARCH CO., LTD.	"
SITE INC.	"
PAYEASY DIGIATL INTERNATIONAL CO., LTD.	"

Note: Cherri Tech Inc. was an associate of the Company. The Group gained control over it and became its subsidiary on July 29, 2022.

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The Group acquired 21st Century Technology Co., Ltd. on October 1, 2021. Please refer to the Note (6)(g) for relevant information. Cyu Wei Jin Rong Ke Ji Co., Ltd., 21St Century Co., Ltd., 21St Century Zi-Rong Co., Ltd., 21St Century Xin Yong Guan Li Co., Ltd., Yin Zhen Shi Ye Ltd., Jing Hua Co., Ltd., Yong Feng Co., Ltd., Lian Hong Shih Ye Ltd., Wei Ting Shi Ye Co., Ltd., Ming Pin Co., Ltd., Te Wei Co., Ltd., Yu Xin Guo Ji Co., Ltd., Tai Ding Shi Ye Co., Ltd., Ming Yu Qi Ye Co., Ltd., Jie Zuo Zi Ben Yi Shu Co., Ltd., Chou, Yi Ming, Zhang, Man Ling are regarded as other related parties of the Group.

(b) Significant transactions with related parties

1. Sales

The amounts of significant sales by the Group to related parties were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Associates	\$ -	71	-	864

2. Purchases

The amounts of significant purchase transactions and outstanding balances between the consolidated entity and related parties were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Other related parties	\$ -	52	21	456

Prices for the purchases above were negotiated, and there were no comparable prices with non-related parties.

3. Receivables from related parties

The receivables from related parties were as follows:

Item	Related party categories	2022.9.30	2021.12.31	2021.9.30
Account receivables	Associates	\$ -	-	25
Other receivables	Associates	9,096	1,422	2,256
Other receivables	Other related parties	-	8,512	12
Other receivables (Note)	Other related parties	17,948	22,249	22,410
		<u>\$ 27,044</u>	<u>32,183</u>	<u>24,703</u>

Note: For the nine months ended September 30, 2022 and 2021, the collections and payments generated by exchanging points of the Group amounted to \$77,578 thousand and \$92,780 thousand, respectively. As of September 30, 2022, the carrying amount was recognized under other receivables.

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4. Payables to related parties

<u>Item</u>	<u>Related party categories</u>	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Other payables	Other related parties	\$ <u>350</u>	<u>459</u>	<u>290</u>

5. Other

<u>Item</u>	<u>Related party categories</u>	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Operating cost	Other related parties	\$ 1	-	10	-
Operating expenses	An associate	67	-	209	-
Operating expenses	Other related parties	579	433	1,725	1,879
Other operating income	An associate	43	14	59	49
Other operating income	Other related parties	257	6	689	17

6. Loans to related parties

The loans to related parties were as follows:

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Other related parties-Miho International Cosmetic Co., Ltd.	\$ <u>-</u>	<u>8,500</u>	<u>8,500</u>

The loans to related parties were secured. There are no provisions for doubtful debt required after the assessment. For other information, please refer to Note (13)(a).

For the three months and the nine months ended September 30, 2022 and 2021, interest revenue from loans receivable from related parties amounted to \$0 thousand, \$35 thousand, \$24 thousand and \$81 thousand, respectively.

7. Borrowings from Related Parties

The borrowings from related parties were as follows:

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Wei Ting Shi Ye Co., Ltd.	\$ 109,621	5,000	-
Te Wei Co., Ltd.	162,621	58,000	-
Ming Yu Qi Ye Co., Ltd.	197,965	100,000	-
Chou, Yi Ming	251,318	283,000	-
Zhang, Man Ling	-	176,000	-
Other related parties	-	19,000	-
	\$ <u>721,525</u>	<u>641,000</u>	<u>-</u>

The interest charged to the Group is calculated based on the average interest rate imposed on related parties' borrowings by external financial institutions. The interest-bearing borrowings provided from related parties are unsecured. As of September 30, 2022 and 2021, the amount of short-term borrowings were \$0 thousand and \$220,000 thousand, respectively, and the amount of long-term borrowings were \$721,525 thousand and \$421,000 thousand, respectively.

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For the nine months ended September 30, 2022, interest cost and interest expenses of the Group were \$13,108 thousand and \$1,935 thousand, respectively.

8. Leases

In July 2021, the Group rented an office building in Taichung from Wei Ting Shi Ye Co., Ltd. A three-year lease contract was signed, in which the rental fee is determined based on nearby office rental rates. The total value of the contract was \$3,888 thousand. For the nine months ended September 30, 2022, the Group recognized the amounts of \$40 thousand as interest expenses. As of September 30, 2022 and December 31, 2021, the balance of lease liabilities amounted to \$2,120 thousand and \$3,006 thousand, respectively, and refundable deposit both amounted to \$216 thousand.

In January 2022, the Group rented an office building in Kaohsiung from 21st Century Zi-Rong Co., Ltd. A fourteen-month lease contract was signed, in which the rental fee is determined based on nearby office rental rates. The total value of the contract was \$588 thousand. For the nine months ended September 30, 2022, the Group recognized the amounts of \$6 thousand as interest expenses. As of September 30, 2022, the balance of lease liabilities and refundable deposit amounted to \$198 thousand and \$84 thousand, respectively.

In January 2022, the Group rented an office building in Taipei from Yu Xin Guo Ji Co., Ltd. A one-year lease contract was signed, in which the rental fee is determined based on nearby office rental rates. The total value of the contract was \$580 thousand. For the nine months ended September 30, 2022, the Group recognized the amounts of \$5 thousand as interest expenses. As of September 30, 2022, the balance of lease liabilities amounted to \$123 thousand.

In May 2022, the Group rented an office building in Taipei from Lian Hong Shih Ye Ltd. A one-year lease contract was signed, in which the rental fee is determined based on nearby office rental rates. The total value of the contract was \$2,134 thousand. For the nine months ended September 30, 2022, the Group recognized the amounts of \$16 thousand as interest expenses. As of September 30, 2022, the balance of lease liabilities amounted to \$1,582 thousand.

9. As of September 30, 2022 and December 31, 2021, the short-term borrowings, short-term notes payable and long-term borrowings of the Group are guaranteed by credit and real estate from other related parties, with a total amount of \$2,616,000 thousand and \$2,228,500 thousand, respectively.

(c) Transactions with key management personnel

Key management personnel compensation comprised:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits\$	<u>28,357</u>	<u>25,817</u>	<u>88,527</u>	<u>75,320</u>

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**(8) Restricted Assets:**

The following assets were restricted in use:

<u>Assets</u>	<u>Purpose of Pledge</u>	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Bank deposit-current (recognized under other current financial assets)	Security for performance, purchase guarantee, loans with certificate of deposits and corporate bonds guarantee	\$ 799,044	630,697	480,179
Refundable deposit (recognized under other non-current financial assets)	Security for provisional seizure, etc. deposits for office rental and bank loans	233,719	204,531	142,524
		<u>\$ 1,032,763</u>	<u>835,228</u>	<u>622,703</u>

**(9) Significant Contingencies and Commitments:**

- (a) The agreement with a non-related party for internet phone services entered into in July 2004 was renewed on April 1, 2009. Pursuant to the newly revised agreement, the net revenue from these services is allocated each month between the parties by a set ratio. As the Company sold its internet phone services to Linktel Inc. (with 100% shareholding) on March 1, 2011, Linktel Inc. and the Company signed a contract with the non-related party in which the Company acts as the guarantor of the non-related party at all times and during the term of the agreement.
- (b) As of September 30, 2022, December 31, 2021, and September 30, 2021, notes payable deposited as guarantee for commercial vehicle and office and building leases were \$200,338 thousand, \$247,691 thousand and \$166,205 thousand, respectively.
- (c) According to the “Standardized contract for telecom product or service”, the payment guarantee for Skype stored-value service should be fully provided by financial institutions. Therefore, the Group entered into an agreement with a financial institution, with having a guarantee limit of \$10,000 thousand, \$10,000 thousand and \$50,000 thousand as of September 30, 2022, December 31, 2021, and September 30, 2021, respectively.
- (d) As of September 30, 2022, December 31, 2021, and September 30, 2021, the Group has entered into performance guarantee contracts with financial institutions for the purchase of goods from vendors, tariff guarantee, stored value in advance and payment on behalf of vendors, with guarantee amounts of \$3,080,828 thousand, \$3,127,150 thousand and \$4,080,000 thousand, respectively.
- (e) The Group will rent 15 warehouse units located in The Post Logistic Center, Post Logic Park from Chunghwa Post Co., Ltd. in December, 2022 because the Group has won the bidding of the contract of the park in the second quarter, 2019. The lease term is 15 years and the annual rental fee is \$331,094 thousand. The rental fee will be adjusted yearly based on the Price Index of the year.
- (f) As of September 30, 2022, the Group has paid \$518,422 thousand for acquiring property, plant and equipment, and unrecognized relevant contractual commitments of the acquisition of property, plant and equipment amounting to \$1,268,874 thousand.



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- (g) As of September 30, 2022, December 31, 2021, and September 30, 2021, the Group has entered into an agreement with a financial institution for providing trust account for the Group on the balance amount received through the Group's online payment processing services to online sellers; the amount of the trust account agreed therein were \$292,595 thousand \$288,743 thousand and \$278,615 thousand, respectively.
- (h) As of September 30, 2022, December 31, 2021, and September 30, 2021, due to the issuance of secured convertible bonds, the Group has entered into an agreement with a bank for providing guarantee; the amount of guarantee agreed therein were \$1,379,000 thousand, \$1,500,000 thousand and \$1,500,000 thousand, respectively.
- (i) As of September 30, 2022 and December 31, 2021, due to the performance of the contract, the guaranteed notes payable made by the Group is \$2,360,000 thousand and \$1,324,000 thousand, respectively.

**(10) Significant Catastrophic Losses:None**

**(11) Significant Subsequent Events:**

- (a) The Company has adjusted its organizational structure by promoting integration and expanding its operation scale in order to improve its operational performance and enhance its global market competitiveness. Therefore, the board of directors authorized the merger of 21st Century Technology Co., Ltd. (Hereinafter referred to as "21st Century") and the Group's subsidiary, 21st Financial Technology Co., Ltd.(KY) (Hereinafter referred to as "21-KY") on October 12, 2022. After the merger, 21-KY will be the surviving company, and 21st Century will be dissolved entity. For more information, please refer to the Market Observation Post System Website.
- (b) On November 4, 2022, the board of directors has approved the Company's subsidiary, PChome Store Inc., to offset its deficit by using the legal reserve and capital surplus, as well as reducing 99.99% of the capital. Thereafter, the paid-in capital amounting to \$180 will be divided into 18 shares, at a par value of \$10 per share, with the effective date of the capital reduction and other relevant matters to be determined during the shareholders' meeting.

**(12) Others:**

- (a) Employee benefits, depreciation, and amortization expenses, categorized as operating cost or expense, were as follows:

Categorized as	For the three months ended September 30, 2022			For the three months ended September 30, 2021		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Nature						
Employee benefits						
Salary	82,285	452,646	534,931	65,128	410,009	475,137
Labor and health insurance	8,892	46,298	55,190	6,855	39,002	45,857
Pension	3,895	23,491	27,386	2,946	20,010	22,956
Others employee benefits	4,321	24,582	28,903	4,081	35,718	39,799
Depreciation	18,181	171,124	189,305	14,560	160,903	175,463
Amortization	24	26,589	26,613	86	7,102	7,188

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Categorized as Nature	For the nine months ended September 30, 2022			For the nine months ended September 30, 2021		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	230,862	1,285,798	1,516,660	180,718	1,179,012	1,359,730
Labor and health insurance	26,142	129,558	155,700	19,631	114,286	133,917
Pension	11,469	65,693	77,162	8,330	57,716	66,046
Others employee benefits	12,102	78,117	90,219	8,982	81,932	90,914
Depreciation	54,335	512,016	566,351	44,912	483,840	528,752
Amortization	66	72,417	72,483	216	19,425	19,641

## (a) Seasonality of operations:

The factors of season or cycle have no impact on the operations of the Group.

## (13) Additional Disclosures:

## (a) Information on significant transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the nine months ended September 30, 2022:

## 1. Fund financing to other parties:

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

Number (Note 1)	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other party during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limitation on fund financing	
													Name	Value			
0	The Company	Miho International Cosmetic Co., Ltd.	Other receivables	Yes	8,500	-	-	%	2	-	Business turnover	-	-	-	2,522,378	2,522,378	
0	"	21st Century Technology Co., Ltd.	Other receivables	Yes	350,000	350,000	350,000	2.25	%	2	-	Business turnover	-	Repayment of promissory note	350,000	2,522,378	2,522,378
1	21st Century Digital Technology Co., Ltd.	21st Century Technology Co., Ltd.	Other receivables	Yes	210,000	210,000	115,033	2.25	%	2	-	Business turnover	-	Repayment of promissory note	100,000	595,025	595,025
1	21st Century Technology Co., Ltd.	21st Financial Technology Co., Ltd.	Other receivables	Yes	1,100	-	-	-	%	2	-	Business turnover	-	-	-	772,384	772,384
1	PChome eBay Co., Ltd.	PChome US Inc.	Other receivables	Yes	15,000	-	-	-	%	2	-	Business turnover	-	-	-	369,904	369,904

Note 1: For those companies with business contact, please fill in 1. For those companies with short-term financing needs, please fill in 2.

Note 2: The Company's total fund financing amount for individual party cannot exceed 40% of its net asset value.

Note 3: The Company's total fund financing amount cannot exceed 40% of its net asset value.

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## 2. Guarantees and endorsements for other parties:

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No. (Note 1)	Name of company	Counter-party		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged on guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 2)	Parent Company endorsement/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsement/ guarantees/ to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 3)										
0	The Company	Linktel Inc.	2	3,152,973	10,000	10,000	3,852	-	0.16 %	6,305,946	Y	N	N
0	"	PChome Express Co., Ltd.	2	3,152,973	50,000	50,000	-	-	0.79 %	6,305,946	Y	N	N
0	"	PChome Store Inc.	2	3,152,973	200,000	125,000	125,000	-	1.98 %	6,305,946	Y	N	N
0	"	PChome Bibian Inc.	2	3,152,973	329,700	329,700	109,950	-	5.23 %	6,305,946	Y	N	N
0	"	Pi Mobile Technology Inc	1	945,892	300,000	300,000	300,000	-	4.76 %	6,305,946	Y	N	N

Note 1: 0 is issuer.

Note 2: Highest balance during the period cannot exceed 50% of net asset value, and the maximum amount of endorsement cannot exceed net asset value.

Note 3: Relationship with the Company

1. The companies with which it has business relations.
2. Subsidiaries in which the company directly or indirectly holds more than 50% of its total outstanding common stocks.
3. The parent company which directly or indirectly holds more than 50% of its voting rights.
4. Subsidiaries in which the company directly or indirectly holds more than 90% of its voting rights.
5. Companies in same type of business and providing mutual endorsements/ guarantees in favor of each other in accordance with the contractual obligations in order to fulfill the needs of the construction project.
6. Shareholders making endorsements and/or guarantees for their mutually invested company in proportion to their shareholding percentage.
7. Companies in same type of business providing guarantees of pre-sale contracts according to the regulation.

Note 4: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

## 3. Information regarding securities held at balance sheet date:

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

Name of holder	Category and name of security	Category and name of security	Account title	Ending balance				Note
				Number	Book value	Percentage	Market value	
PChome Online Inc.	Common Stock:							
"	Syspower Corporation	-	FVOCI	906,335	23,392	3.72 %	23,392	
"	Openfind InformationTechnology, Inc.	-	"	800,000	50,368	6.22 %	50,368	
"	Career Consulting Co.,Ltd.	-	"	113,005	2,815	0.72 %	2,815	
"	ECROWD MEDIA INC.	-	"	3,725,645	33,866	18.39 %	33,866	
"	IPEVO Corp.	-	"	1,958,018	38,142	7.19 %	38,142	
"	Famicloud Inc.	-	"	57,000	664	1.14 %	664	
"	Taiwan AdvanceIntelligent Tech. Co., Ltd.	-	"	1,732,102	3,603	4.75 %	3,603	
"	Miho International Cosmetic Co., Ltd.	-	"	7,500,000	78,675	8.09 %	78,675	
"	PAYEASY DIGITAL INTEGRATION CO., LTD.	-	"	1,376,668	37,551	12.52 %	37,551	

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SEPTEMBER 30, 2022 AND 2021

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Name of holder	Category and name of security	Category and name of security	Account title	Ending balance				Note
				Number	Book value	Percentage	Market value	
PChome Online Inc.	17Life Ltd.	-	FVOCI	1,126,049	1	6.26 %	1	
"	Influexio Limited	-	"	9,915	8,000	3.45 %	8,000	
"	Mdata Group Co., LTD.	-	"	126,011	20,000	2.96 %	20,000	
"	AccuHit Tech Holdings Limited	-	"	416,667	20,872	3.66 %	20,872	
"	Preferred stocks:							
"	Pickupp Limited	-	"	650,644	82,765	3.17 %	82,765	
"	FunNow Ltd.	-	"	130,662	41,960	2.71 %	41,960	
"	AccuHit Tech Holdings Limited	-	"	1,400,000	97,440	12.28 %	97,440	
"	Convertible bonds:							
"	Our Agriculture Inc.	-	"	-	8,336	- %	8,336	
"	Common Stock:							
Pi Mobile Technology Inc.	All Win Fintech Company Limited	-	"	11,400,000	114,000	15.00 %	114,000	
Linktel Inc.	Eastern Online Co., Ltd.	-	FVTPL	118,750	-	- %	-	
"	Taiwan Star Telecom Co., Ltd.	-	"	3,942	-	- %	-	
"	Convertible bonds:							
Chunghwa PChome Fund 1 Co., Ltd.	Tresl Inc.	-	"	-	8,640	- %	8,640	
"	Our Agriculture Inc.	-	"	-	11,228	- %	11,228	
"	Instill Ai Ltd.	-	"	-	4,202	- %	4,202	
"	Tiwen Labs, Inc.	-	"	-	14,265	- %	14,265	
"	Preferred stocks:							
"	FP International Limited	-	"	56,050	10,891	2.47 %	10,891	
"	Ecommerce Enablers Pte. Ltd.	-	"	142,813	29,606	0.26 %	29,606	
"	USPACE Teech Co., Ltd.	-	"	1,695,873	61,051	17.20 %	61,051	
"	Our Agriculture Inc.	-	"	7,400,000	13,098	8.05 %	13,098	
"	Moovo Mobility Inc.	-	"	312,300	23,285	2.29 %	23,285	
"	Pickupp Limited	-	"	131,179	27,451	0.72 %	27,451	
"	Return Helper Limited	-	"	4,168	9,755	12.20 %	9,755	
"	Aiello Inc.	-	"	6,836,545	21,234	3.36 %	21,234	
"	Haulio Pte. Ltd.	-	"	362,189	5,558	0.93 %	5,558	
"	Hard Core Technology Corp.	-	"	165,020	211,652	5.07 %	211,652	
"	Traveler Co., Ltd.	-	"	10,000	14,717	0.61 %	14,717	

4. Accumulated buying/selling of the same marketable securities for which the dollar amount reaches \$300 million or 20% or more of paid-in capital:

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

Company name (Note 1)	Marketable Securities type and name (Note 1)	Financial statement account	Counter-party	Nature of relationship	Beginning balance		Acquisitions		Disposal			Ending balance	
					Units/shares (Thousands)	Amount	Units/shares (Thousands)	Amount	Units/shares (Thousands)	Amount	Carrying value	Gain (loss) on disposal	Units/shares (Thousands)
21st Century Technology Co., Ltd.	Cherri Tech Inc.	Investments accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-

Note 1: The market securities listed under account investment, using the equity method, is exempted from disclosure.

Note 2: The aforementioned transaction of subsidiary has been eliminated in the consolidated financial statements.

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5. Acquisition of real estate for which the dollar amount reaches \$300 million or 20% or more of paid-in capital: None.
6. Disposition of real estate for which the dollar amount reaches \$300 million or 20% or more of paid-in capital: None.
7. Buying/selling products with the dollar amount reaches \$100 million or 20% or more of paid-in capital: None.
8. Accounts receivable from related parties for which the dollar amount reaches \$100 million or 20% or more of paid-in capital:

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Loss allowance
					Amount	Action taken		
PChome Online Inc.	Pi Mobile Technology Inc.	Subsidiary	411,180	- %	-		164,461	-
"	21st Century Technology Co., Ltd.	"	350,647	- %	-		-	-
21st Century Digital Technology Co., Ltd.	21st Century Technology Co., Ltd.	Sub-subsidiary	121,804	- %	-		-	-

9. Derivative transactions: Please refer to Note (6)(b).
10. Business relationships and significant inter-company transactions:

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

No. (Note 1)	Name of company	Name of counter-party	Existing relationship with the counter-party (Note 2)	Transaction			Percentage of the total consolidated revenue or total assets
				Account name	Amount	Terms of trading	
0	PChome Online Inc.	Pi Mobile Technology Inc.	1	Accounts receivable	411,180	Usual terms and conditions	1.65 %
0	"	21st Century Technology Co., Ltd.	1	Other receivables	350,647	Usual terms and conditions	1.41 %

Note 1: For the inter-company business relationship and transaction condition in the "No." column, the labeling method is as follows:

1. Parent company labeled 0.
2. Subsidiaries labeled in number sequence from 1.

Note 2: Relationship is classified into three types:

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

Note 3: The transaction amount is calculated as a proportion of the consolidated revenue or assets. If categorized as an asset or liability, the calculation is compared with the consolidated assets; if categorized as income or loss, the calculation is compared with the consolidated income or loss.

Note 4: The Group did not disclose other transactions for which the proportion did not reach one percentage of the consolidated revenue or assets.

Note 5: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

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## (b) Information on investees:

For the nine months ended September 30, 2022, the following was the information on investees (excluding investees in Mainland China) :

(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

Name of investor	Name of investee	Location	Major operations	Initial investment (Amount)		Ending balance			Net income (loss) of the investee	Investment income (losses)	Note
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value			
PChome Online Inc.	IT Home Publications Inc.	Taiwan	Magazine publication	30,000	30,000	5,223,281	100.00 %	59,910	3,041	3,041	Note 1
"	Linktel Inc.	"	Type II Telecommunications Business	125,000	125,000	6,831,604	100.00 %	30,967	(20,448)	(20,448)	"
"	PC HOME ONLINE INTERNATIONAL CO., LTD.	British Virgin Islands	International trade and investment activities	25,485	25,485	122,328	100.00 %	1,774	(857)	(857)	"
"	Rakuya International Info. Co. Ltd.	Taiwan	Real estate business, and internet information rental service	47,439	47,439	3,035,115	26.47 %	45,639	51,360	13,595	"
"	PChome Store Inc.	"	Internet services	326,494	326,494	18,435,220	34.35 %	(253,950)	(24,607)	(8,452)	Note 1
"	PCHOME US INC.	United States of America	E-commerce platform	134,065	134,065	45,800,000	91.97 %	5,655	(886)	(815)	"
"	Pi Mobile Technology Inc.	Taiwan	Online payment processing services	-	394,564	-	- %	-	(205,004)	-	"
"	PChome (Thailand) Co., Ltd.	Thailand	E-commerce platform	131,875	131,875	13,249,999	66.25 %	17,220	(23,627)	(15,653)	"
"	PChome Travel Inc.	Taiwan	Travel agency business	36,000	36,000	3,600,000	100.00 %	12,414	(6,250)	(6,250)	"
"	PChome Financial Technology Inc.	Taiwan	Information service	10,000	10,000	1,000,000	100.00 %	3,883	(70)	(70)	"
"	PChome Holding Inc.	British Virgin Islands	Investment activities	1,043,763	1,043,763	335,680,846	100.00 %	(240,664)	(9,340)	(9,340)	"
"	PChome Express Co., Ltd.	Taiwan	Transportation and logistics	200,000	200,000	20,000,000	100.00 %	124,587	(22,158)	(22,158)	"
"	Chunghwa PChome Fund I Co., Ltd.	"	Investment activities	200,000	200,000	20,000,000	50.00 %	296,821	172,366	86,183	"
"	Cornerstone Ventures Co., Ltd.	"	Investment activities	5,100	5,100	510,000	51.00 %	6,801	(111)	(57)	"
"	PChome CB Co., Ltd.	"	E-commerce cross-border services	140,000	140,000	14,000,000	70.00 %	158,327	34,396	24,077	"
"	Mitch Co., Ltd.	"	Clothing sales	162,000	162,000	6,240,000	60.00 %	27,515	(57,756)	(34,653)	"
"	YunTan technology Inc.	"	Information processing and provision of electronic information	54,250	54,250	1,261,628	70.00 %	43,247	(6,237)	(5,871)	Note 1 and Note 2
"	21st Century Technology Co., Ltd.	"	Financial technology services	5,192,546	4,030,020	24,139,099	43.63 %	4,482,650	66,161	9,612	"
"	PChome Data Technology Co., Ltd.	"	Information processing and provision of electronic information	5,000	5,000	500,000	100.00 %	4,698	(251)	(251)	Note 1
"	PIN technology Inc.	"	Information processing and provision of electronic information	8,500	-	850,000	85.00 %	8,267	(274)	(233)	"
"	UPN Information Co., Ltd.	Cayman Islands	Investment activities	224,262	-	400,001	40.00 %	222,307	(8,546)	(1,762)	"
"	EC Global Limited	Hong Kong	Investment activities	6,338	6,338	7,494,642	100.00 %	6,926	(129)	(129)	"
"	RUTEN GLOBAL INC.	Cayman Islands	Investment activities	-	1,096,041	-	- %	-	42,022	42,022	"
"	PChome eBay Co., Ltd.	Taiwan	Information processing and provision of electronic information	779,688	-	27,300,000	65.00 %	524,007	75,014	10,066	"
"	Ruten Japan KK	Japan	Information processing and provision of electronic information	9,830	9,830	36,044,850	28.49 %	3,597	(11,957)	(3,406)	"

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Name of investor	Name of investee	Location	Major operations	Initial investment (Amount)		Ending balance			Net income (loss) of the investee	Investment income (losses)	Note
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value			
PChome eBay Co., Ltd.	Pi Mobile Technology Inc.	Taiwan	Online payment processing services	-	205,200	-	- %	-	(205,004)	-	Note 1
"	PChome Store Inc.	"	Internet services	632,258	632,258	11,896,486	22.16 %	(37,539)	(24,607)	(5,453)	"
"	ECOSMOS PTE. LTD.	Singapore	Information processing and provision of electronic information	9,153	9,153	3,300,000	100.00 %	9,022	(934)	(934)	"
"	21st Century Technology Co., Ltd.	Taiwan	Financial technology services	224,592	112,296	778,131	1.41 %	27,227	66,161	984	"
PC HOME ONLINE INTERNATIONAL CO., LTD.	PCHOME ONLINE INC.	Cayman Islands	International trade and investment activities	25,311	25,311	10,000,000	100.00 %	3,586	(761)	(761)	"
PCHOME ONLINE INC.	PC HOME ONLINE (HK) LTD.	Hong Kong	Information service and indirect investment activities	25,140	25,140	5,641,239	100.00 %	6,657	(441)	(441)	"
RUTEN GLOBAL INC.	PChome eBay Co., Ltd.	Taiwan	Information processing and provision of electronic information	-	779,688	-	- %	-	75,014	38,693	"
PChome Holding Inc.	PChome Marketplace Inc.	Cayman Islands	Investment activities	1,043,763	1,043,763	38,335,000	100.00 %	1,140,609	(9,247)	(9,247)	"
PChome Marketplace Inc.	PChome Japan KK	Japan	International trading E-commerce	37,580	37,580	43,500,000	100.00 %	12,853	(426)	(426)	"
"	PChome Store Inc.	Taiwan	Internet services	998,758	998,758	19,206,893	35.78 %	(346,616)	(24,607)	(8,804)	"
PChome CB Co., Ltd.	PChome CBS Co., Ltd.	"	Internet services	127,000	127,000	2,900,000	100.00 %	135,475	(1,059)	(1,059)	"
"	PCHOME CB PTE. LTD.	Singapore	Internet services	59,698	59,698	190,000	100.00 %	78,051	35,667	35,667	"
PCHOME CB PTE. LTD.	PChome Bibian Inc.	Japan	E-commerce cross-border services	51,069	51,069	18,000,000	100.00 %	71,393	35,717	35,717	"
YunTan technology Inc.	einsure insurance broker Inc.	Taiwan	Insurance brokers	38,600	38,600	4,500,000	100.00 %	11,019	(6,048)	(6,048)	"
21st Century Technology Co., Ltd.	21st Century Digital Technology Co., Ltd.	"	Financial technology services	1,201,000	1,000	120,100,000	100.00 %	1,487,562	215,786	215,786	"
"	Pi Mobile Technology Inc.	"	Online payment processing services	3,987,456	1,971,615	46,260,866	99.49 %	231,715	(205,004)	(202,272)	"
"	21st Financial Technology Co., Ltd.	Cayman Islands	Investment activities	-	-	1	100.00 %	-	-	-	"
"	FAN7 TOUR CO., LTD.	Taiwan	Travel agency business	-	6,000	-	- %	-	(215)	(61)	"
"	Cherri Tech, Inc.	"	Financial technology services	2,155,114	-	2,136,310	100.00 %	1,807,915	(24,919)	(4,499)	"
21st Century Digital Technology Co., Ltd.	FAN7 TOUR CO., LTD.	"	Travel agency business	6,000	-	600,000	100.00 %	4,362	(215)	(154)	"
Pi Mobile Technology Inc.	Pay and Link Inc.	"	Electronic payment business	710,388	500,388	50,100,000	100.00 %	468,608	(30,317)	(30,317)	"
"	Yun Tung Bao International Co., Ltd.	"	Online payment processing services	3,000	3,000	300,000	100.00 %	2,507	(37)	(37)	"
Cherri Tech, Inc.	Japan Cherri KK	Japan	Online payment processing services	8,283	-	600	60.00 %	4,154	(1,716)	(1,035)	"

Note 1: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 2: Investment gains and losses recognized for the period include the amortization of investment premiums.

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(c) Information on investment in Mainland China:

1. Information on investment in Mainland China: None.
2. Limitation on investment in Mainland China:

Aggregate investment amount remitted from Taiwan to Mainland China at the end of the period (Note 3)	Approved investment (amount) by Ministry of Economic Affairs Investment Commission(Note 3)	Limitation on investment in Mainland China in accordance with regulations of Ministry of Economic Affairs Investment Commission
-	61,278	4,965,479

Note 1: In the above table, all relevant amounts are disclosed in TWD, and the foreign currency was translated on the exchange rate 31.75 at the nine months ended September 30, 2022.

Note 2: The upper limit on investment was the greater of 60% of the individual or consolidated total net worth.

Note 3: Shanghai Todo Inc. and PChome Trading (Shenzhen) Ltd. were dissolved in the fourth quarter of 2019. As of September 30, 2022, the accumulated investment amount of USD500 thousand remitted from Taiwan has not been repatriated.

3. Significant transactions: None.

(d) Major shareholders:

(Unit: Share)

Shareholder's Name	Shareholding	Shares	Percentage
SITE INC.		18,907,864	14.71 %
LGT Bank (Singapore) Investment Fund under the Custody of Standard Chartered		6,776,000	5.27 %

Note: (1) The information on major shareholders is based on the number of ordinary shares and special shares held by shareholders with ownership of 5% or more that have been issued without physical registration (including treasury shares) by the Company as of September 30, 2022. The share capital in consolidated financial report may differ from the actual number of shares that have been issued without physical registration due to different preparation basis.

- (2) Regarding the above matter, if the shareholders deliver the shares to the trust company, those shares will be disclosed by the trustee who opened the trust account separately. As for the shareholders conducting an insider equity declaration in accordance with the Securities Exchange Act, the number of shares held by shareholders include the number of shares held by themselves, plus, the number of shares delivered by the shareholders to the trust which has discretion over the use of the trust assets. The information of insider trading would be available at the Market Observation Post System website.



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**(14) Segment Information**

The Group's regional financial information was as follows:

<u>For the three months ended September 30, 2022</u>	<u>E-Commerce- Sales</u>	<u>Market Place</u>	<u>Fintech</u>	<u>Other segment</u>	<u>Adjustments and Eliminations</u>	<u>Others</u>	<u>Consolidated</u>
<b>Revenue:</b>							
Non-inter-company revenue	\$ 9,241,698	271,953	307,625	192,375	-	-	10,013,651
Inter-company revenue	(4,867)	57,746	67,883	117,093	(237,855)	-	-
<b>Total Revenue</b>	<b>\$ 9,236,831</b>	<b>329,699</b>	<b>375,508</b>	<b>309,468</b>	<b>(237,855)</b>	<b>-</b>	<b>10,013,651</b>
<b>Reportable Segment net operating income (loss)</b>	<b>\$ (12,922)</b>	<b>13,995</b>	<b>48,286</b>	<b>(25,112)</b>	<b>5,355</b>	<b>(18,751)</b>	<b>10,851</b>
<b>For the three months ended September 30, 2021</b>							
<b>Revenue:</b>							
Non-inter-company revenue	\$ 10,831,523	403,009	31,292	144,274	-	-	11,410,098
Inter-company revenue	10,503	17,106	44,596	94,298	(166,503)	-	-
<b>Total Revenue</b>	<b>\$ 10,842,026</b>	<b>420,115</b>	<b>75,888</b>	<b>238,572</b>	<b>(166,503)</b>	<b>-</b>	<b>11,410,098</b>
<b>Reportable Segment net operating income (loss)</b>	<b>\$ 152,473</b>	<b>29,268</b>	<b>(72,944)</b>	<b>(52,343)</b>	<b>5,313</b>	<b>-</b>	<b>61,767</b>
<b>For the nine months ended September 30, 2022</b>							
<b>Revenue:</b>							
Non-inter-company revenue	\$ 30,597,036	935,185	846,162	524,561	-	-	32,902,944
Inter-company revenue	15,689	110,251	149,590	308,109	(583,639)	-	-
<b>Total Revenue</b>	<b>\$ 30,612,725</b>	<b>1,045,436</b>	<b>995,752</b>	<b>832,670</b>	<b>(583,639)</b>	<b>-</b>	<b>32,902,944</b>
<b>Reportable Segment net operating income (loss)</b>	<b>\$ (34,572)</b>	<b>63,248</b>	<b>44,753</b>	<b>(104,671)</b>	<b>7,814</b>	<b>(48,250)</b>	<b>(71,678)</b>
<b>For the nine months ended September 30, 2021</b>							
<b>Revenue:</b>							
Non-inter-company revenue	\$ 32,998,876	1,207,613	89,218	337,107	-	-	34,632,814
Inter-company revenue	30,475	45,596	126,542	273,594	(476,207)	-	-
<b>Total Revenue</b>	<b>\$ 33,029,351</b>	<b>1,253,209</b>	<b>215,760</b>	<b>610,701</b>	<b>(476,207)</b>	<b>-</b>	<b>34,632,814</b>
<b>Reportable Segment net operating income (loss)</b>	<b>\$ 589,140</b>	<b>76,081</b>	<b>(231,057)</b>	<b>(147,889)</b>	<b>16,131</b>	<b>-</b>	<b>302,406</b>