

PCHOME ONLINE INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2023 and 2022**

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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.

Table Of Contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Statement of Financial Position	4
5. Consolidated Statement of Comprehensive Income	5
6. Consolidated Statement of Changes in Equity	6
7. Consolidated Statement of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Organization and Business	8
(2) Approval Date and Procedures of the Consolidated Financial Statements	8
(3) New Standards and Interpretations Not Yet Adopted	8~10
(4) Summary of Significant Accounting Policies	10~14
(5) Major Sources of Accounting Assumptions, Judgments and Estimation Uncertainty	14
(6) Explanation to Significant Accounts	15~49
(7) Related-Party Transactions	50~52
(8) Restricted Assets	53
(9) Significant Contingencies and Commitments	53~54
(10) Significant Catastrophic Losses	54
(11) Significant Subsequent Events	54
(12) Others	55
(13) Additional Disclosures	
a) Information on significant transactions	55~59
b) Information on investees	59~60
c) Information on investment in Mainland China	61
d) Major shareholders	61
(14) Segment Information	62



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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 June 30, 2023 and 2022, and the consolidated statements of comprehensive income for the three months and the six months ended June 30, 2023 and 2022, changes in equity and cash flows for the six months ended June 30, 2023 and 2022 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 the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. 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 Standards on Auditing of the Republic of China 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 \$1,838,893 thousand and \$1,652,839 thousand, each constituting 6% and 7% of the consolidated total assets as of June 30, 2023 and 2022, respectively; the total liabilities amounting to \$849,838 thousand and \$547,156 thousand, each constituting 4% and 3% of the consolidated total liabilities as of June 30, 2023 and 2022, respectively, and the total comprehensive income (loss) amounting to loss \$28,404 thousand, gain \$180,046 thousand, loss \$94,380 thousand and gain \$127,581 thousand, constituting (1,370)%, (1,473)%, 193% and (154)% of the consolidated total comprehensive income (loss) for the three months and the six months ended June 30, 2023 and 2022, respectively.

Furthermore, as stated in Note 6(f), the other equity accounted investments of the Group in its investee companies of \$266,593 thousand and \$576,113 thousand as of June 30, 2023 and 2022, respectively, and its share of gain or loss of associates and joint ventures accounted for using equity method on these investee companies of gain \$3,022 thousand, gain \$3,868 thousand, gain \$3,996 thousand and gain \$6,597 thousand for the three months and the six months ended June 30, 2023 and 2022, 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 June 30, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the six 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.

Other Matter

We did not review the financial statements of some subsidiaries of the PChome Online Inc. and its subsidiaries. Those financial statements were reviewed by another auditor, whose review report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for some subsidiaries, is based solely on the review report of another auditor. The financial statements of some subsidiaries reflect total assets amounting to \$8,063,916 thousand, constituting 28% of consolidated total assets at June 30, 2023, and total revenues amounting to \$308,941 thousand and \$639,863 thousand, constituting 3% and 3% of consolidated total revenues for the three months and six months ended June 30, 2023, respectively.

and 2022

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)
August 14, 2023

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.)

PCHOME ONLINE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2023, December 31, 2022, and June 30, 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023.6.30		2022.12.31		2022.6.30			2023.6.30		2022.12.31		2022.6.30			
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%		
ASSETS													LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Assets:													Current Liabilities:		
1100	Cash and cash equivalents (Note (6)(a))	\$ 6,241,585	22	6,849,807	26	6,339,463	27	2100	Short-term borrowings (Notes (6)(l) and (7))	\$ 3,918,404	14	3,362,455	12	1,934,112	8
1110	Current financial assets at fair value through profit or loss							2130	Current contract liabilities	630,983	2	629,463	2	624,581	3
	(Note (6)(b))	-	-	8,640	-	24,070	-	2170	Accounts and notes payable	2,822,414	10	3,925,764	15	3,770,758	16
1170	Accounts and notes receivable, net (Notes (6)(d) and (7))	3,209,847	11	3,323,951	13	2,846,671	12	2200	Other payables (Notes (6)(f), (g) and (7))	1,380,902	5	1,798,731	7	1,381,426	6
1200	Other receivables, net (Notes (6)(d) and (7))	1,151,028	4	1,282,431	5	1,097,933	4	2230	Current tax liabilities	115,386	-	196,335	1	191,811	1
1300	Inventories (Note (6)(c))	1,103,926	4	1,983,183	7	1,657,413	7	2280	Current lease liabilities (Note (6)(p))	555,539	2	557,850	2	551,194	2
1476	Other current financial assets (Note (8))	1,463,944	5	1,156,475	4	1,209,430	5	2300	Other current liabilities (Note (6)(m))	2,112,544	7	2,278,226	9	2,141,092	9
1479	Other current assets, others	476,626	2	501,936	2	408,102	2	2320	Long-term liabilities, current portion(Notes (6)(n) and (o))	1,933,431	7	1,428,489	5	229,875	1
		<u>13,646,956</u>	<u>48</u>	<u>15,106,423</u>	<u>57</u>	<u>13,583,082</u>	<u>57</u>			<u>13,469,603</u>	<u>47</u>	<u>14,177,313</u>	<u>53</u>	<u>10,824,849</u>	<u>46</u>
Non-Current Assets:													Non-Current liabilities:		
1510	Non-current financial assets at fair value through profit or loss (Note (6)(b))	421,402	2	412,790	1	434,616	2	2530	Bonds payable (Note (6)(o))	-	-	-	-	1,366,442	6
1517	Non-current financial assets at fair value through other comprehensive income (Note (6)(c))	857,542	3	791,590	3	674,948	3	2540	Long-term borrowings (Notes (6)(n) and (7))	2,121,747	7	2,189,558	8	1,461,799	6
1550	Investments accounted for using equity method							2570	Deferred tax liabilities (Note (6)(q))	15,304	-	6,829	-	1,408	-
	(Note (6)(f))	266,593	1	271,852	1	576,113	2	2580	Non-current lease liabilities (Note (6)(p))	4,403,027	16	1,527,013	6	1,778,103	8
1600	Property, plant and equipment (Note (6)(i))	1,507,409	5	1,132,645	4	965,049	4	2612	Long-term other payable (Notes (6)(f) and (g))	150,148	1	234,612	1	723,832	3
1755	Right-of-use assets (Note (6)(j))	4,861,918	17	2,016,683	8	2,268,098	10	2670	Other non-current liabilities, others	18,060	-	16,563	-	9,532	-
1780	Intangible assets (Note (6)(k))	5,751,145	20	5,807,608	22	4,133,564	17		Total liabilities	<u>6,708,286</u>	<u>24</u>	<u>3,974,575</u>	<u>15</u>	<u>5,341,116</u>	<u>23</u>
1840	Deferred tax assets (Note (6)(q))	178,442	1	148,942	1	134,602	1		Equity attributable to owners of parent (Note (6)(r)):	<u>20,177,889</u>	<u>71</u>	<u>18,151,888</u>	<u>68</u>	<u>16,165,965</u>	<u>69</u>
1930	Long-term notes and accounts receivable (Note (6)(d))	628,137	2	620,158	2	631,525	3	3110	Share capital:						
1980	Other non-current financial assets (Note (8))	245,401	1	217,762	1	198,667	1	3200	Ordinary share	1,281,629	4	1,281,629	5	1,285,139	5
1990	Other non-current assets, others	75,925	-	65,597	-	33,172	-	3300	Capital surplus	5,065,059	18	5,011,096	19	4,716,264	20
		<u>14,793,914</u>	<u>52</u>	<u>11,485,627</u>	<u>43</u>	<u>10,050,354</u>	<u>43</u>	3400	Retained earnings	(50,568)	-	148,993	1	145,867	1
								3500	Other equity interest	231,191	1	146,752	-	52,334	-
								3500	Treasury shares	(210,502)	(1)	(210,502)	(1)	(167,022)	(1)
								36XX	Total equity attributable to owners of parent:	<u>6,316,809</u>	<u>22</u>	<u>6,377,968</u>	<u>24</u>	<u>6,032,582</u>	<u>25</u>
									Non-controlling interests (Notes (6)(h) and (6)(r))	<u>1,946,172</u>	<u>7</u>	<u>2,062,194</u>	<u>8</u>	<u>1,434,889</u>	<u>6</u>
									Total equity	<u>8,262,981</u>	<u>29</u>	<u>8,440,162</u>	<u>32</u>	<u>7,467,471</u>	<u>31</u>
Total assets		<u>\$ 28,440,870</u>	<u>100</u>	<u>26,592,050</u>	<u>100</u>	<u>23,633,436</u>	<u>100</u>		Total liabilities and equity	<u>\$ 28,440,870</u>	<u>100</u>	<u>26,592,050</u>	<u>100</u>	<u>23,633,436</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.)

PCHOME ONLINE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and the six months ended June 30, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended June 30,				For the six months ended June 30,			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
4111 Sales revenue	\$ 9,097,226	101	11,316,104	101	19,413,271	101	23,158,591	101
4170 Less: Sales returns	75,657	1	136,248	1	235,802	1	269,298	1
Operating revenue, net (Note (6)(u))	9,021,569	100	11,179,856	100	19,177,469	100	22,889,293	100
5000 Operating costs (Note (6)(e))	7,857,633	87	9,874,774	88	16,814,281	88	20,151,018	88
Gross profit from operations	1,163,936	13	1,305,082	12	2,363,188	12	2,738,275	12
Operating expenses:								
6100 Selling expenses	896,293	10	957,604	8	1,826,008	11	2,005,365	9
6200 Administrative expenses	175,590	2	189,930	2	335,262	2	370,053	2
6300 Research and development expenses	137,325	2	171,949	1	285,067	1	323,791	1
6450 Expected credit loss (Note (6)(d))	96,063	1	69,329	1	176,267	1	121,595	1
Total operating expenses	1,305,271	15	1,388,812	12	2,622,604	15	2,820,804	13
Net operating loss	(141,335)	(2)	(83,730)	-	(259,416)	(3)	(82,529)	(1)
Non-operating income and expenses (Note (6)(w)):								
7100 Interest income	17,061	-	4,089	-	27,390	-	6,936	-
7010 Other income	77,656	1	53,285	-	150,251	1	92,191	-
7020 Other gains and losses, net	(2,771)	-	197,317	2	27,274	-	199,052	1
7050 Finance costs	(41,546)	-	(21,705)	-	(78,451)	-	(36,182)	-
7060 Share of loss of associates and joint ventures accounted for using equity method, net	3,022	-	3,868	-	3,996	-	6,597	-
Total non-operating income and expenses	53,422	1	236,854	2	130,460	1	268,594	1
(Loss) Profit from continuing operations before tax	(87,913)	(1)	153,124	2	(128,956)	(2)	186,065	-
7950 Less: Tax expense (Note (6)(q))	(30,770)	-	71,077	1	9,066	-	134,635	-
(Loss) Profit	(57,143)	(1)	82,047	1	(138,022)	(2)	51,430	-
Other comprehensive income (loss):								
8310 Items that may not be reclassified subsequently to profit or loss								
8311 Losses on remeasurements of defined benefit plans	-	-	-	-	(253)	-	-	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Note (6)(x))	64,125	1	(88,706)	(1)	101,519	1	(130,486)	(1)
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
Items that may not be reclassified subsequently to profit or loss	64,125	1	(88,706)	(1)	101,266	1	(130,486)	(1)
8360 Items that may be reclassified subsequently to profit or loss								
8361 Exchange differences on translation of foreign statements	(4,908)	-	(5,559)	-	(12,125)	-	(3,640)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
Items that may be reclassified subsequently to profit or loss	(4,908)	-	(5,559)	-	(12,125)	-	(3,640)	-
Other comprehensive income (loss), net of tax	59,217	1	(94,265)	(1)	89,141	1	(134,126)	(1)
8500 Total comprehensive income (loss)	\$ 2,074	(1)	(12,218)	-	(48,881)	(1)	(82,696)	(1)
(Loss) Profit attributable to:								
8610 Loss attributable to owners of parent	(86,159)	(1)	(1,749)	-	(207,136)	(2)	(33,826)	-
8620 (Loss) Profit, attributable to non-controlling interests	29,016	-	83,796	1	69,114	-	85,256	-
	\$ (57,143)	(1)	82,047	1	(138,022)	(2)	51,430	-
Comprehensive income attributable to:								
8710 Comprehensive loss, attributable to owners of parent	(20,880)	-	(94,505)	(1)	(115,142)	(1)	(167,006)	(1)
8720 Comprehensive income (loss), attributable to non-controlling interests	22,954	-	82,287	1	66,261	-	84,310	-
	\$ 2,074	-	(12,218)	-	(48,881)	(1)	(82,696)	(1)
Earnings per share (Note (6)(t))								
9750 Basic earnings per share (NT dollars)	\$ (0.69)		(0.01)		(1.65)		(0.26)	

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

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

PCHOME ONLINE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended June 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of Parent						Other Equity Interest					Total Equity	
	Share capital		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	Total Equity Attributable to Owners of Parent		Non-Controlling Interests
	Ordinary Capital	Advance receipts for share capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings							
Balance at January 1, 2022	\$ 1,274,159	10,980	4,692,857	44,623	40,168	158,719	(12,414)	202,896	(7,896)	(77,362)	6,326,730	1,327,580	7,654,310
(Loss) Profit for the six months ended June 30, 2022	-	-	-	-	-	(33,826)	-	-	-	-	(33,826)	85,256	51,430
Other comprehensive loss for the six months ended June 30, 2022	-	-	-	-	-	-	(2,694)	(130,486)	-	-	(133,180)	(946)	(134,126)
Total comprehensive (loss) income for the six months ended June 30, 2022	-	-	-	-	-	(33,826)	(2,694)	(130,486)	-	-	(167,006)	84,310	(82,696)
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	-	9,490	(40,168)	30,678	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(63,817)	-	-	-	-	(63,817)	-	(63,817)
Conversion of convertible bonds	10,980	(10,980)	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury share	-	-	-	-	-	-	-	-	-	(89,660)	(89,660)	-	(89,660)
Changes in ownership interests in subsidiaries	-	-	23,407	-	-	-	-	-	-	-	23,407	(26,860)	(3,453)
Share-based payment transactions	-	-	-	-	-	-	-	-	2,928	-	2,928	-	2,928
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	49,859	49,859
Balance at June 30, 2022	\$ 1,285,139	-	4,716,264	54,113	-	91,754	(15,108)	72,410	(4,968)	(167,022)	6,032,582	1,434,889	7,467,471
Balance at January 1, 2023	\$ 1,281,629	-	5,011,096	54,113	-	94,880	(9,252)	156,045	(41)	(210,502)	6,377,968	2,062,194	8,440,162
(Loss) Profit for the six months ended June 30, 2023	-	-	-	-	-	(207,136)	-	-	-	-	(207,136)	69,114	(138,022)
Other comprehensive (loss) income for the six months ended June 30, 2023	-	-	-	-	-	(253)	(11,303)	103,550	-	-	91,994	(2,853)	89,141
Total comprehensive (loss) income for the six months ended June 30, 2023	-	-	-	-	-	(207,389)	(11,303)	103,550	-	-	(115,142)	66,261	(48,881)
Changes in ownership interests in subsidiaries	-	-	53,963	-	-	-	-	-	-	-	53,963	(33,300)	20,663
Share-based payment transactions	-	-	-	-	-	-	-	-	20	-	20	-	20
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(148,983)	(148,983)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	7,828	-	(7,828)	-	-	-	-	-
Balance at June 30, 2023	\$ 1,281,629	-	5,065,059	54,113	-	(104,681)	(20,555)	251,767	(21)	(210,502)	6,316,809	1,946,172	8,262,981

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

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

PCHOME ONLINE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended June 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30,	
	2023	2022
Cash flows from (used in) operating activities:		
(Loss) profit before tax	\$ (128,956)	186,065
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expenses	447,817	377,046
Amortization expenses	63,425	45,870
Expected credit losses	176,267	121,595
Net loss on financial assets at fair value through profit or loss	-	(185,290)
Interest expenses	78,451	36,182
Interest income	(27,390)	(6,936)
Dividend income	(2,400)	(4,732)
Share-based payment transactions	6,831	2,928
Shares of profit of associates and joint ventures accounted for using equity method	(3,996)	(6,597)
Gain on disposal of property, plant and equipment	(7,430)	(25)
Loss on disposal of intangible assets	180	-
Loss on disposal of investments	1,152	-
Gain on lease modification	(28,806)	-
Total adjustments to reconcile profit	<u>704,101</u>	<u>380,041</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts and notes receivable	(70,141)	(328,834)
Other receivables	138,350	233,924
Inventories	879,257	107,655
Other current assets	25,310	(21,307)
Other financial assets	7,373	(289,989)
Total changes in operating assets	<u>980,149</u>	<u>(298,551)</u>
Changes in operating liabilities:		
Contract liabilities	1,520	75,381
Accounts and notes payable	(1,103,350)	(153,246)
Other payables	138,580	(57,388)
Other current liabilities	(165,682)	(252,880)
Other non-current liabilities	1,497	1,087
Total changes in operating liabilities	<u>(1,127,435)</u>	<u>(387,046)</u>
Total changes in operating assets and liabilities	<u>(147,286)</u>	<u>(685,597)</u>
Total adjustments	<u>556,815</u>	<u>(305,556)</u>
Cash flow generated from operations	427,859	(119,491)
Interest received	27,096	6,428
Dividends received	2,400	4,732
Interest paid	(76,146)	(28,496)
Income taxes paid	(111,041)	(376,164)
Net cash flows from (used in) operating activities	<u>270,168</u>	<u>(512,991)</u>
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(37,552)
Proceeds from disposal of financial assets at fair value through other comprehensive income	28,916	-
Acquisition of financial assets designated at fair value through profit or loss	-	(29,170)
Acquisition of investments accounted for using equity method	-	(166,080)
Proceeds from capital reduction of investments accounted for using equity method	275	-
Acquisition of property, plant and equipment	(584,421)	(126,370)
Proceeds from disposal of property, plant and equipment	9,811	317
Decrease in refundable deposits	3,708	5,828
Acquisition of intangible assets	(4,056)	(21,959)
Other financial assets	(346,191)	-
Other non-current assets	(17,695)	(6,586)
Other payables	(517,628)	(525,179)
Net cash flows used in investing activities	<u>(1,427,281)</u>	<u>(906,751)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	555,949	-
Decrease in short-term loans	-	(329,555)
Increase in long-term borrowings	785,438	767,574
Repayments of long-term borrowings	(353,250)	(521,000)
Payments of lease liabilities	(301,469)	(270,492)
Payments to acquire treasury shares	-	(89,660)
Change in non-controlling interests	(148,983)	61,379
Net cash flows from (used in) financing activities	<u>537,685</u>	<u>(381,754)</u>
Effect of exchange rate changes on cash and cash equivalents	11,206	(6,280)
Net decrease in cash and cash equivalents	(608,222)	(1,807,776)
Cash and cash equivalents at beginning of period	6,849,807	8,147,239
Cash and cash equivalents at end of period	<u>\$ 6,241,585</u>	<u>6,339,463</u>

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

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

(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 August 14, 2023.

(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, 2023:

- 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
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- (b) 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”	<p>Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance.</p> <p>The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.</p>	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	<p>After reconsidering certain aspects of the 2020 amendments¹, new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current.</p> <p>Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.</p>	January 1, 2024

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<u>Standards or Interpretations</u>	<u>Content of amendment</u>	<u>Effective date per IASB</u>
Amendments to IAS 7 and IFRS 7“Supplier Finance Arrangements”	The amendments require the company to disclose information about its supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the company’ s liabilities and cash flows and on the company’s exposure to liquidity risk.	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.

The Group does not expect the 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”
- IFRS16 “Requirements for Sale and Leaseback Transactions”
- Amendments to IAS12 ” International Tax Reform – Pillar Two Model Rules”

(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, 2022. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2022.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Basis of consolidation

1. List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			2023.6.30	2022.12.31	2022.6.30	
The Company	PChome Store Inc.	Internet services	- %	44.45 %	34.35 %	Note 10
"	Linktel Inc.	Type II Telecommunications Business	100.00 %	100.00 %	100.00 %	Note 1
"	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 %	"
"	PChome (Thailand) Co., Ltd.	E-commerce platform	66.25 %	66.25 %	66.25 %	"
"	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 %	Note 1
"	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	100.00 %	60.00 %	60.00 %	Notes 1&11
"	YunTan technology Inc.	Information processing and provision of electronic information	70.00 %	70.00 %	70.00 %	Note 1
"	21st Century Technology Co., Ltd.	Financial technology services	43.63 %	43.63 %	47.18 %	Note 3
"	PChome Data Technology Co., Ltd.	Information processing and provision of electronic information	100.00 %	100.00 %	100.00 %	Note 1
"	PIN technology Inc.	"	100.00 %	100.00 %	85.00 %	Notes 1&4
"	EC Global Limited	Investment activities	100.00 %	100.00 %	100.00 %	Note 1
"	RUTEN GLOBAL INC.	"	- %	- %	100.00 %	Note 2
"	PChome eBay Co., Ltd.	Information processing and provision of electronic information	65.00 %	65.00 %	- %	Note 7

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			2023.6.30	2022.12.31	2022.6.30	
PChome eBay Co., Ltd.	PChome Store Inc.	Internet services	100.00 %	22.22 %	22.16 %	Note 10
"	ECOSMOS PTE. LTD.	Information processing and provision of electronic information	100.00 %	100.00 %	100.00 %	Note 1
"	21st Century Technology Co., Ltd.	Financial technology services	1.41 %	1.41 %	1.52 %	Note 3
PC HOME ONLINE INTERNATIONAL CO., LTD.	PCHOME ONLINE INC.	International trade and investment activities	100.00 %	100.00 %	100.00 %	Note 1
PCHOME ONLINE INC.	PC HOME ONLINE (HK) LTD.	Information service and indirect investment activities	100.00 %	100.00 %	100.00 %	"
RUTEN GLOBAL INC.	PChome eBay Co., Ltd.	Information processing and provision of electronic information	- %	- %	65.00 %	Note 7
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 %	Note 1
"	PChome Store Inc.	Internet services	- %	33.33 %	35.78 %	Note 10
PChome CB Co., Ltd.	PChome CBS Co., Ltd.	"	100.00 %	100.00 %	100.00 %	Note 1
"	PCHOME CB PTE. LTD.	"	100.00 %	100.00 %	100.00 %	"
PChome CBS Co., 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 %	"
21st Century Technology Co., Ltd.	21st Century Digital Technology Co., Ltd.	Financial technology services	- %	- %	100.00 %	Note 8
"	Pi Mobile Technology Inc.	Online payment processing services	5.25 %	5.25 %	99.49 %	Notes 6&9
"	21st Financial Technology Co., Ltd	Investment activities	100.00 %	100.00 %	100.00 %	Notes 1&5
"	Cherri Tech, Inc.	Financial technology services and indirect investment activities	100.00 %	100.00 %	- %	Notes 1&3
21st Financial Technology Co., Ltd	21st Century Digital Technology Co., Ltd.	Financial technology services	100.00 %	100.00 %	- %	Note 9
"	Pi Mobile Technology Inc.	Online payment processing services	94.24 %	94.24 %	- %	"
21st Century Digital Technology Co., Ltd.	FAN7 TOUR CO., LTD.	Travel agency business	100.00 %	100.00 %	100.00 %	Notes 1&8
"	Lianju Asset Management Co., Ltd.	Financial Institution Creditor's Right (Money) Purchase	100.00 %	- %	- %	Notes 1&12

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			2023.6.30	2022.12.31	2022.6.30	
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 %	Note 1
Cherri Tech, Inc.	Japan Cherri KK	Financial technology services	80.00 %	60.00 %	- %	Notes 1&13

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

Note 2: In response to the Group's strategy, RUTEN GLOBAL INC., which was directly owned by the Company since November 2021, had been dissolved and liquidated on August 3, 2022.

Note 3: 1. The Company purchased 1.12% equity of Pi Mobile Technology Inc. from external shareholders, resulting in an increase in its shareholding ratio from 30.32% to 31.44%, and 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.

2. 21st Century Technology Co., Ltd. acquired the entire shares of Cherri Tech Inc. in cash and newly issued shares (3,471 thousand ordinary shares and 1,111 thousand special shares), and included them in the Group's consolidated financial statements. 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 47.18% to 43.63% and PChome eBay Co., Ltd.'s shareholding ratio from 1.52% to 1.41%.

Note 4: 1. The subsidiary was established on January 10, 2022.

2. The Company purchased 15% equity of PIN technology Inc. from external shareholders, resulting in an increase in its shareholding ratio from 85% to 100%.

Note 5: The subsidiary was established on March 7, 2022.

Note 6: 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%.

Note 7: Organizational adjustment, to be directly held by the Company from August 2022.

Note 8: In March 2022, 21st Century Technology Co., Ltd. transferred its equity and related businesses in FAN7 TOUR CO., LTD. to 21st Century Digital Technology Co., Ltd.

Note 9: 21st Century Technology Co., Ltd. transferred the shares of Pi Mobile Technology Inc and 21st Century Digital Technology Co., Ltd. acquired in October 2022 to 21st Financial Technology Co., Ltd, which are 94.24% and 100%, respectively.

Note 10: 1. On December 7, 2022, the extraordinary meeting of shareholders had approved PChome Store Inc. to offset its deficit by using the legal reserve, capital surplus, as well as its capital. After the Company and PChome eBay Co., Ltd. bought the fractional shares of the external shareholders, the shareholding percentages of the Company, PChome eBay Co., Ltd. and PChome Marketplace Inc. became 44.45%, 22.22% and 33.33%, respectively.

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.PChome Store Inc. issued a cash capital increase for new shares in March 2023, such shares are fully subscribed by the Company and PChome eBay Co. Ltd., respectively. The shareholding was changed, and the Company owns 77.78% of the Company, PChome eBay Co. Ltd. Owns 22.22% and PChome Marketplace Inc. owns 0.00%, respectively.

3.The Company sold 58,724 thousand ordinary shares of PChome Store Inc. to PChome eBay Co. Ltd. on April 28, 2023. After the transaction, PChome eBay Co. Ltd. holds 100% shares of PChome Store Inc.

Note 11: The Company purchased 40% equity of Mitch Co., Ltd. from external shareholders, resulting in an increase in its shareholding ratio from 60% to 100%.

Note 12: The subsidiary was established on February 10, 2023.

Note 13: Cherri Tech, Inc. increased its shareholding from 60% to 80% by cash capital increase in Japan Cherri KK pursuant to the resolution of the Board of Directors on June 8, 2023.

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, 2022.

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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 2022 consolidated financial statements. Please refer to Note (6) of the consolidated financial statements for the year ended December 31, 2022.

(a) Cash and cash equivalents

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Cash on hand	\$ 2,322	2,195	2,551
Checking accounts	40,275	55,782	48,405
Savings accounts	4,652,835	5,032,370	5,008,952
Foreign currency deposits	54,675	130,096	35,903
Time deposits	1,461,882	1,606,007	1,203,310
Cash equivalents	<u>29,596</u>	<u>23,357</u>	<u>40,342</u>
Cash and cash equivalents in consolidated statement of cash flows	<u>\$ 6,241,585</u>	<u>6,849,807</u>	<u>6,339,463</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>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Mandatorily measured at fair value through profit or loss:			
Preferred stocks	\$ 390,074	390,074	420,213
Foreign convertible bonds	31,328	31,356	38,335
Embedded derivative-call options	<u>-</u>	<u>-</u>	<u>138</u>
Total	<u>\$ 421,402</u>	<u>421,430</u>	<u>458,686</u>
Current	\$ -	8,640	24,070
Non-current	<u>421,402</u>	<u>412,790</u>	<u>434,616</u>
Total	<u>\$ 421,402</u>	<u>421,430</u>	<u>458,686</u>

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 convertible bonds issued by foreign companies held by the Group will be converted into preferred stocks when it meets the contract conversion conditions.
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>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Equity instruments at fair value through other comprehensive income			
Stocks unlisted on domestic and foreign markets	\$ 857,542	791,590	666,612
Foreign convertible bonds	-	-	8,336
Total	<u>\$ 857,542</u>	<u>791,590</u>	<u>674,948</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 market price risk, please refer to Note (6)(x). For the credit risk and the market risk, please refer to Note (6)(y).
3. The Group disposed of Syspower Corporation from January 1 to June 30, 2023 at a disposal price of \$28,916 thousand and cumulative gain of \$7,828 thousand during that period, which was recognized as a retained earnings.
4. Abovementioned financial assets at fair value through other comprehensive income of the Group had not been pledged as collateral.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Notes receivable-measured as amortized cost	\$ 5	2	71
Trade receivable-measured as amortized cost	2,948,847	3,408,150	4,000,430
Trade receivable-fair value through other comprehensive income	1,760,266	1,409,991	863,711
Other receivables-measured as amortized cost	1,087,126	1,203,699	1,088,125
Operating lease receivable	6,485	8,153	9,808
Finance lease receivable	63,822	76,906	-
Less: Allowance for impairment losses	(112,992)	(107,815)	(371,516)
Less: Unrealized interest revenue	(764,547)	(772,546)	(1,014,500)
	<u>\$ 4,989,012</u>	<u>5,226,540</u>	<u>4,576,129</u>
Current	\$ 4,360,875	4,606,382	3,944,604
Non-current	<u>628,137</u>	<u>620,158</u>	<u>631,525</u>
	<u>\$ 4,989,012</u>	<u>5,226,540</u>	<u>4,576,129</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>2023.6.30</u>		
	<u>Gross carrying amount</u>	<u>Weighted-average loss rate</u>	<u>Allowance for expected credit losses</u>
Current	\$ 1,652,006	0.002%-0.00026%	24
Past under 180 days	14,295	10%-45.12%	380
Over 181 days past due	<u>24,834</u>	25%-100%	<u>11,582</u>
	<u>\$ 1,691,135</u>		<u>11,986</u>

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2022.12.31		
	Gross carrying amount	Weighted- average loss rate	Allowance for expected credit losses
Current	\$ 1,844,792	0.00005%~0.061%	24
Past under 180 days	63,299	10%~45.12%	924
Over 181 days past due	20,311	25%~100%	11,238
	\$ 1,928,402		12,186
	2022.6.30		
	Gross carrying amount	Weighted- average loss rate	Allowance for expected credit losses
Current	\$ 1,762,251	0%~0.00005%	7
Past under 180 days	5,528	0%~10%	468
Over 181 days past due	1,231	25%~100%	532
	\$ 1,769,010		1,007

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

	2023.6.30		
	Gross carrying amount	Weighted- average loss rate	Allowance for expected credit losses
Current	\$ 2,901,751	1.71%	48,723
Past under 180 days	475,300	1.71%~9.83%	22,884
Over 181 days past due	33,818	9.83%~100%	29,399
	\$ 3,410,869		101,006
	2022.12.31		
	Gross carrying amount	Weighted- average loss rate	Allowance for expected credit losses
Current	\$ 2,963,741	1.71%	49,433
Past under 180 days	411,114	1.71%~9.83%	17,139
Over 181 days past due	31,098	9.83%~100%	29,057
	\$ 3,405,953		95,629

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2022.6.30		
	Gross carrying amount	Weighted-average loss rate	Allowance for expected credit losses
Current	2,523,378	0~0.35%	9,439
Past under 180 days	339,421	3%~70%	49,795
Over 181 days past due	315,836	80%~100%	311,275
	\$ 3,178,635		370,509

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

	For the six months ended June 30,	
	2023	2022
Balance at January 1	\$ 107,815	249,975
Impairment losses recognized	176,267	121,595
Amounts written off	(171,090)	(54)
Balance at June 30	\$ 112,992	371,516

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 June 30, 2023, the carrying amount of transferred receivables and related financial liabilities as follows:

2023.6.30					
Purchaser	Foreclosed amount	Credit line	Amount advanced paid (reported on short-term borrowings)	Range of interest Rate	Collateral
KGI Bank	\$ 776,408	800,000	560,000	3.383%	Promissory notes
Far Eastern International Bank	904,832	1,680,000	746,221	3.655%	Pledge deposits and promissory notes
CMI Credit LTD.	79,026	59,368	59,368	4.62%	Promissory notes

2022.12.31					
Purchaser	Transferred amount	Credit line	Amount advanced paid (reported on short-term borrowings)	Range of interest Rate	Collateral
KGI Bank	\$ 637,042	800,000	800,000	3.719%	Promissory notes
Far Eastern International Bank	647,206	840,000	584,654	3.655%	Pledge deposits and promissory notes
CMI Credit LTD.	125,743	500,000	104,566	4.36%	Promissory notes

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2022.6.30					
Purchaser	Transferred amount	Credit line	Amount advanced paid (reported on short-term borrowings)	Range of interest Rate	Collateral
KGI Bank	\$ 262,801	800,000	220,000	2.81%	Promissory notes
Far Eastern International Bank	424,741	840,000	401,660	2.965%	Pledge deposits and promissory notes
CMI Credit LTD.	176,169	500,000	160,064	3.86%	Promissory notes

As of June 30, 2023, December 31 and June 30, 2022, the Group provided promissory notes of \$2,580,000 thousand, \$1,740,000 thousand and \$1,740,000 thousand for guaranteed the performance of the above contracts with repurchase agreements to those companies and banks undertaking the sale of the accounts receivable.

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

	2023.6.30	2022.12.31	2022.6.30
Merchandise inventories	\$ 1,113,293	2,003,588	1,692,498
Less: Allowance for inventory valuation and obsolescence losses	(9,367)	(20,405)	(35,085)
	\$ 1,103,926	1,983,183	1,657,413

The details of operating cost were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Cost of goods sold	\$ 7,840,705	9,865,741	16,782,060	20,113,894
Interest cost	21,296	7,296	40,775	20,265
Provision for inventory market price decline and obsolescence (Reversal of write-downs)	(6,852)	769	(11,038)	15,582
Loss on disposal of scrap	2,484	968	2,484	1,277
	\$ 7,857,633	9,874,774	16,814,281	20,151,018

The factors that caused the net realizable value of inventories to be lower than the cost no longer exist, resulting in the net realizable value of inventory to increase and be recognized as profit or loss on inventory for the six months period ended June 30, 2023.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Provision for inventory valuation and obsolescence loss was due to the write-down of inventory to net realizable value or obsolescence and included in cost of sales for the six months period ended June 30, 2022.

As of June 30, 2023, December 31 and June 30, 2022, 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>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Associates	<u>\$ 266,593</u>	<u>271,852</u>	<u>576,113</u>

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		
			2023.6.30	2022.12.31	2022.6.30
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 %
UPN Information Co., Ltd.	Investment activities	Cayman islands	40.00 %	40.00 %	- %
Cherri Tech Inc.	Financial technology services	Taiwan	- %	- %	20.82 %

The Group acquired 40% shares of UPN Information Co., Ltd. with \$226,000 thousand in August 2022. As of June 30, 2023, \$145,359 thousand had not been paid for the related cash acquisition, which was recognized as other payables of \$79,945 thousand and long-term payables of \$65,414 thousand.

After Ruten Japan KK had been liquidated based on a resolution approved during its shareholders' meeting held on March 20, 2023, the Group received liquidation shares of \$275 thousand on March 24, 2023.

The Group gained control over Cherri Tech Inc. in July, 2022. Relevant information please refer to Note(6)(g).

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Collateral

As of June 30, 2023, December 31, 2022, and June 30, 2022, 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. 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 45.23% shares of 21st Century Technology Co., Ltd. with \$2,176,262 thousand in cash and 50.53% 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 June 30, 2023 and December 31, 2022, the amount of \$21,343 thousand and \$265,282 thousand was not paid for the related cash acquisition, which was recorded as other 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%.

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.

21st Century Technology Co., Ltd. increased capital in 2022, resulting in the decrease in the Company's shareholding ratio from 47.56% to 43.63%.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. 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 thousand 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 \$169,789 thousand for the related cash acquisition has yet to be paid as of June 30, 2023, resulting in the recognition of other payables amounting to \$85,055 thousand and long-term payables amounting to \$84,734 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>

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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>	<u>1,482,473</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		
		2023.6.30	2022.12.31	2022.6.30
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 %	54.96 %	51.30 %

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.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.PChome eBay Co., Ltd. and its subsidiaries' collective financial information:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Current assets	\$ 1,733,962	1,438,034	1,360,991
Non-current assets	111,440	69,241	74,275
Current liabilities	(1,047,306)	(503,884)	(546,564)
Non-current liabilities	(395,828)	(19,637)	-
Net assets	<u>\$ 402,268</u>	<u>983,754</u>	<u>888,702</u>
Non-controlling interests	<u>\$ 140,794</u>	<u>344,314</u>	<u>311,046</u>
	<u>For the three months ended June 30,</u>	<u>For the six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>
Operating revenue	<u>\$ 350,704</u>	<u>217,639</u>	<u>544,412</u>
Net profit	\$ 20,477	19,865	43,023
Other comprehensive income	58	337	54
Total comprehensive income	<u>\$ 20,535</u>	<u>20,202</u>	<u>43,077</u>
Profit, attributable to non-controlling interests	<u>\$ 7,167</u>	<u>6,953</u>	<u>15,058</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ 7,187</u>	<u>7,071</u>	<u>17,983</u>

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

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Current assets	\$ 97,028	151,494	194,785
Non-current assets	433,237	412,790	434,478
Current liabilities	(5,623)	(8,731)	(23,227)
Net assets	<u>\$ 524,642</u>	<u>555,553</u>	<u>606,036</u>
Non-controlling interests	<u>\$ 262,321</u>	<u>277,777</u>	<u>303,018</u>
	<u>For the three months ended June 30,</u>	<u>For the six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>
Net (loss) profit	\$ (9,387)	190,570	(11,764)
Other comprehensive income	-	-	-
Total comprehensive (loss) income	<u>\$ (9,387)</u>	<u>190,570</u>	<u>(11,764)</u>
(Loss) Profit, attributable to non-controlling interests	<u>\$ (4,693)</u>	<u>95,284</u>	<u>(5,882)</u>
Comprehensive (loss) income, attributable to non-controlling interests	<u>\$ (4,693)</u>	<u>95,284</u>	<u>(5,882)</u>

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Current assets	\$ 5,465,451	5,455,425	4,744,133
Non-current assets	3,267,843	3,206,138	1,977,093
Current liabilities	(4,989,559)	(5,113,409)	(4,161,374)
Non-current liabilities	(1,093,433)	(1,031,399)	(1,040,416)
Net assets	<u>\$ 2,650,302</u>	<u>2,516,755</u>	<u>1,519,436</u>
Non-controlling interests	<u>\$ 1,453,973</u>	<u>1,381,513</u>	<u>797,218</u>

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Operating revenue	\$ <u>374,963</u>	<u>299,347</u>	<u>760,820</u>	<u>617,712</u>
Net profit (loss)	\$ 64,774	(15,708)	154,280	13,481
Other comprehensive income	(9,497)	-	(4,062)	-
Total comprehensive income (loss)	<u>\$ 55,277</u>	<u>(15,708)</u>	<u>150,218</u>	<u>13,481</u>
Profit (loss) attributable to non-controlling interests	<u>\$ 28,189</u>	<u>(16,347)</u>	<u>69,221</u>	<u>(9,415)</u>
Comprehensive (loss) income, attributable to non-controlling interests	<u>\$ 22,842</u>	<u>(16,347)</u>	<u>66,861</u>	<u>(9,415)</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, 2023	\$ <u>58,783</u>	<u>251,656</u>	<u>118,686</u>	-	<u>703,520</u>	<u>1,132,645</u>
Balance at June 30, 2023	\$ <u>52,653</u>	<u>253,583</u>	<u>140,245</u>	-	<u>1,060,928</u>	<u>1,507,409</u>
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 June 30, 2022	\$ <u>65,195</u>	<u>294,632</u>	<u>133,245</u>	<u>596</u>	<u>471,381</u>	<u>965,049</u>

The Group purchased relevant equipment for operation in 2023. For relevant significant contracts, please refer to Note (9)(e). As of June 30, 2023, December 31, 2022, and June 30, 2022, 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 six months ended June 30, 2023 and 2022. Information on depreciation for the period is discussed in Note (12)(a). Please refer to Note (6)(i) of the 2022 annual consolidated financial statements for other related information.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(j) Right-of-use assets

The cost and depreciation of the right-of-use assets of the Group for the six months ended June 30, 2023 and 2022, were as follows:

	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost:				
Balance as of January 1, 2023	\$ 3,662,793	44,228	5,280	3,712,301
Additions	4,032,966	-	1,184	4,034,150
Decrease	(1,486,153)	-	-	(1,486,153)
Effect of changes in foreign exchange rates	(1,915)	-	-	(1,915)
Balance as of June 30, 2023	<u>\$ 6,207,691</u>	<u>44,228</u>	<u>6,464</u>	<u>6,258,383</u>
Balance as of January 1, 2022	\$ 3,479,716	-	6,255	3,485,971
Additions	418,311	44,228	-	462,539
Decrease	(231,662)	-	-	(231,662)
Effect of changes in foreign exchange rates	(671)	-	-	(671)
Balance as of June 30, 2022	<u>\$ 3,665,694</u>	<u>44,228</u>	<u>6,255</u>	<u>3,716,177</u>
Accumulated depreciation:				
Balance as of January 1, 2023	\$ 1,682,683	11,057	1,878	1,695,618
Depreciation for the year	351,011	5,528	1,001	357,540
Other decrease	(655,981)	-	-	(655,981)
Effect of changes in foreign exchange rates	(712)	-	-	(712)
Balance as of June 30, 2023	<u>\$ 1,377,001</u>	<u>16,585</u>	<u>2,879</u>	<u>1,396,465</u>
Balance as of January 1, 2022	\$ 1,404,896	-	702	1,405,598
Depreciation for the year	268,209	5,528	782	274,519
Other decrease	(231,662)	-	-	(231,662)
Effect of changes in foreign exchange rates	(376)	-	-	(376)
Balance as of June 30, 2022	<u>\$ 1,441,067</u>	<u>5,528</u>	<u>1,484</u>	<u>1,448,079</u>
Carrying amount:				
Balance as of January 1, 2023	<u>\$ 1,980,110</u>	<u>33,171</u>	<u>3,402</u>	<u>2,016,683</u>
Balance as of June 30, 2023	<u>\$ 4,830,690</u>	<u>27,643</u>	<u>3,585</u>	<u>4,861,918</u>
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 June 30, 2022	<u>\$ 2,224,627</u>	<u>38,700</u>	<u>4,771</u>	<u>2,268,098</u>

The Company rented buildings as warehouse from Chunghwa Post Co., Ltd. in February, 2023. 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.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(k) Intangible assets

	<u>Software</u>	<u>Goodwill</u>	<u>Concession</u>	<u>Others</u>	<u>Total</u>
Carrying amounts:					
Balance at January 1, 2023	\$ <u>70,409</u>	<u>5,011,342</u>	<u>433,548</u>	<u>292,309</u>	<u>5,807,608</u>
Balance at June 30, 2023	\$ <u>55,567</u>	<u>5,011,342</u>	<u>406,452</u>	<u>277,784</u>	<u>5,751,145</u>
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 June 30, 2022	\$ <u>66,844</u>	<u>3,528,869</u>	<u>460,644</u>	<u>77,207</u>	<u>4,133,564</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the six months ended June 30, 2023 and 2022. Information on amortization for the period is discussed in Note (12)(a). Please refer to Notes (6)(g) and (k) of the 2022 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>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
PChome CB Co., Ltd.	\$ 99,358	99,358	99,358
Yun Tan Technology Inc.	15,161	15,161	15,161
21st Century Technology Co., Ltd.	3,414,350	3,414,350	3,414,350
Cherri Tech Inc.	<u>1,482,473</u>	<u>1,482,473</u>	-
Total	<u>\$ 5,011,342</u>	<u>5,011,342</u>	<u>3,528,869</u>

(l) Short-term borrowings

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Unsecured bank loans	\$ 2,102,815	1,860,735	954,888
Secured bank loans	1,656,221	1,384,654	621,660
Other short-term loans	59,368	117,066	297,564
Short-term notes and bills payable	<u>100,000</u>	<u>-</u>	<u>60,000</u>
	<u>\$ 3,918,404</u>	<u>3,362,455</u>	<u>1,934,112</u>
Unused short-term credit line	<u>\$ 4,519,084</u>	<u>3,939,163</u>	<u>6,789,159</u>
Range of interest rates	<u>0.97%~4.62%</u>	<u>0.97%~4.36%</u>	<u>0.97%~4.11%</u>

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

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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) Other current liabilities

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Receipts under custody-online payment processing service mainly	\$ 1,779,428	1,914,837	1,754,429
Current refund liabilities	37,482	33,386	27,500
Other	<u>295,634</u>	<u>330,003</u>	<u>359,163</u>
	<u>\$ 2,112,544</u>	<u>2,278,226</u>	<u>2,141,092</u>

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.

The other major items are prepaid shopping credits, which are valid for 180 days, except for the shopping credits commissioned by Small and Medium Enterprise Administration, Ministry of Economic Affairs R.O.C. for the implementation of the "Shopping Discounts Measures for Economic Revitalization"; such shopping credits have no expiration date.

(n) Long-term borrowings

The details were as follows:

	<u>2023.6.30</u>			
	<u>Currency</u>	<u>Rate</u>	<u>Maturity year</u>	<u>Amount</u>
Unsecured bank loans	TWD	1.445%~2.25%	2023~2030	\$ 883,765
Secured bank loans	TWD	1.5%~2.25%	2025, 2028	832,030
Other long-term borrowings	TWD	3.99%	2024	100,000
Loans from related parties	TWD	2.75%	2023~2024	862,993
Less: current portion				<u>(557,041)</u>
Total				<u>\$ 2,121,747</u>
Unused long-term credit lines				<u>\$ 2,008,330</u>

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2022.12.31				
	Currency	Rate	Maturity year	Amount
Unsecured bank loans	TWD	1.320%~3.225%	2023, 2024, 2026, 2028	\$ 955,175
Secured bank loans	TWD	1.375%~1.970%	2025, 2028	419,900
Other long-term borrowings	TWD	3.99%	2023~2024	150,000
Loans from related parties	TWD	2.25%~2.75%	2023~2024	721,525
Less: current portion				(57,042)
Total				\$ 2,189,558
Unused long-term credit lines				\$ 2,872,300
2022.6.30				
	Currency	Rate	Maturity year	Amount
Unsecured bank loans	TWD	0.155%~1.40%	2028	\$ 397,500
Secured bank loans	TWD	1.125%~1.72%	2028	469,900
Other long-term borrowings	TWD	3.99%	2024	100,000
Loans from related parties	TWD	2.25%	2024	724,274
Less: current portion				(229,875)
Total				\$ 1,461,799
Unused long-term credit lines				\$ 2,931,600

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

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 June 30, 2023, 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., PChome Bibian Inc., Linktel Inc., and 21st Century Digital Technology Co., Ltd., as of June 30, 2023. 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).

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(o) Bonds payable

The details of secured convertible bonds were as follows:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Total convertible corporate bonds issued	\$ 1,500,000	1,500,000	1,500,000
Unamortized discounted corporate bonds payable	(2,610)	(7,553)	(12,558)
Cumulative converted amount	(121,000)	(121,000)	(121,000)
Balance of corporate bonds issued	<u>\$ 1,376,390</u>	<u>1,371,447</u>	<u>1,366,442</u>
Embedded derivative – call options, included in financial assets at fair value through profit or loss	<u>\$ -</u>	<u>-</u>	<u>138</u>
Equity component – conversion options, included in capital surplus– stock options	<u>\$ 129,737</u>	<u>129,737</u>	<u>129,737</u>

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

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2022</u>
Embedded derivative instruments – call options, included in other gains or losses	<u>\$ -</u>	<u>(1,241)</u>	<u>-</u>	<u>(3,861)</u>
Interest expense	<u>\$ 2,487</u>	<u>2,469</u>	<u>4,942</u>	<u>4,906</u>

As of June 30, 2023 and December 31, 2022, the amount of bonds payable were \$1,376,390 thousand and \$1,371,447 thousand, respectively, and the duration of the bonds payable was less than one year, amounted for one year or recognized as the long-term debt with one operating cycle.

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.

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.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Current	\$ <u>555,539</u>	<u>557,850</u>	<u>551,194</u>
Non-current	\$ <u>4,403,027</u>	<u>1,527,013</u>	<u>1,778,103</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 June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Interests on lease liabilities	\$ <u>15,120</u>	<u>6,627</u>	<u>28,785</u>	<u>13,269</u>
Expenses relating to short-term leases	\$ <u>11,515</u>	<u>8,160</u>	<u>22,835</u>	<u>18,428</u>
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	\$ <u>2,450</u>	<u>2,173</u>	<u>5,016</u>	<u>4,444</u>

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

	<u>For the six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Total cash outflow for leases	\$ <u>358,105</u>	<u>306,633</u>

The Group leases buildings for its office space and warehouses. The leases of office space typically run of a period for 1 to 5 years, and of warehouses for 1 to 15 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.

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(q) Income taxes

1. Income tax (benefit) expense recognized in profits or losses

The amounts of income tax were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current income tax expenses:				
Current period	\$ 46,842	58,139	92,213	126,078
5% surtax on unappropriated earnings	10,952	22,432	10,952	22,432
Adjustment for prior periods	<u>(69,659)</u>	<u>(752)</u>	<u>(69,659)</u>	<u>(8)</u>
	<u>(11,865)</u>	<u>79,819</u>	<u>33,506</u>	<u>148,502</u>
Deferred tax expense:				
Origination and reversal of temporary differences	<u>(18,905)</u>	<u>(8,742)</u>	<u>(24,440)</u>	<u>(13,867)</u>
Income tax (benefit) expenses	<u>\$ (30,770)</u>	<u>71,077</u>	<u>9,066</u>	<u>134,635</u>

2. The amounts of income tax expenses recognized in other comprehensive income for the six months ended June 30, 2023 and 2022, both were zero.

3. The Company's tax returns for the years through 2020 were examined and approved by the Taipei National Tax Administration.

(r) Capital and other equity

1. Issuance of common stock

As of June 30, 2023, December 31, 2022, and June 30, 2022, the total value of nominal ordinary shares amounted to \$2,000,000 thousand. The face value of each share is \$10. There were 128,163 thousand, 128,163 thousand and 128,514 thousand of ordinary shares issued, respectively. (including the issuance of the employee restricted shares amounted to 529 thousand, 529 thousand and 880 thousand shares as of June 30, 2023, December 31, 2022, and June 30, 2022, respectively.) All issued shares were paid up upon issuance.

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.

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Capital surplus

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

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Share capital	\$ 2,600,396	2,600,396	2,600,396
Conversion premium	119,798	119,798	119,798
Difference between consideration and carrying amount of subsidiaries acquired or disposed	1,714,997	1,714,997	1,714,997
Changes in equity of subsidiaries	464,480	410,517	115,895
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	129,737
Share based payment transactions—employee restricted shares	29,579	29,579	29,369
Share based payment transactions—treasury stock	<u>2,138</u>	<u>2,138</u>	<u>2,138</u>
Total	<u>\$ 5,065,059</u>	<u>5,011,096</u>	<u>4,716,264</u>

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.

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 Board of Directors of the Company resolved not to distribute dividends for 2022 on March 20, 2023. On the other hand, the 2021 earnings distribution, by way of cash dividends, amounting to \$63,817 thousand, had been approved in the board meeting held on March 23, 2022. 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 June 30, 2023, a total of 1,230 thousand shares have been bought back at a cost of \$108,254 thousand, of which 351 thousand shares were transferred to employees in 2021, amounting to \$30,892 thousand. The cost does not exceed the upper limit amount \$108,440 thousand approved by the Board of Directors.

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 June 30, 2023, 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.

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, 2023	\$ (9,252)	156,045	(41)
Exchange differences on foreign operations	(11,303)	-	-
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	103,550	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(7,828)	-
Share-based payment transactions	-	-	20
Balance at June 30, 2023	<u>\$ (20,555)</u>	<u>251,767</u>	<u>(21)</u>

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	<u>Exchange difference on translation of foreign financial statements</u>	<u>Unrealized gains from financial assets measured at fair value through other comprehensive income</u>	<u>Unearned Employee Compensation</u>
Balance at January 1, 2022	\$ (12,414)	202,896	(7,896)
Exchange differences on foreign operations	(2,694)	-	-
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	(130,486)	-
Share-based payment transactions	-	-	2,928
Balance at June 30, 2022	<u>\$ (15,108)</u>	<u>72,410</u>	<u>(4,968)</u>

6. Non-controlling Interests

	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 2,062,194	1,327,580
Shares of non-controlling interests		
Gain for the ended June 30	69,114	85,256
Foreign currency translation differences for foreign operations	(822)	(946)
Unrealized gains from financial assets measured at fair value through other comprehensive income	(2,031)	-
Changes in ownership interests in subsidiaries	(33,300)	(26,860)
Changes in non-controlling interests	<u>(148,983)</u>	<u>49,859</u>
Balance at June 30	<u>\$ 1,946,172</u>	<u>1,434,889</u>

(s) Share-based payment

The Group had two shared-based payment arrangements as follows as of June 30, 2023:

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.

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 June 30, 2023, the employees who were granted the above-mentioned restricted employee rights but did not meet the acquired conditions their shares have been recovered, and canceled by the Company amounting to 571 thousand shares. The relevant statutory registration procedures have been completed.

2. Share-based payment transactions

	Equity-settled				
	Treasury stocks transferred to employees	Treasury stocks transferred to employees	Subsidiaries' employee stock options	Subsidiaries' employee stock options	Subsidiaries' employee stock options
Grant date	August 6, 2021	November 3, 2021	May 25, 2017	September 1, 2022	April 1, 2023
Number of shares granted	333,000 shares	18,000 shares	33,372,000 shares	55,000 shares	5,880,000 shares
Contract term	2 years	2 years	4 years	6 years	4 years
Vesting conditions	Immediately vested	Immediately vested	Note 1	Note 2	Note 3

Note 1: The Group provides 25%, 25%, 25% and 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.

Note 2: The Group provides 25% of its shares as employee stock options after the first year of service rendered by its employees, wherein an average of 2.08% of the shares can be realized monthly from the second to fourth year of their service.

Note 3: Employees who have vested in 4 years can obtain 25% of the warrants for each of their full year of service.

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	Subsidiaries' employee stock options	Subsidiaries' employee stock options
Fair value at grant date	4.88	17.96	-	14.19	28.47~38.43
Stock price at grant date	91.18	105.64	-	14.19	46.94
Exercise price	-	-	USD 0.09	\$10	\$0.00305
Expected volatility (%)	46.82%	42.65%	28.78%~60.78%	21.89%	55.25%
Expected life of the option (years)	-	-	5 years	6 years	10 years
Risk-free interest rate (%)	0.0484%	0.0909%	0.95%~1.31%	1.0195%	3.705%~3.480%

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2) Information on employee stock options

(Unit: Thousands)

	For the six months ended June 30,			
	2023		2022	
	Weighted- average exercise price	Numbers of options	Weighted- average exercise price	Numbers of options
Balance, beginning of January 1	NTD -	-	USD 0.09	15,990
Options granted	0.0957	5,935,000	-	-
Options forfeited	-	-	-	(15,990)
Options exercised	-	-	-	-
Options expired	-	-	-	-
Balance, end of June 30	0.0957	<u>5,935,000</u>	0.09	<u>-</u>
Options exercisable, end of June 30	-	<u>-</u>	-	<u>-</u>

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 six months ended June 30, 2023 and 2022, were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Salary expenses	\$ <u>12,309</u>	<u>1,476</u>	<u>12,325</u>	<u>2,928</u>

(t) Earnings per share

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Loss attributable to common stockholders of the Company	\$ <u>(86,159)</u>	<u>(1,749)</u>	<u>(207,136)</u>	<u>(33,826)</u>
Weighted-average number of ordinary shares	<u>125,384</u>	<u>128,165</u>	<u>125,384</u>	<u>127,853</u>
Basic earnings per share (New Taiwan Dollars)	\$ <u>(0.69)</u>	<u>(0.01)</u>	<u>(1.65)</u>	<u>(0.26)</u>

Due to the net loss after tax of the Group in for the six months ended June 30, 2023 and 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.

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(u) Revenue from contracts with customers

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Revenue of electronic commerce	\$ 8,817,425	10,927,677	18,661,459	22,406,095
Revenue of non-electronic commerce	204,144	252,179	516,010	483,198
	<u>\$ 9,021,569</u>	<u>11,179,856</u>	<u>19,177,469</u>	<u>22,889,293</u>

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

For details on contract liabilities, please refer to Note (6)(m).

The amount of revenue recognized for the six months ended June 30, 2023 and 2022 that were included in the contract liability balance at the beginning of the period were \$545,892 thousand and \$488,969 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.

No remunerations to employees, and directors and supervisors were accrued by the Company due to net loss after tax for the six months ended June 30, 2023. The remunerations to employees and directors amounted to \$1,365 thousand, \$1,365 thousand, \$1,534 thousand and \$1,534 thousand, respectively, for the three-months and the six-months ended June 30, 2022.

For the year ended December 31, 2022, the remunerations to employees amounted to \$2,352 thousand, and the remunerations to directors and supervisors amounted to \$264 thousand. The remunerations to employees were paid in cash, and the remunerations to directors and supervisors will not be distributed based on the decision made by the board of directors. Related information would be available at the Market Observation Post System website.

(w) Non-operating income and expenses

1. Interest income

The details of interest income were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Interest income from bank deposits	\$ 16,870	3,913	26,964	6,607
Other interest income	191	176	426	329
Total interest income	<u>\$ 17,061</u>	<u>4,089</u>	<u>27,390</u>	<u>6,936</u>

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Other income

The details of other income were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Income from fines and penalties- 21st Century Digital Technology Co., Ltd.	\$ 54,578	39,257	101,564	77,112
Gain on reversal of bad debts - 21st Century Digital Technology Co., Ltd.	6,446	-	12,680	-
Income from the collections and payments -Pi Mobile Technology Inc.	5,036	-	10,748	-
Credit card rewards -PChome Bibian Inc.	3,238	3,599	6,871	4,963
Government grants	2,461	1,346	6,457	1,621
Dividend income	2,400	4,732	2,400	4,732
Other income	3,497	4,351	9,531	3,763
Total other income	<u>\$ 77,656</u>	<u>53,285</u>	<u>150,251</u>	<u>92,191</u>

3. Other gains and losses, net

The details of other gains and losses were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Lease modification - PChome Online Inc.	\$ -	-	28,746	-
Lease modification - others	686	-	60	-
Gains on disposal of property, plant and equipment- PChome Online Inc.	(525)	(10)	7,649	(10)
Gains on disposal of property, plant and equipment- others	180	35	(219)	35
Gains on current financial assets at fair value through profit or loss - Chunghwa PChome Fund 1 Co., Ltd.	-	192,603	-	189,151
Gains on current financial assets at fair value through profit or loss - PChome Online Inc.	-	(1,240)	-	(3,861)
Liquidated damages - PChome Online Inc.	(8,198)	-	(8,198)	-
Loss on disposal of investments - PChome Online Inc.	1,848	-	(1,152)	-
Foreign currency exchange gains	3,423	6,000	3,512	13,811
Others	(185)	(71)	(3,124)	(74)
Other gains and losses, net	<u>\$ (2,771)</u>	<u>197,317</u>	<u>27,274</u>	<u>199,052</u>

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. Finance costs

The details of finance cost were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Borrowing Interest Expenses	\$ 24,564	12,236	46,044	17,260
Interest expenses on lease liabilities	15,123	6,627	28,785	13,269
Bond interest expenses	2,487	2,469	4,942	4,906
Others	(628)	373	(1,320)	747
Finance costs, net	<u>\$ 41,546</u>	<u>21,705</u>	<u>78,451</u>	<u>36,182</u>

(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, 2022.

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>
Balance at June 30, 2023							
Non-derivative financial liabilities							
Short-term borrowings	\$ 3,918,404	3,918,404	2,481,194	1,437,210	-	-	-
Accounts and notes payable	2,822,414	2,822,414	2,821,450	964	-	-	-
Other payables	1,380,902	1,380,902	1,288,005	92,745	-	152	-
Receipts under custody	1,779,428	1,779,428	1,779,428	-	-	-	-
Lease liability	4,958,566	4,958,566	261,780	293,759	529,616	1,040,235	2,833,176
Long-term borrowings	2,678,788	2,678,788	503,792	53,250	1,144,493	207,583	769,670
Bonds payable	1,376,390	1,379,000	1,379,000	-	-	-	-
Long-term payables	150,148	150,148	-	-	150,148	-	-
	<u>\$ 19,065,040</u>	<u>19,067,650</u>	<u>10,514,649</u>	<u>1,877,928</u>	<u>1,824,257</u>	<u>1,247,970</u>	<u>3,602,846</u>
Balance at December 31, 2022							
Non-derivative financial liabilities							
Short-term borrowings	\$ 3,362,455	3,362,455	1,944,629	1,417,826	-	-	-
Accounts and notes payable	3,925,764	3,925,764	3,925,764	-	-	-	-
Other payables	1,798,731	1,798,731	1,704,307	94,424	-	-	-
Receipts under custody	1,914,837	1,914,837	1,914,837	-	-	-	-
Lease liability	2,084,863	2,084,863	282,998	274,852	500,684	730,398	295,931
Long-term borrowings	2,246,600	2,246,600	53,792	703,250	990,025	273,833	225,700
Bonds payable	1,371,447	1,379,000	-	1,379,000	-	-	-
Long-term payables	234,612	234,612	-	-	149,878	84,734	-
	<u>\$ 16,939,309</u>	<u>16,946,862</u>	<u>9,826,327</u>	<u>3,869,352</u>	<u>1,640,587</u>	<u>1,088,965</u>	<u>521,631</u>

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	<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>
Balance at June 30, 2022							
Non-derivative financial liabilities							
Short-term borrowings	\$ 1,934,112	1,934,112	566,101	1,368,011	-	-	-
Accounts and notes payable	3,770,758	3,770,758	3,769,712	1,046	-	-	-
Other payables	1,381,426	1,381,426	1,179,326	202,100	-	-	-
Receipts under custody	1,754,429	1,754,429	1,754,429	-	-	-	-
Lease liability	2,329,297	2,329,297	270,891	280,303	557,141	1,071,665	149,297
Long-term borrowings	1,691,674	1,691,674	175,000	54,875	945,399	356,100	160,300
Bonds payable	1,366,442	1,379,000	-	-	1,379,000	-	-
Long-term payables	723,832	723,832	-	-	637,173	86,659	-
	<u>\$ 14,951,970</u>	<u>14,964,528</u>	<u>7,715,459</u>	<u>1,906,335</u>	<u>3,518,713</u>	<u>1,514,424</u>	<u>309,597</u>

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:

	<u>2023.6.30</u>			<u>2022.12.31</u>			<u>2022.6.30</u>		
	<u>Foreign currency (thousands of dollars)</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency (thousands of dollars)</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency (thousands of dollars)</u>	<u>Exchange rate</u>	<u>TWD</u>
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 2,385	31.13	74,233	4,843	30.73	148,824	2,479	29.72	73,688
JPY	51,073	0.2151	10,986	45,796	0.2319	10,620	22,748	0.2200	4,968
SGD	787	22.95	18,055	786	22.86	17,975	-	-	-
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	220	31.13	6,855	190	30.73	5,836	68	29.72	2,009

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, JPY and SGD as of June 30, 2023 and 2022, would have increased or decreased net loss by \$3,857 thousand and \$3,066 thousand, respectively. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the six months ended June 30, 2023 and 2022.

Due to the variety of functional currency, the Group disclosed the foreign currency gain or loss on monetary items aggregately. For the six months ended June 30, 2023 and 2022, the foreign exchange gain (loss) (including realized and unrealized) were gain \$3,512 thousand and gain \$13,811 thousand, respectively.

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 \$385 thousand and \$2,069 thousand for the six months ended June 30, 2023 and 2022, respectively, with all other variable factors remaining constant. This is mainly due to the Group's borrowings and deposits at variable rates.

3. Other market price risk

For the six months ended June 30, 2023 and 2022, 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 six months ended June 30,			
	2023		2022	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 1%	\$ 6,860	2,997	5,333	3,362
Decreasing 1%	(6,860)	(2,997)	(5,333)	(3,362)

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:

	2023.6.30				
	Book Value	Level 1	Level 2	Level 3	Total
Fair value through profit or loss					
Preferred stock	\$ 390,074	-	-	390,074	390,074
Domestic and foreign convertible bonds	31,328	-	-	31,328	31,328
	<u>\$ 421,402</u>	<u>-</u>	<u>-</u>	<u>421,402</u>	<u>421,402</u>
Fair value through other comprehensive income					
Domestic and foreign stock of non-listed company	\$ 857,542	-	-	857,542	857,542

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		2022.12.31			
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Fair value through profit or loss					
Preferred stock	\$ 390,074	-	-	390,074	390,074
Domestic and foreign convertible bonds	31,356	-	-	31,356	31,356
	\$ 421,430	-	-	421,430	421,430
Fair value through other comprehensive income					
Domestic and foreign stock of non-listed company	\$ 791,590	-	-	791,590	791,590
		2022.6.30			
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Fair value through profit or loss					
Preferred stock	\$ 420,213	-	-	420,213	420,213
Foreign convertible bonds	38,335	-	-	38,335	38,335
Embedded derivative-call option	138	-	-	138	138
	\$ 458,686	-	-	458,686	458,686
Fair value through other comprehensive income					
Domestic stock of non-listed company	\$ 666,612	-	-	666,612	666,612
Foreign convertible bonds	8,336	-	-	8,336	8,336
	\$ 674,948	-	-	674,948	674,948

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.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3) Reconciliation of Level 3 fair values

	<u>Fair value through profit or loss</u>	<u>Fair value through other comprehensive income</u>
Opening balance, January 1, 2023	\$ 421,430	791,590
Total gains and losses recognized:		
In profit or loss	(28)	-
In other comprehensive income	-	101,519
Disposal/ Capital reduction	<u>-</u>	<u>(35,567)</u>
Ending Balance, June 30, 2023	<u>\$ 421,402</u>	<u>857,542</u>
Opening balance, January 1, 2022	\$ 244,226	767,882
Purchased	29,170	37,552
Total gains and losses recognized:		
In profit or loss	185,290	-
In other comprehensive loss	<u>-</u>	<u>(130,486)</u>
Ending Balance, June 30, 2022	<u>\$ 458,686</u>	<u>674,948</u>

For the three months and the six months ended June 30, 2023 and 2022, 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 June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Total gains and losses recognized:				
In other gains and losses	\$ -	191,363	(28)	185,290
In other comprehensive income, and including “unrealized gains and losses from fair value through other comprehensive income”	64,125	(88,706)	101,519	(130,486)

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”.

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 (June 30, 2023, December 31, 2022 and June 30, 2022 were 43.51%, 49.21% and 53.8%, respectively.)	·The estimated fair value would increase (decrease) if the volatility were higher (lower).
Fair value through profit or loss – Derivate financial instrument	Comparable listed company market approach	·Liquidity discounted rate (June 30, 2023 and December 31, 2022 were 2.01%~30% and 28.05%~30%, respectively.) ·EV / sales (June 30, 2022 were 0.7~2333)	·The estimated fair value would increase (decrease) if the lack of liquidity discounted rate were lower (higher). ·The estimated fair value would increase (decrease) if the enterprise value were higher (lower).
Fair value through other comprehensive income – Equity investments without an active market	Comparable listed company market approach	·Market value ratio (June 30, 2023, December 31, 2022 and June 30, 2022 were, 0.93~9.7, 0.73~9.34 and 0.983~8.79, respectively.) ·Liquidity discounted rate (June 30, 2023, December 31, 2022 and June 30, 2022 were 2.21%~30%, 8.85%~30% and 11.81%~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).

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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
June 30, 2023						
Embedded derivative – call options	Volatility	5%	\$ -	-	-	-
Derivative financial instruments	P/S ratio	5%	1,566	(1,566)	-	-
Equity investments without an active market	P/S ratio etc.	5%	19,504	(19,504)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market value ratio	5%	-	-	32,630	(32,655)
"	Liquidity discounted rate	5%	-	-	46,923	(46,542)
			\$ 21,070	(21,070)	79,553	(79,197)
December 31, 2022						
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%	-	-	30,977	(30,980)
"	Liquidity discounted rate	5%	-	-	48,215	(47,621)
			\$ 23,332	(23,332)	79,192	(78,601)
June 30, 2022						
Financial assets at fair value through profit or loss						
Embedded derivative – call options	Volatility	5%	\$ 7	(7)	-	-
Derivative financial instruments	P/S ratio	5%	1,917	(1,917)	-	-
Equity investments without an active market	P/S ratio etc.	5%	21,011	(21,011)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market value ratio	5%	-	-	12,356	(11,737)
"	Liquidity discounted rate	5%	-	-	10,703	(10,566)
			\$ 22,935	(22,935)	23,059	(22,303)

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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, 2022.

(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, 2022. 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, 2022. For other information about the capital management, please refer to Note (6)(z) of the consolidated financial statements for the year ended December 31, 2022.

(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 June 30, 2023 and 2022, 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).
3. The reconciliation of liabilities arising from financing activities was as follows:

	<u>2023.1.1</u>	<u>Cash flows</u>	<u>Non-cash changes</u> <u>Others</u>	<u>2023.6.30</u>
Long-term borrowings	\$ 2,246,600	432,188	-	2,678,788
Short-term borrowings	3,362,455	555,949	-	3,918,404
Lease liabilities	2,084,863	(301,469)	3,175,172	4,958,566
Bonds payable	1,371,447	-	4,943	1,376,390
Total liabilities from financing activities	<u>\$ 9,065,365</u>	<u>686,668</u>	<u>3,180,115</u>	<u>12,932,148</u>

	<u>2022.1.1</u>	<u>Cash flows</u>	<u>Non-cash changes</u> <u>Others</u>	<u>2022.6.30</u>
Long-term borrowings	\$ 1,445,100	246,574	-	1,691,674
Short-term borrowings	2,263,667	(329,555)	-	1,934,112
Lease liabilities	2,137,215	(270,492)	462,574	2,329,297
Bonds payable	1,361,536	-	4,906	1,366,442
Total liabilities from financing activities	<u>\$ 7,207,518</u>	<u>(353,473)</u>	<u>467,480</u>	<u>7,321,525</u>

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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 (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: The dissolution and liquidation procedures had completed on March 20, 2023.

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, Zhuang, Fan Jie and Liao, Zong Lun 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:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Associates	\$ <u>423</u>	<u>-</u>	<u>423</u>	<u>-</u>

The sales prices and payment terms to related parties were not different from those of sales to third parties.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Other related parties	\$ <u>433</u>	<u>3</u>	<u>433</u>	<u>21</u>

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	2023.6.30	2022.12.31	2022.6.30
Lease receivable	Associates	\$ 6,485	8,153	-
Other receivables	Associates	7,757	86	9,908
Other receivables (Note)	Other related parties	<u>28,502</u>	<u>39,563</u>	<u>19,848</u>
		<u>\$ 42,744</u>	<u>47,802</u>	<u>29,756</u>

Note: For the six months ended June 30, 2023 and 2022, the collections and payments generated by exchanging points of the Group amounted to \$42,006 thousand and \$51,849 thousand, respectively. As of June 30, 2023 and 2022, the carrying amount was recognized under other receivables.

4. Payables to related parties

Item	Related party categories	2023.6.30	2022.12.31	2022.6.30
Other payables	Other related parties	\$ <u>2,376</u>	<u>419</u>	<u>1,121</u>

5. Other

Item	Related party categories	For the three months ended June 30,		For the six months ended June 30,	
		2023	2022	2023	2022
Operating cost	Other related parties	\$ -	4	-	9
Operating expenses	Associates	-	142	-	142
Operating expenses	Other related parties	1,191	624	1,710	1,146
Other operating income	Associates	35	7	56	16
Other operating income	Other related parties	263	189	451	432

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. Borrowings from Related Parties

The borrowings from related parties were as follows:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Wei Ting Shi Ye Co., Ltd.	\$ 213,620	109,621	108,265
Te Wei Co., Ltd.	167,280	162,621	161,265
Ming Yu Qi Ye Co., Ltd.	230,775	197,965	164,744
Chou, Yi Ming	<u>251,318</u>	<u>251,318</u>	<u>290,000</u>
	<u>\$ 862,993</u>	<u>721,525</u>	<u>724,274</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 June 30, 2023, December 31, 2022, and June 30, 2022, the amount of long-term borrowings were \$862,993 thousand, \$721,525 thousand and \$724,274 thousand, respectively.

For the three months ended June 30, 2023 and 2022 and the six months ended June 30, 2023 and 2022, interest cost were \$2,292 thousand, \$4,189 thousand, \$5,222 thousand and \$9,081 thousand, respectively, and interest expense were \$2,391 thousand, \$0 thousand, \$5,925 thousand and \$0 thousand, respectively,

7. Leases

The Group rented an office building from other related party to be used as its office during 2021 to 2023. An one to three years year lease contract was signed with the contract price amounting to \$9,322 thousand, in which the rental fee is determined based on the nearby office rental rates. The details were as follow:

<u>Item</u>	<u>Related party categories</u>	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Lease liabilities	Other related parties	\$ 4,048	4,392	4,866
Refundable deposits	Other related parties	336	300	300

<u>Item</u>	<u>Related party categories</u>	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Interest expenses	Other related parties	\$ -	4	-	9

8. As of June 30, 2023, December 31, 2022, and June 30, 2022, 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 \$2,601,125 thousand, \$2,376,875 thousand and \$3,336,000 thousand, respectively.

(c) Transactions with key management personnel

Key management personnel compensation comprised:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits \$	<u>18,101</u>	<u>25,857</u>	<u>43,535</u>	<u>60,170</u>

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(8) Restricted Assets:

The following assets were restricted in use:

<u>Assets</u>	<u>Purpose of Pledge</u>	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Bank deposit-current (recognized under other current financial assets)	Security for performance, purchase guarantee, loans with certificate of deposits and corporate bonds guarantee	\$ 1,157,066	842,223	917,960
Refundable deposit (recognized under other non-current financial assets)	Security for provisional seizure, etc. deposits for office rental and bank loans	<u>245,401</u>	<u>217,762</u>	<u>198,667</u>
		<u>\$ 1,402,467</u>	<u>1,059,985</u>	<u>1,116,627</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) Notes payable deposited as guarantee for commercial vehicle and office and building leases were as follows:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Notes payable deposited as guarantee	\$ <u>113,814</u>	<u>300,146</u>	<u>168,925</u>

- (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 were as follows:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Guarantee limit	\$ <u>8,500</u>	<u>10,000</u>	<u>10,000</u>

- (d) 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 as follows:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Guarantee limit	\$ <u>2,992,289</u>	<u>3,110,726</u>	<u>3,027,358</u>

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- (e) As of June 30, 2023, December 31, 2022, and June 30, 2022, the Group has paid \$518,952 thousand, \$139,660 thousand and \$471,381 thousand, for acquiring property, plant and equipment, and unrecognized relevant contractual commitments of the acquisition of property, plant and equipment amounting were 786,592 thousand, \$1,244,421 thousand and \$1,315,916 thousand, respectively.
- (f) 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 as follows:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
The trust account	\$ <u>306,878</u>	<u>314,251</u>	<u>291,469</u>

- (g) 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 as follows:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Guarantee limit	\$ <u>1,379,000</u>	<u>1,379,000</u>	<u>1,379,000</u>

- (h) Due to the performance of the contract, the guaranteed notes payable made by the Group were as follows:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Notes payable deposited as guarantee	\$ <u>3,030,000</u>	<u>2,360,000</u>	<u>2,480,000</u>

(10) Significant Catastrophic Losses:None

(11) Significant Subsequent Events:

- (a) To repay the balance of corporate bonds issued on October 7, 2020 and to enrich the interim operating working capital, the Company signed a three-year syndicated credit agreement amounting to \$2.5 Billion with seven banks in August 2023.
- (b) On February 21, 2023, the Company is repaying bank loans by issuing ordinary shares through cash capital increase pursuant to the resolution of board of directors. It is effective in accordance with official letter No. 1120345634 by the Financial Supervisory Commission on June 20, 2023.
- (c) The Group suffered a major fire accident on August 1, 2023, which caused damage to some of its equipment and inventories. Since the losses are still being evaluated by the insurance company, the Group is unable to verify the total cost of the damage. Hence, the subsequent insurance claim has yet to be recognized. After the Group's preliminary assessment of the relevant losses and subsequent claims settlement, there was no significant impact on the overall operation.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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 June 30, 2023			For the three months ended June 30, 2022		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Nature						
Employee benefits						
Salary	81,275	392,242	473,517	76,244	427,486	503,730
Labor and health insurance	9,352	40,154	49,506	8,553	42,290	50,843
Pension	4,161	20,032	24,193	3,763	21,378	25,141
Others employee benefits	3,254	28,936	32,190	4,230	28,124	32,354
Depreciation	17,799	200,713	218,512	18,012	170,964	188,976
Amortization	1,448	30,506	31,954	19	22,875	22,894

Categorized as	For the six months ended June 30, 2023			For the six months ended June 30, 2022		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Nature						
Employee benefits						
Salary	158,901	792,751	951,652	148,577	833,152	981,729
Labor and health insurance	18,530	82,037	100,567	17,250	83,260	100,510
Pension	8,263	40,564	48,827	7,574	42,202	49,776
Others employee benefits	8,292	49,474	57,766	7,781	53,535	61,316
Depreciation	35,216	412,601	447,817	36,154	340,892	377,046
Amortization	1,467	61,958	63,425	42	45,828	45,870

(b) 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 six months ended June 30, 2023:

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	21st Century Technology Co., Ltd.	Other receivables	Yes	350,000	-	-	- %	2	-	Business turnover	-	Repayment of promissory note	350,000	2,526,724	2,526,724
1	21st Century Digital Technology Co., Ltd.	21st Century Technology Co., Ltd.	Other receivables	Yes	570,000	-	527,320	2.75 %	2	-	Business turnover	-	Repayment of promissory note	100,000	626,040	626,040

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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		
1	21st Century Technology Co. Ltd.	21st Century Digital Technology Co., Ltd.	Other receivables	Yes	100,000	-	-	- %	2	-	Business turnover	-		-	875,808	875,808
1	"	21st FinancialTec hnology Co., Ltd	Other receivables	Yes	1,100	1,100	-	- %	2	-	Business turnover	-		-	875,808	875,808
1	Cherri Tech, Inc.	Japan Cherri KK	Other receivables	Yes	4,302	4,302	4,302	2.75 %	2	-	Business turnover	-		-	27,696	27,696

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.

2. Guarantees and endorsements for other parties:

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

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 parent 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	3,158,405	10,000	10,000	1,992	-	0.16 %	9,475,214	Y	N	N
0	"	PChome Express Co., Ltd.	2	3,158,405	50,000	50,000	-	-	0.79 %	9,475,214	Y	N	N
0	"	PChome Store Inc.	2	3,158,405	325,000	325,000	125,000	-	5.15 %	9,475,214	Y	N	N
0	"	PChome Bibian Inc.	2	3,158,405	345,900	339,750	147,225	-	5.38 %	9,475,214	Y	N	N
0	"	Pi Mobile Technology Inc	1	947,521	300,000	300,000	300,000	-	4.75 %	9,475,214	Y	N	N
0	"	21st Century Digital Technology Co., Ltd.	1	1,565,101	350,000	350,000	350,000	350,000	5.54 %	9,475,214	Y	N	N
1	21st Century Technology Co., Ltd.	21st Century Digital Technology Co., Ltd.	2	6,568,563	2,440,000	2,100,000	1,054,221	-	95.91 %	10,947,605	Y	N	N
2	21st Century Digital Technology Co., Ltd.	21st Century Technology Co., Ltd.	3	4,695,303	2,140,000	100,000	-	-	6.39 %	7,825,505	N	Y	N

Note 1: 0 is issuer. Subsidiaries labeled in number sequence from 1.

Note 2: 0. The total amount of guarantee and/or endorsements for any single entity shall not exceed 50% of the current net value. The shareholders' meeting on June 28, 2023 approved that the total amount of endorsement and/or guarantees by the Company and its subsidiaries was increased from 100% of the net value in their latest financial statements to 150%.

1. Investee subsidiaries - the limit of endorsement and/or guarantees for individual entity by 21st Century Technology Co., Ltd. shall not exceed 300% of the entity's net worth as stated in its latest financial report. The total amount of guarantees and endorsements for others shall not exceed 500% of the Company's net worth in the latest financial statements.

2. Investee subsidiaries - the limit of endorsement and/or guarantees for individual entity by 21st Century Digital Technology Co., Ltd. shall not exceed 300% of the the entity's net worth as stated in its latest financial report. The total amount of guarantees and endorsements for others shall not exceed 500% of the Company's net worth in the latest financial statements.

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.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	
	Common Stock:							
PChome Online Inc.	Openfind InformationTechnology, Inc.	-	FVOCI	880,000	58,634	6.22 %	58,634	
"	Career Consulting Co., Ltd.	-	"	113,005	2,894	0.72 %	2,894	
"	ECROWD MEDIA INC.	-	"	3,725,645	55,698	18.39 %	55,698	
"	IPEVO Corp.	-	"	1,958,018	68,217	7.19 %	68,217	
"	Famicloud Inc.	-	"	57,000	780	0.66 %	780	
"	Taiwan Advance Intelligent Tech. Co., Ltd.	-	"	1,732,102	3,291	4.75 %	3,291	
"	Miho International Cosmetic Co., Ltd.	-	"	6,941,550	123,976	8.09 %	123,976	
"	PayEasy Ltd.	-	"	1,376,668	37,551	12.52 %	37,551	
"	17Life Ltd.	-	"	1,126,049	1	6.26 %	1	
"	Influenxio Limited	-	"	9,915	8,859	3.51 %	8,859	
"	Mdata Group Co., LTD.	-	"	126,011	16,715	2.86 %	16,715	
"	AccuHit Tech Holdings Limited	-	"	416,667	17,646	3.66 %	17,646	
	Preferred stocks:							
"	Pickupp Limited	-	"	650,644	92,245	3.17 %	92,245	
"	FunNow Ltd.	-	"	130,662	43,715	2.71 %	43,715	
"	AccuHit Tech Holdings Limited	-	"	1,400,000	143,651	12.28 %	143,651	
"	Our Agriculture Inc.	-	"	3,212,121	14,037	2.49 %	14,037	
	Common Stock:							
Pi Mobile Technology Inc.	All Win Fintech Company Limited	-	"	11,400,000	169,632	11.40 %	169,632	
Linktel Inc.	Eastern Online Co., Ltd.	-	FVTPL	118,750	-	2.31 %	-	
"	Taiwan Star Telecom Co., Ltd.	-	"	3,942	-	- %	-	
	Convertible bonds:							
Chunghwa PChome Fund 1 Co., Ltd.	Tresl Inc.	-	"	-	8,640	- %	8,640	
"	WORCA INC.	-	"	-	22,688	- %	22,688	
	Preferred stocks:							
"	Instill Ai Ltd.	-	"	6,262	4,202	3.60 %	4,202	
"	FP International Limited	-	"	56,050	5,115	2.39 %	5,115	
"	Ecommerce Enablers Pte. Ltd.	-	"	142,813	29,606	0.15 %	29,606	
"	USPACE Tech Co., Ltd.	-	"	1,226,016	31,889	6.16 %	31,889	
"	Our Agriculture Inc.	-	"	11,682,828	25,541	8.92 %	25,541	
"	Green Future Tech Inc.	-	"	312,300	45,734	2.29 %	45,734	
"	Pickupp Limited	-	"	131,179	17,341	0.64 %	17,341	
"	Return Helper Limited	-	"	4,168	9,755	10.87 %	9,755	
"	Aiello Inc.	-	"	6,836,545	21,113	3.29 %	21,113	

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name of holder	Category and name of security	Category and name of security	Account title	Ending balance				Note
				Number	Book value	Percentage	Market value	
Chunghwa PChome Fund 1 Co., Ltd.	Haulio Investment Holdings Pte. Ltd.	-	FVTPL	362,189	5,558	0.91 %	5,558	
"	GoFreight Inc.	-	"	165,020	179,503	5.02 %	179,503	
"	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: None.
5. Acquisition of real estate for which the dollar amount reaches \$300 million or 20% or more of paid-in capital:

Name of company	Type of property	Transaction date	Transaction amount	Status of payment	Counterparty	Relationship	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the company	Date of transfer	Amount			
The Company	Right-of-use asset	February 1, 2023	3,996,875	monthly payment	Chunghwa Post Co., Ltd.	None	-	-	-	-	Tender contract	Warehouse	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	377,660	- %	-		377,660	-
21st Century Digital Technology Co., Ltd.	21st Century Technology Co., Ltd.	Parent company of sub-subsidiary	541,106	- %	-		-	-

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	377,660	Usual terms and conditions	1.33 %
0	21st Century Digital Technology Co., Ltd.	21st Century Technology Co., Ltd.	1	Other receivables	541,106	Usual terms and conditions	1.90 %

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.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Information on investees:

For the six months ended June 30, 2023, 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	5,405,462	100.00 %	58,431	(1,198)	(1,198)	Note 1
"	Linktel Inc.	"	Type II Telecommunications Business	125,000	125,000	6,831,604	100.00 %	18,105	(7,311)	(7,311)	"
"	PC HOME ONLINE INTERNATIONAL CO., LTD.	British Virgin Islands	International trade and investment activities	25,485	25,485	122,328	100.00 %	528	(1,117)	(1,117)	"
"	Rakuya International Info. Co. Ltd.	Taiwan	Real estate business, and internet information rental service	47,439	47,439	3,035,115	26.47 %	54,437	40,814	10,804	"
"	PChome Store Inc.	"	Internet services	-	326,494	-	- %	-	(19,011)	(8,116)	Note 1
"	PCHOME US INC.	United States of America	E-commerce platform	134,065	134,065	45,800,000	91.97 %	6,857	1,566	1,440	"
"	PChome (Thailand) Co., Ltd.	Thailand	E-commerce platform	131,875	131,875	13,249,999	66.25 %	13,106	(4,061)	(2,690)	"
"	PChome Travel Inc.	Taiwan	Travel agencybusiness	36,000	36,000	3,600,000	100.00 %	11,701	(1,491)	(1,491)	"
"	PChome Financial Technology Inc.	"	Information service	10,000	10,000	1,000,000	100.00 %	3,823	(33)	(33)	"
"	PChome Holding Inc.	British Virgin Islands	Investment activities	1,043,763	1,043,763	335,680,846	100.00 %	22,462	(1,577)	(1,577)	"
"	PChome Express Co., Ltd.	Taiwan	Transportation andlogistics	200,000	200,000	20,000,000	100.00 %	136,245	(3,223)	(3,223)	"
"	Chungghwa PChome Fund 1 Co., Ltd.	"	Investment activities	200,000	200,000	20,000,000	50.00 %	262,321	(11,764)	(5,882)	"
"	Cornerstone Ventures Co., Ltd.	"	Investment activities	5,100	5,100	510,000	51.00 %	7,449	893	455	"
"	PChome CB Co., Ltd.	"	E-commerce cross-borderservices	140,000	140,000	14,000,000	70.00 %	161,208	5,736	4,015	"
"	Mitch Co., Ltd.	"	Clothing sales	168,614	162,000	10,400,000	100.00 %	16,381	(11,342)	(6,867)	"
"	YunTan technology Inc.	"	Information processing and provision of electronic information	54,250	54,250	1,261,628	70.00 %	32,178	(9,609)	(7,730)	Notes 1&2
"	21st Century Technology Co., Ltd.	"	Financial Technology Services	5,192,546	5,192,546	24,139,099	43.63 %	4,576,705	155,646	55,275	"
"	PChome Data Technology Co., Ltd.	"	Information processing and provision of electronic information	5,000	5,000	500,000	100.00 %	4,184	(245)	(245)	Note 1
"	PIN Technology Inc.	"	Information processing and provision of electronic information	10,000	10,000	1,000,000	100.00 %	9,702	(25)	(25)	"
"	UPN Information Co., Ltd.	Cayman Islands	Investment activities	224,262	224,262	400,001	40.00 %	212,156	(11,233)	(5,969)	"
"	EC Global Limited	Hong Kong	Investment activities	6,338	6,338	7,494,642	100.00 %	6,694	(76)	(76)	Note 1
"	PChome eBay Co., Ltd.	Taiwan	Information processing and provision of electronic information	779,688	779,688	27,300,000	65.00 %	266,478	43,023	27,965	"

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.	Ruten Japan KK	Japan	Information processing and provision of electronic information	-	9,830	-	- %	-	(2,872)	(839)	
PChome eBay Co., Ltd.	PChome Store Inc.	Taiwan	Internet services	889,919	632,258	75,500,018	100.00 %	(15,525)	(19,011)	(7,787)	Note 1
"	ECOSMOS PTE. LTD.	Singapore	Information processing and provision of electronic information	9,153	9,153	3,300,000	100.00 %	8,720	(371)	(371)	"
"	21st Century Technology Co., Ltd.	Taiwan	Financial Technology Services	224,592	224,592	778,131	1.41 %	30,872	155,646	2,195	"
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 %	2,425	(1,027)	(1,027)	"
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 %	6,388	(157)	(157)	"
PChome Holding Inc.	PChome Marketplace Inc.	Cayman Islands	Investment activities	1,043,763	1,043,763	38,335,000	100.00 %	18,125	(1,378)	(1,378)	"
PChome Marketplace Inc.	PChome Japan KK	Japan	International trading E-commerce	-	37,580	-	- %	-	(56)	(56)	"
"	PChome Store Inc.	Taiwan	Internet services	-	998,758	-	- %	-	(19,011)	(3,101)	"
PChome CB Co., Ltd.	PChome CBS Co., Ltd.	"	Internet services	127,000	127,000	2,900,000	100.00 %	138,401	(2,439)	(2,439)	"
"	PCHOME CB PTE. LTD.	Singapore	Internet services	59,698	59,698	190,000	100.00 %	86,429	17,005	17,005	"
PCHOME CB PTE. LTD.	PChome Bibian Inc.	Japan	E-commerce cross-border services	51,069	51,069	18,000,000	100.00 %	79,961	17,319	17,319	"
YunTan technology Inc.	Einsure insurance broker Inc.	Taiwan	Insurance brokers	41,600	38,600	4,800,000	100.00 %	370	(9,549)	(9,549)	"
21st Century Technology Co., Ltd.	Pi Mobile Technology Inc.	"	Online payment processing services	133,206	133,206	2,441,860	5.25 %	11,962	(25,659)	(1,347)	"
"	21st Financial Technology Co., Ltd	Cayman Islands	Investment activities	1,468,741	1,468,741	51,167,407	100.00 %	1,779,826	207,235	207,235	"
"	Cherri Tech, Inc.	Taiwan	Financial technology services and indirect investment activities	2,155,114	2,155,114	2,136,310	100.00 %	1,755,520	(23,285)	(34,787)	Notes 1&2
21st Financial Technology Co., Ltd	Pi Mobile Technology Inc.	"	Online payment processing services	6,438	6,438	43,819,006	94.24 %	214,725	(25,659)	(24,181)	Note 1
"	21st Century Digital Technology Co., Ltd.	"	Financial Technology Services	39,161	39,161	120,100,000	100.00 %	1,565,101	231,417	231,417	"
21st Century Digital Technology Co., Ltd.	FAN7 TOUR CO., LTD.	"	Travel agency business	6,000	6,000	600,000	100.00 %	4,121	(86)	(86)	"
"	Lianju Asset Management Co., Ltd.	"	Financial Institution Creditor's Right(Money) Purchase	3,000	-	300,000	100.00 %	2,082	(918)	(918)	"
Pi Mobile Technology Inc.	Pay and Link Inc.	"	Electronic payment business	710,388	710,388	50,100,000	100.00 %	446,389	(13,152)	(13,152)	"
"	Yun Tung Bao International Co., Ltd.	"	Online payment processing services	3,000	3,000	300,000	100.00 %	2,493	(5)	(5)	"
Cherri Tech, Inc.	Japan Cherri KK	Japan	Financial Technology Services	11,135	8,283	1,600	80.00 %	7,980	(3,086)	(1,852)	"

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.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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	Approved investment (amount) by Ministry of Economic Affairs Investment Commission	Limitation on investment in Mainland China in accordance with regulations of Ministry of Economic Affairs Investment Commission
-	60,081	4,957,789

Note 1: In the above table, all relevant amounts are disclosed in TWD, and the foreign currency was translated on the exchange rate 31.13 at the six months ended June 30, 2023.

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 June 30, 2023, 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	14.75 %
LGT Bank (Singapore) Investment Fund under the Custody of Standard Chartered		6,776,000	5.28 %

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 June 30, 2023. 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.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(14) Segment Information

The Group's regional financial information was as follows:

<u>For the three months ended June 30, 2023</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>
Revenue:							
Non-inter-company revenue	\$ 8,521,945	213,222	345,866	(59,464)	-	-	9,021,569
Inter-company revenue	(22,646)	34,028	35,542	127,641	(174,565)	-	-
Total Revenue	\$ 8,499,299	247,250	381,408	68,177	(174,565)	-	9,021,569
Reportable Segment net operating (loss) income	\$ (167,447)	12,463	35,635	(2,110)	(3,965)	(15,911)	(141,335)
<u>For the three months ended June 30, 2022</u>							
Revenue:							
Non-inter-company revenue	\$ 10,400,130	326,720	269,313	183,693	-	-	11,179,856
Inter-company revenue	15,095	27,204	31,426	101,007	(174,732)	-	-
Total Revenue	\$ 10,415,225	353,924	300,739	284,700	(174,732)	-	11,179,856
Reportable Segment net operating (loss) income	\$ (53,281)	20,548	(13,237)	(24,567)	1,557	(14,750)	(83,730)
<u>For the six months ended June 30, 2023</u>							
Revenue:							
Non-inter-company revenue	\$ 17,631,637	462,878	711,561	371,393	-	-	19,177,469
Inter-company revenue	11,618	84,347	57,565	238,967	(392,497)	-	-
Total Revenue	\$ 17,643,255	547,225	769,126	610,360	(392,497)	-	19,177,469
Reportable Segment net operating (loss) income	\$ (319,440)	27,267	102,609	(30,418)	(9,046)	(30,388)	(259,416)
<u>For the six months ended June 30, 2022</u>							
Revenue:							
Non-inter-company revenue	\$ 21,355,338	663,232	538,537	332,186	-	-	22,889,293
Inter-company revenue	20,556	52,505	81,707	191,016	(345,784)	-	-
Total Revenue	\$ 21,375,894	715,737	620,244	523,202	(345,784)	-	22,889,293
Reportable Segment net operating (loss) income	\$ (21,650)	49,253	(3,533)	(79,559)	2,459	(29,499)	(82,529)