Stock Code:3130

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

104 CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

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

Address: **10F., No. 119-1, Baozhong Rd., Xindian Dist., New Taipei City 231, Taiwan, R.O.C.**

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

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Independent Auditors' Review Report

To the Board of Directors of 104 Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of 104 Corporation and subsidiaries as of September 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and the nine months periods then ended, and changes in equity and cash flows for the nine months ended September 30, 2022 and 2021, 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 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 review.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 4(2), 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 NT$102,196 thousand and NT$108,961 thousand, constituting 3.37% and 4.03% of the consolidated total assets as of September 30, 2022 and 2021, respectively; the total liabilities amounting to NT$10,267 thousand and NT$9,857 thousand, constituting 0.71% and 0.81% of the consolidated total liabilities as of September 30, 2022 and 2021, respectively; as well as the total comprehensive income amounting to NT$21,430 thousand, NT$604 thousand, NT$23,387 thousand and NT$2,611 thousand, constituting 17.75%, 0.71%, 6.20% and 0.95% of the consolidated total comprehensive income for the three and nine months ended September 30, 2022 and 2021, respectively.

Qualified Conclusion

Based on our reviews, except for the effects of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain non-significant subsidiaries as described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, 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 104 Corporation and subsidiaries as of September 30, 2022 and 2021, and of its consolidated financial performance for the three and nine months ended September 30, 2022 and 2021, as well as its consolidated cash flows for the nine months ended September 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IASs 34, "Interim Financial Reporting" endorsed and issued by the Financial Supervisory Commission of the Republic of China.

The engagement partners of KPMG on the review resulting in this independent auditor's review report are Min-Ju Chao and Chun-Hsiu Kuang.

KPMG

Taipei, Taiwan (Republic of China)
November 1, 2022

Note to Readers

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

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 auditors' report and consolidated financial statements, the Chinese version shall prevail.

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

Reviewed only, not audited in accordance with generally accepted auditing standards as of September 30, 2022 and 2021

104 CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2022, December 31 and September 30, 2021

(Expressed in Thousands of New Taiwan Dollars)

	September 30, 2022		December 31, 2021		September 30, 2021	
Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Current assets:						
Cash and cash equivalents (note 6(1))	$ 1,083,922	36	2,521,057	86	2,269,543	84
Current financial assets measured at amortized cost (note 6(3))	1,514,768	50	-	-	-	-
Notes receivable, net (notes 6(4) and (13))	405	-	971	-	360	-
Accounts receivable, net (notes 6(4) and (13))	91,077	3	74,015	2	84,937	4
Other receivables	9,589	-	9,254	-	11,097	-
Other current assets, others	38,587	1	26,697	1	30,013	1
Total current assets	2,738,348	90	2,631,994	89	2,395,950	89
Non-current assets:						
Non-current financial assets at fair value through profit or loss (note 6(2))	5,080	-	4,429	-	4,456	-
Property, plant and equipment (note 6(5))	206,043	7	210,493	8	210,688	8
Right-of-use assets (notes 6(6) and (8))	51,699	2	67,263	2	58,836	3
Intangible assets (note 6(7))	458	-	1,017	-	1,259	-
Deferred tax assets	9,150	-	9,150	-	8,638	-
Refundable deposits	9,079	-	8,964	-	8,772	-
Other non-current financial assets (note 8)	10,000	1	10,000	1	10,000	-
Other non-current assets, others (notes 6(4) and (13))	860	-	2,322	-	2,855	-
Total non-current assets	292,369	10	313,638	11	305,504	11
Total assets	$ 3,030,717	100	2,945,632	100	2,701,454	100

	September 30, 2022		December 31, 2021		September 30, 2021	
Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Current liabilities:						
Current contract liabilities (note 6(13))	$ 800,798	27	682,838	24	669,050	25
Notes payable	419	-	1,148	-	582	-
Accounts payable	3,394	-	5,772	-	1,397	-
Other payables (note 6(14))	453,138	15	488,276	17	364,695	14
Current tax liabilities	56,335	2	42,955	1	46,695	2
Current provisions for employee benefits	37,958	1	36,460	1	35,580	1
Current lease liabilities (note 6(8))	31,288	1	31,602	1	30,204	1
Other current liabilities, others	36,210	1	35,890	1	30,270	1
Total current liabilities	1,419,540	47	1,324,941	45	1,178,473	44
Non-current liabilities:						
Non-current lease liabilities (note 6(8))	21,160	1	36,445	1	29,443	1
Net defined benefit liability, non-current	7,595	-	8,796	-	11,407	-
Total non-current liabilities	28,755	1	45,241	1	40,850	1
Total liabilities	1,448,295	48	1,370,182	46	1,219,323	45
Equity attributable to owners of parent (note 6(11)):						
Common stock	331,907	11	331,907	11	331,907	12
Capital surplus	397,574	13	397,574	14	397,574	15
Retained earnings:						
Legal reserve	378,199	12	378,199	13	378,199	14
Special reserve	5,709	-	5,339	-	5,339	-
Unappropriated earnings	471,981	16	456,722	16	371,349	14
Total retained earnings	855,889	28	849,260	29	754,887	28
Other equity:						
Exchange differences on translation of foreign financial statements	(4,424)	-	(5,709)	-	(6,142)	-
Total equity attributable to owners of parent	1,580,946	52	1,573,032	54	1,478,226	55
Non-controlling interests	1,476	-	2,418	-	3,905	-
Total equity	1,582,422	52	1,575,450	54	1,482,131	55
Total liabilities and equity	$ 3,030,717	100	2,945,632	100	2,701,454	100

See accompanying notes to consolidated financial statements.

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

Reviewed only, not audited in accordance with generally accepted auditing standards

104 CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

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

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	For the three months ended September 30,				For the nine months ended September 30,			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Operating revenue (note 6(13))	$ 581,533	100	459,428	100	1,654,033	100	1,354,262	100
Operating costs (notes 6 (5), (6), (7), (8), (9), (14), 7 and 12)	63,222	11	43,584	9	171,051	10	131,722	10
Gross profit	518,311	89	415,844	91	1,482,982	90	1,222,540	90
Operating expenses (notes 6 (4), (5), (6), (7), (8), (9), (14), 7 and 12):								
Selling expenses	243,040	42	176,172	39	672,892	41	509,999	38
Administrative expenses	65,269	11	39,059	9	182,260	11	116,122	8
Research and development expenses	68,621	12	96,332	21	185,791	11	282,022	21
Expected credit loss	(208)	-	1,137	-	623	-	1,786	-
Total operating expenses	376,722	65	312,700	69	1,041,566	63	909,929	67
Operating income	141,589	24	103,144	22	441,416	27	312,611	23
Non-operating income and expenses (notes 6 (5), (6), (7), (8), (9), (15), 7 and 12):								
Interest income	4,459	1	2,742	1	10,857	1	8,073	1
Other income	835	-	1,286	-	4,334	-	4,692	-
Other gains and losses	1,342	-	(1,557)	-	2,873	-	(4,158)	-
Finance costs	(198)	-	(231)	-	(665)	-	(770)	-
Total non-operating income and expenses	6,438	1	2,240	1	17,399	1	7,837	1
Income before income tax	148,027	25	105,384	23	458,815	28	320,448	24
Less: income tax expenses (note 6(10))	27,666	4	20,669	5	82,756	5	44,284	4
Net income	120,361	21	84,715	18	376,059	23	276,164	20
Other comprehensive income (loss):								
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of foreign financial statements	367	-	(50)	-	1,349	-	(885)	-
Less: Income tax related to items that are or may be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
Other comprehensive income (loss)	367	-	(50)	-	1,349	-	(885)	-
Total comprehensive income	$ 120,728	21	84,665	18	377,408	23	275,279	20
Net income (loss) attributable to:								
Owners of parent	$ 120,761	21	$ 85,417	18	377,065	23	277,826	20
Non-controlling interests	(400)	-	(702)	-	(1,006)	-	(1,662)	-
	$ 120,361	21	84,715	18	376,059	23	276,164	20
Total comprehensive income (loss) attributable to:								
Owners of parent	$ 121,117	21	85,372	18	378,350	23	277,023	20
Non-controlling interests	(389)	-	(707)	-	(942)	-	(1,744)	-
	$ 120,728	21	84,665	18	377,408	23	275,279	20
Earnings per share (note 6(12))								
Basic earnings per share	$ 3.64		2.57		11.36		8.37	
Diluted earnings per share	$ 3.61		2.56		11.27		8.32	

See accompanying notes to consolidated financial statements.

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

Reviewed only, not audited in accordance with generally accepted auditing standards

104 CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
			Retained earnings							
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2021	$ 331,907	397,574	378,199	6,121	351,628	735,948	(5,339)	1,460,090	5,649	1,465,739
Appropriations and distributions										
Cash dividends	-	-	-	-	(258,887)	(258,887)	-	(258,887)	-	(258,887)
Reversal of special reserve	-	-	-	(782)	782	-	-	-	-	-
Net income (loss) for the period	-	-	-	-	277,826	277,826	-	277,826	(1,662)	276,164
Other comprehensive income (loss) for the period	-	-	-	-	-	-	(803)	(803)	(82)	(885)
Total comprehensive income (loss) for the period	-	-	-	-	277,826	277,826	(803)	277,023	(1,744)	275,279
Balance at September 30, 2021	**$ 331,907**	**397,574**	**378,199**	**5,339**	**371,349**	**754,887**	**(6,142)**	**1,478,226**	**3,905**	**1,482,131**
Balance at January 1, 2022	$ 331,907	397,574	378,199	5,339	465,722	849,260	(5,709)	1,573,032	2,418	1,575,450
Appropriations and distributions										
Special reserve	-	-	-	370	(370)	-	-	-	-	-
Cash dividends	-	-	-	-	(370,436)	(370,436)	-	(370,436)	-	(370,436)
Net income (loss) for the period	-	-	-	-	377,065	377,065	-	377,065	(1,006)	376,059
Other comprehensive income (loss) for the period	-	-	-	-	-	-	1,285	1,285	64	1,349
Total comprehensive income (loss) for the period	-	-	-	-	377,065	377,065	1,285	378,350	(942)	377,408
Balance at September 30, 2022	**$ 331,907**	**397,574**	**378,199**	**5,709**	**471,981**	**855,889**	**(4,424)**	**1,580,946**	**1,476**	**1,582,422**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

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Consolidated Statements of Cash Flows

For the nine months ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30, 2022	2021
Cash flows from (used in) operating activities:		
Income before tax	$ 458,815	320,448
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	51,200	49,801
Amortization expense	559	882
Expected credit loss	623	1,786
Interest expense	665	770
Interest income	(10,857)	(8,073)
Loss from disposal of property, plant and equipment	6	400
Unrealized foreign exchange (gain) loss	(651)	101
Gain from lease modifications	(13)	(52)
Total adjustments to reconcile profit	41,532	45,615
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Notes receivable	566	(199)
Accounts receivable	(17,685)	(35,817)
Other receivables	299	(1,893)
Other current assets	(11,890)	7,031
Total net changes in operating assets	(28,710)	(30,878)
Net changes in operating liabilities:		
Contract liabilities	117,960	68,174
Notes payable	(729)	528
Accounts payable	(2,378)	(462)
Other payables	(33,362)	(41,096)
Current provision for employee benefits	1,498	5,366
Other current liabilities	320	1,725
Net defined benefit liabilities	(1,201)	(1,204)
Total net changes in operating liabilities	82,108	33,031
Total net changes in operating assets and liabilities	53,398	2,153
Total adjustments	94,930	47,768
Cash inflow generated from operations	553,745	368,216
Interest received	10,223	8,203
Interest paid	(665)	(770)
Income taxes paid	(69,376)	(42,537)
Net cash flows from operating activities	493,927	333,112
Cash flows from (used in) investing activities:		
Acquisition of financial assets measured at amortized cost	(3,868,248)	-
Proceeds from disposal of financial assets measured at amortized cost	2,354,767	-
Acquisition of property, plant and equipment	(22,693)	(16,397)
Proceeds from disposal of property, plant and equipment	28	-
Increase in refundable deposits	(115)	(472)
Decrease in other non-current assets	1,462	1,369
Net cash flows used in investing activities	(1,534,799)	(15,500)
Cash flows from (used in) financing activities:		
Payments of lease liabilities	(25,888)	(24,810)
Cash dividends paid	(370,436)	(258,887)
Net cash flows used in financing activities	(396,324)	(283,697)
Effect of exchange rate changes on cash and cash equivalents	61	(884)
Net (decrease) increase in cash and cash equivalents	(1,437,135)	33,031
Cash and cash equivalents at beginning of period	2,521,057	2,236,512
Cash and cash equivalents at end of period	$ 1,083,922	2, 269,543

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

104 CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, unless otherwise stated)

(1) Company history

104 Corporation (the "Company") was incorporated as a company limited by shares under the Company Act of the Republic of China in October 1993. The Company, formerly named Fu-Hwa International Market Development Consultant Ltd., was renamed 104 Corporation in August 2000. The Company and subsidiaries (the "Consolidated Company") are engaged in information technology, general advertising services, employment services, and human resource consultancy.

(2) Approval date and procedures of the consolidated financial statements

The consolidated financial statements were authorized for issuance by the board of directors on November 1, 2022.

(3) New standards, amendments and interpretations adopted

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

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

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

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

The adoption of the new amendments, effective for annual period beginning on January 1, 2023, are expected to have the following impacts:

Amendments to IAS 1 "Disclosure of Accounting Policies", the key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements

The Consolidated Company is currently evaluating and reviewing the accounting policies which shall be disclosed in its consolidated financial statements to comply with the amendments.

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Notes to the Consolidated Financial Statements

The following amendments are not expected to have a significant impact on the consolidated financial statements:

- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

3) The impact of IFRS issued by IASB but not yet endorsed by the FSC

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendment to IFRS 17 “Initial Application of IFRS 17 and IFRS 9—Comparative Information”
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(4) Summary of significant accounting policies

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

1) Statement of compliance

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

2) Basis of consolidation

1. List of subsidiaries included in the consolidated financial statements

List of subsidiaries in the consolidated financial statements:

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Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Business activities	Percentage of ownership September 30, 2022	December 31, 2021	September 30, 2021	Notes
The Company	104 Consulting Corporation (104 Consulting)	General advertising services, IT software services, electronic information services, talent dispatching, management consultancy and data processing services	100.00%	100.00%	100.00%	Note
The Company	104 Human Resources Consultancy (Shanghai) Co., Ltd. (104 Human Resources Consultancy)	Collecting, coordinating, publishing, and consulting on human resource information; recruitment; designing and developing computer software, multimedia, and network systems; designing and producing advertising	70.00%	70.00%	70.00%	Note
The Company	104 Redpoint Information Technology (Shanghai) Co., Ltd. (Redpoint Information)	Developing network technologies and computer software, selling products, providing technical advice and services, and management consultancy	100.00%	100.00%	100.00%	Note

Note：It is a non-significant subsidiary, and its financial statements have not been reviewed.

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

3) Employee benefits

The pension cost for an interim period was calculated 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.

4) Income taxes

The income tax expenses have been prepared and disclosed in accordance with IAS 34 “Interim Financial 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. This should be recognized fully as tax expense for the current period.

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 tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

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Notes to the Consolidated Financial Statements

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 "Interim Financial Reporting" which are endorsed by 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 preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed in conformity with the note 5 of the consolidated financial statements for the year ended December 31, 2021.

(6) Explanation of significant accounts

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2021. For the related information, please refer to Note 6 of the consolidated financial statements for the year ended December 31, 2021.

1) Cash and cash equivalents

	September 30, 2022	December 31, 2021	September 30, 2021
Cash	$ 69	70	39
Checking deposits	-	391	-
Demand deposits	94,847	137,632	136,467
Time deposits	989,006	2,319,464	2,034,037
Cash equivalents－Bonds purchased under resell agreement	-	63,500	99,000
Cash and cash equivalents in the consolidated statement of cash flows	**$ 1,083,922**	**2,521,057**	**2,269,543**

Please refer to note 6(16) for the disclosure of the interest rate risk and currency risk of the financial assets of the Consolidated Company.

2) Financial assets at fair value through profit or loss

	September 30, 2022	December 31, 2021	September 30, 2021
Mandatorily measured at fair value through profit or loss－non-current			
Private fund	**$ 5,080**	**4,429**	**4,456**

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Notes to the Consolidated Financial Statements

3) Financial assets measured at amortized cost – current

	September 30, 2022	December 31, 2021	September 30, 2021
Time deposits with original maturity over three months	$ 1,514,768	-	-
Interest rate range	0.175~1.800	-	-

The Consolidated Company evaluates that the assets are held to maturity to collect contractual cash flows and the cash flows are solely payments of principal and interest on the principal amount outstanding, thus the assets are classified as financial assets measured at amortized cost.

4) Notes and accounts receivable and overdue receivable

	September 30, 2022	December 31, 2021	September 30, 2021
Notes receivable	$ 405	971	360
Accounts receivable	91,239	74,056	85,127
Overdue receivable (recorded under other non-current assets)	1,036	874	1,174
Less: Allowance for doubtful accounts－accounts receivable	(162)	(41)	(190)
Allowance for doubtful accounts－overdue receivable (recorded under other non-current assets)	(1,036)	(874)	(1,174)
	$ 91,482	74,986	85,297

The Consolidated Company 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, notes, accounts and overdue receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information.

The loss allowance provision for notes receivable, accounts receivable and overdue receivable were determined as follows:

	September 30, 2022		
	Gross carrying amount	Weighted-average expected loss rate (%)	Lifetime expected credit loss allowance
Aging 1~90 days	$ 71,874	0.18	127
Aging 91~120 days	9,283	0.18	16
Aging 121~365 days	10,487	0.18	19
Aging over 365 days	1,036	100.00	1,036
	$ 92,680		1,198

104 CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	December 31, 2021		
	Gross carrying amount	Weighted-average expected loss rate (%)	Lifetime expected credit loss allowance
Aging 1~90 days	$ 59,612	0.05	32
Aging 91~120 days	3,083	0.05	2
Aging 121~365 days	12,332	0.05	7
Aging over 365 days	874	100.00	874
	$ 75,901		915

	September 30, 2021		
	Gross carrying amount	Weighted-average expected loss rate (%)	Lifetime expected credit loss allowance
Aging 1~90 days	$ 69,018	0.22	153
Aging 91~120 days	11,065	0.22	25
Aging 121~365 days	5,404	0.22	12
Aging over 365 days	1,174	100.00	1,174
	$ 86,661		1,364

The movement in the loss allowance provision for notes, accounts and overdue receivable were as follows:

	For the nine months ended September 30,	
	2022	2021
Balance on January 1	$ 915	-
Impairment losses recognized	623	1,786
Amounts written off	(412)	(492)
Accounts recovered	72	70
Balance on September 30	$ 1,198	1,364

The Consolidated Company does not hold any collateral for collectible amounts.

5) Property, plant and equipment

Movement of the cost, depreciation, and impairment loss of the property, plant and equipment of the Consolidated Company for the nine months ended September 30, 2022 and 2021 were as follows:

	Land	Buildings	Computer equipment	Office equipment	Leasehold improvement	Other equipment	Unfinished construction	Total
Cost or deemed cost:								
Balance at January 1, 2022	$ 103,562	76,971	394,607	5,582	53,288	27,805	-	661,815
Additions	-	-	14,884	385	2,207	1,882	1,559	20,917
Disposals	-	-	(22,808)	(55)	-	-	-	(22,863)
Reclassification	-	-	-	-	1,371	-	(1,371)	-
Effect of movements in exchange rates	-	-	49	1	-	-	-	50
Balance at September 30, 2022	$ 103,562	76,971	386,732	5,913	56,866	29,687	188	659,919

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Notes to the Consolidated Financial Statements

		Land	Buildings	Computer equipment	Office equipment	Leasehold improvement	Other equipment	Unfinished construction	Total
Balance at January 1, 2021	$	103,562	76,781	366,205	4,873	54,133	26,964	-	632,518
Additions		-	190	22,012	775	3,611	547	-	27,135
Disposals		-	-	(1,458)	(66)	(4,456)	-	-	(5,980)
Effect of movements in exchange rates		-	-	(45)	-	-	-	-	(45)
Balance at September 30, 2021	$	**103,562**	**76,971**	**386,714**	**5,582**	**53,288**	**27,511**	**-**	**653,628**
Depreciation and impairment loss:									
Balance at January 1, 2022	$	-	42,942	335,297	4,570	43,607	24,906	-	451,322
Depreciation		-	1,341	19,119	656	2,911	1,307	-	25,334
Disposals		-	-	(22,774)	(55)	-	-	-	(22,829)
Effect of movements in exchange rates		-	-	48	1	-	-	-	49
Balance at September 30, 2022	$	**-**	**44,283**	**331,690**	**5,172**	**46,518**	**26,213**	**-**	**453,876**
Balance at January 1, 2021	$	-	39,918	312,547	3,870	44,226	23,074	-	423,635
Depreciation		-	2,396	18,014	561	2,527	1,431	-	24,929
Disposals		-	-	(1,458)	(66)	(4,056)	-	-	(5,580)
Effect of movements in exchange rates		-	-	(44)	-	-	-	-	(44)
Balance at September 30, 2021	$	**-**	**42,314**	**329,059**	**4,365**	**42,697**	**24,505**	**-**	**442,940**
Carrying amount:									
Balance at January 1, 2022	$	**103,562**	**34,029**	**59,310**	**1,012**	**9,681**	**2,899**	**-**	**210,493**
Balance at September 30, 2022	$	**103,562**	**32,688**	**55,042**	**741**	**10,348**	**3,474**	**188**	**206,043**
Balance at September 30, 2021	$	**103,562**	**34,657**	**57,655**	**1,217**	**10,591**	**3,006**	**-**	**210,688**

As of September 30, 2022, December 31 and September 30, 2021, the property, plant and equipment were not pledged.

6) Right-of-use assets

The Consolidated Company leases many assets including buildings and transportation equipment. Information about leases for which the Consolidated Company as a lessee is as below:

		Building	**Transportation equipment**	**Total**
Cost:				
Balance at January 1, 2022	$	159,848	7,430	167,278
Addition		6,631	3,529	10,160
Addition (modification of contract)		4	149	153
Decrease (modification of contract)		(11)	-	(11)
Balance at September 30, 2022	**$**	**166,472**	**11,108**	**177,580**
Balance at January 1, 2021	$	137,569	6,256	143,825
Addition		8,305	1,174	9,479
Decrease (modification of contract)		(2,595)	-	(2,595)
Balance at September 30, 2021	**$**	**143,279**	**7,430**	**150,709**
Depreciation:				
Balance at January 1, 2022	$	94,267	5,748	100,015
Depreciation		24,474	1,392	25,866
Balance at September 30, 2022	**$**	**118,741**	**7,140**	**125,881**
Balance at January 1, 2021	$	63,265	3,736	67,001
Depreciation		23,363	1,509	24,872
Balance at September 30, 2021	**$**	**86,628**	**5,245**	**91,873**

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Notes to the Consolidated Financial Statements

	Building	Transportation equipment	Total
Carrying amount:			
Balance at January 1, 2022	$ 65,581	1,682	67,263
Balance at September 30, 2022	$ 47,731	3,968	51,699
Balance at September 30, 2021	$ 56,651	2,185	58,836

7) Intangible assets

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the nine months ended September 30, 2022 and 2021. Information on amortization for the period, please refer to Note 12. For other related information, please refer to Note 6(6) of the consolidated financial statements for the year ended December 31, 2021.

8) Lease liabilities

The lease liabilities of the Consolidated Company were recognized as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Current	$ 31,288	31,602	30,204
Non-current	21,160	36,445	29,443
Total	$ 52,448	68,047	59,647

Please refer to Note 6(16) financial instrument for the maturity information.

The amounts under profit and loss were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Interest expense of lease liabilities	$ 198	231	665	770
Short term lease	$ 409	782	1,532	2,313

The amounts recognized in the statement of cash flows for the Consolidated Company was as follows:

	For the nine months ended September 30,	
	2022	2021
Total cash flows used in operating activities	$ 2,197	3,083
Total cash flows used in financing activities	25,888	24,810
Total cash flows	$ 28,085	27,893

1. Leases of buildings

   The Consolidated Company leased buildings as office. The rental periods were 2 to 5 years. The options to extend the rental period as the original leasing period were included in the leasing periods for some of the lease.

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Notes to the Consolidated Financial Statements

2. Other leases

The rental periods of transportation were 1 to 5 years.

Meanwhile, the lease terms for office, parking lots, mobility cabinet and event venue with the rental periods of within one year, the Consolidated Company recognized those under exemption for short term leases, without recognizing the right of use and lease liabilities.

9) Employee benefits

1. Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material onetime events since prior fiscal year. As a result, the pension cost in the accompanying consolidated financial statements was measured and disclosed according to the actuarial report as of December 31, 2021 and 2020.

The expenses recognized in profit or loss for the Consolidated Company were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Operating costs	$ -	-	5	3
Selling expenses	-	-	24	20
Administrative expenses	-	-	13	8
Research and development expenses	-	-	11	7
Total	$ -	-	53	38

2. Defined contribution plans

The Consolidated Company's pension costs under the defined contribution plans to the Bureau of Labor Insurance or the independent fund administered by the government were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Operating costs	$ 1,934	985	5,518	3,074
Selling expenses	6,196	5,165	17,963	15,194
Administrative expenses	1,377	993	4,078	2,924
Research and development expenses	1,749	2,893	5,168	8,504
Other gains and losses	143	128	408	395
Total	$ 11,399	10,164	33,135	30,091

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Notes to the Consolidated Financial Statements

10) Income taxes

1. The components of income tax expense (benefit) were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Current tax expense (benefit)				
Current period	$ 27,666	20,669	83,366	63,278
Adjustment for prior periods	-	-	(610)	(18,994)
Income tax expense	$ 27,666	20,669	82,756	44,284

2. Assessment of tax

The R.O.C. income tax authorities have examined and approved the Company's income tax returns through 2019.

11) Share capital and other equity

There was no significant change in share capital and other equity. Please refer to note 6(10) of the consolidated financial statements for the year ended December 31, 2021 for the related information.

1. Special reserve

The carrying amount of special reserve amounted to $5,709 thousand, $5,339 thousand, and $5,339 thousand as of September 30, 2022, December 31 and September 30, 2021.

2. Earnings distribution

Earnings distribution for 2021 was decided via the general meeting of shareholders held on May 26, 2022. The Company decided to distribute a cash dividend of $11.16 (dollars) per share, totaling $370,436 thousand.

Earnings distribution for 2020 was decided via the general meeting of shareholders held on August 12, 2021. The Company decided to distribute a cash dividend of $7.80 (dollars) per share, totaling $258,887 thousand.

The related information about earnings distribution for 2021 and 2020 is available on the Market Observation Post System website.

12) Earnings per share

The calculation of basic and diluted earnings per share for the three and nine months ended September 30, 2022 and 2021 were as follows:

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Notes to the Consolidated Financial Statements

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Basic EPS:				
Net income attributable to owners of parent	$ 120,761	85,417	377,065	277,826
Weighted-average number of common shares outstanding (in thousands)	33,190	33,190	33,190	33,190
Basic EPS (in dollars)	$ 3.64	2.57	11.36	8.37
Diluted EPS:				
Net income attributable to owners of parent	$ 120,761	85,417	377,065	277,826
Weighted-average number of common shares outstanding (in thousands)	33,190	33,190	33,190	33,190
Effects of potentially dilutive common shares				
Employees' compensation	221	164	261	198
Weighted-average number of common shares outstanding－diluted (in thousands)	33,411	33,354	33,451	33,388
Diluted EPS (in dollars)	$ 3.61	2.56	11.27	8.32

13) Revenue from contracts with customers

1. The details of revenue were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Primary geographical markets:				
Taiwan	$ 580,194	455,918	1,649,663	1,341,570
Other countries	1,339	3,510	4,370	12,692
	$ 581,533	459,428	1,654,033	1,354,262
Primary services:				
Online and consultation services	$ 581,533	459,428	1,654,033	1,354,262

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Notes to the Consolidated Financial Statements

2. Contract balances

	September 30, 2022	December 31, 2021	September 30, 2021
Notes Receivable	$ 405	971	360
Accounts Receivable	91,239	74,056	85,127
Overdue receivable (recorded under other non-current assets)	1,036	874	1,174
Less: Allowance for impairment – accounts receivable	(162)	(41)	(190)
Allowance for doubtful accounts – overdue receivable (recorded under other non-current assets)	(1,036)	(874)	(1,174)
Total	$ 91,482	74,986	85,297
Contract liabilities	$ 800,798	682,838	669,050

Please refer to Note 6(4) for details on accounts receivable and allowance for impairment.

14) Employees' compensation and remunerations of directors and supervisors

In accordance with the Articles of incorporation, if the Company operates at a profit (the profit so called is pre-tax profit before deducting employees' compensation and remunerations of directors and supervisors) it shall contribute 8%~15% of profit as employees' compensation and remunerations of directors and supervisors no more than 3%. However, any losses accumulated by the corporation to date shall be paid off first. The employees' compensation in the preceding paragraph shall be distributed in the form of shares or in cash and object of payment includes the employees of subsidiaries of the corporation meeting certain specific requirements. The Company has revised the remunerations of directors and supervisors as directors' remuneration via the amendments to the Articles of incorporation approved in the general meeting of shareholders on August 12, 2021.

For the three and nine months ended September 30, 2022 and 2021, the Company estimated its employees' compensation to be $13,396 thousand, $9,696 thousand, $41,950 thousand and $29,468 thousand, respectively, and the remuneration of directors and supervisors to be $3,248 thousand, $2,351 thousand, $10,170 thousand and $7,144 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's Articles. These remunerations were expensed under operating costs or operating expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. If the employees' compensation is paid by the Company's stock, the numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares, one day before the date of the meeting of board of directors.

For the year ended December 31, 2021 and 2020, the employees' compensation amounted to $37,510 thousand and $27,867 thousand, respectively, and the remunerations of directors and supervisors amounted to $9,093 thousand and $6,756 thousand, respectively. There was no difference between the aforementioned amounts and the amounts approved in board of directors' meeting. The related information is available on the Market Observation Post System website.

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Notes to the Consolidated Financial Statements

15) Non-operating income and expenses

1. Interest income

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Deposit interest	$ 4,459	2,742	10,857	8,073

2. Other income

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Rent Income	$ 3	3	9	9
Miscellaneous income	832	1,283	4,325	4,683
	$ 835	1,286	4,334	4,692

3. Other gains and losses

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Losses from disposal of property, plant and equipment	$ (11)	-	(6)	(400)
Gains from lease modifications	-	-	13	52
Net foreign exchange gains (losses)	2,365	15	4,810	(680)
Other	(1,012)	(1,572)	(1,944)	(3,130)
	$ 1,342	(1,557)	2,873	(4,158)

4. Finance costs

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Lease liabilities interest expenses	$ 198	231	665	770

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Notes to the Consolidated Financial Statements

16) Financial instruments

1. Categories of financial instruments

(A) Financial asset

	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets measured at fair value through profit or loss：			
Mandatorily measured at fair value through profit or loss	$ 5,080	4,429	4, 456
Financial assets measured at amortized cost：			
Cash and cash equivalents	1,083,922	2,521,057	2,269,543
Financial assets measured at amortized cost－current	1,514,768	-	-
Notes and accounts receivable	91,482	74,986	85,297
Other receivables	9,589	9,254	11,097
Refundable deposits	9,079	8,964	8,772
Other non-current financial assets	10,000	10,000	10,000
Subtotal	2,718,840	2,624,261	2,384,709
Total	**$ 2,723,920**	**2,628,690**	**2,389,165**

(B) Financial liabilities

	September 30, 2022	December 31, 2021	September 30, 2021
Financial liabilities measured at amortized cost：			
Notes and accounts payable	$ 3,813	6,920	1,979
Other payables	453,138	488,276	364,695
Lease liabilities	52,448	68,047	59,647
Total	**$ 509,399**	**563,243**	**426,321**

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Notes to the Consolidated Financial Statements

2. Liquidity risk

The following table shows the contractual maturity of the financial liabilities, including estimated interest:

	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
September 30, 2022					
Non-derivative financial liabilities					
Notes and accounts payable	$ 3,813	3,813	3,813	-	-
Other payables	453,138	453,138	453,138	-	-
Lease liabilities	52,448	53,150	31,785	21,365	-
	$ 509,399	**510,101**	**488,736**	**21,365**	**-**
December 31, 2021					
Non-derivative financial liabilities					
Notes and accounts payable	$ 6,920	6,920	6,920	-	-
Other payables	488,276	488,276	488,276	-	-
Lease liabilities	68,047	69,159	32,330	36,829	-
	$ 563,243	**564,355**	**527,526**	**36,829**	**-**
September 30, 2021					
Non-derivative financial liabilities					
Notes and accounts payable	$ 1,979	1,979	1,979	-	-
Other payables	364,695	364,695	364,695	-	-
Lease liabilities	59,647	60,552	30,835	29,717	-
	$ 426,321	**427,226**	**397,509**	**29,717**	**-**

The Consolidated Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

3. Interest rate analysis

Though the interest rate of partial demand deposits and time deposits of the Consolidated Company were floating, it did not result in significant cash flow risk since the market rate did not fluctuate wildly.

4. Currency risk

(A) Exposure to foreign currency risk

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

	September 30, 2022			December 31, 2021			September 30, 2021		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets									
Monetary items									
USD	$ 1,269	31.75	40,301	1,480	27.68	40,979	1,347	27.85	37,516

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Notes to the Consolidated Financial Statements

(B) Sensitivity analysis

The Consolidated Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents that are denominated in a foreign currency. A weakening of 1% of the TWD against the USD as at September 30, 2022 and 2021, would have increased the net profit after tax by $322 thousand and $300 thousand for the nine months ended September 30, 2022 and 2021, respectively. The analysis assumes that all other variables remain constant.

(C) Foreign exchange gains and losses on monetary items

The foreign exchange gains and losses (including realized and unrealized) on monetary items and the exchange rate to monetary New Taiwan Dollars (the expression of the Consolidated Company) were as follows:

	For the three months ended September 30,			
	2022		**2021**	
	Exchange gains and losses	**Average exchange rate**	**Exchange gains and losses**	**Average exchange rate**
TWD	$ 531	-	10	-
CNY	RMB 414	4.43	1	4.30

	For the nine months ended September 30,			
	2022		**2021**	
	Exchange gains and losses	**Average exchange rate**	**Exchange gains and losses**	**Average exchange rate**
TWD	$ 1,330	-	(78)	-
CNY	RMB 779	4.47	(138)	4.36

5. Fair value of financial instruments

(A) Fair value hierarchy

The fair value of financial assets at fair value through profit or loss is measured on a recurring basis. The carrying amount and fair value of the Consolidated Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and disclosure of fair value information is not required:

	September 30, 2022			
	Fair value			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss－non-current				
Private fund	$ -	-	5,080	5,080

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Notes to the Consolidated Financial Statements

	December 31, 2021			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss－non-current				
Private fund	$ -	-	4,429	4,429

	September 30, 2021			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss－non-current				
Private fund	$ -	-	4,456	4,456

(B) Reconciliation of Level 3 fair values

	For the nine months ended September 30, 2022		
Name	Opening balance	In profit or loss	Ending balance
Financial assets at fair value through profit or loss－private fund	$ 4,429	651	5,080

	For the nine months ended September 30, 2021		
Name	Opening balance	In profit or loss	Ending balance
Financial assets at fair value through profit or loss－private fund	$ 4,557	(101)	4,456

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

The Consolidated Company's financial instruments that use Level 3 inputs to measure fair value is financial assets at fair value through profit or loss－Private fund. The quantified information need not be disclosed since the amount of financial assets at fair value through profit or loss, which is measured by using the net asset value method, was not significant.

17) Financial risk management

There were no significant changes in the Consolidated Company’s financial risk management and policies as disclosed in Note 6(16) of the consolidated financial statements for the year ended December 31, 2021.

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Notes to the Consolidated Financial Statements

18) Capital management

The objectives, policies and processes of capital management of the Consolidated Company has been applied consistently with those disclosed in the consolidated financial statements for the year ended December 31, 2021. Please refer to Note 6(17) of the consolidated financial statements for the year ended December 31, 2021 for the related information.

19) Investing and financing activities not affecting current cash flow

1. For information of acquisition of right-of-use assets by lease, please refer to note 6(6).

2. Reconciliation of liabilities arising from financing activities of the Consolidated Company for the nine months ended September 30, 2022 and 2021was as follows:

			Non-cash changes		
	January 1, 2022	Cash flows	Additions	Additions (modification of contract)	September 30, 2022
Lease liabilities	$ 68,047	(25,888)	10,160	129	52,448

			Non-cash changes		
	January 1, 2021	Cash flows	Additions	Disposals	September 30, 2021
Lease liabilities	$ 77,625	(24,810)	9,479	(2,647)	59,647

(7) Related-party transactions

1) Names and relationship with related parties

The followings are entities that have had transactions with the Consolidated Company during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Consolidated Company
104 Hope Foundation	Same chairman

2) Transactions with related parties－Rental income

The amount of rental income by related parties was as follow:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
104 Hope Foundation	$ 3	3	9	9

The price charged for rental was agreed by both parties, and was collected by telegraphic transfer.

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Notes to the Consolidated Financial Statements

3) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Short-term employee benefits	$ 36,324	19,261	85,676	56,512
Share-based payments	1,418	1,069	4,215	3,538
	$ 37,742	20,330	89,891	60,050

(8) Pledged assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	September 30, 2022	December 31, 2021	September 30, 2021
Time deposits (recorded under other financial assets − non-current)	Guarantee for employment services	$ 10,000	10,000	10,000

(9) Significant Commitments and Contingencies

1) Unrecognized contractual commitments

The Consolidated Company applied to the Council of Labor Affairs for permission to provide employment services in accordance with the Employment Services Act. For the nine months ended September 30, 2022 and 2021, the guaranteed amount provided by banks on behalf of the Consolidated Company was $1,000 thousand.

2) Contingent liabilities: None.

(10) Losses due to major disasters: None.

(11) Significant subsequent events: None.

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Notes to the Consolidated Financial Statements

(12) Other

1) A summary of employee benefits, depreciation, and amortization, be classified by function as follows:

Function / Account	For the three months ended September 30,							
	2022				2021			
	Operating costs	Operating expenses	Non-operating expenses (Note)	Total	Operating costs	Operating expenses	Non-operating expenses	Total
Employee benefits								
Salary	45,316	274,039	2,707	322,062	24,322	228,696	2,253	255,271
Health and labor insurance	3,662	17,936	309	21,907	1,913	17,284	295	19,492
Pension	1,934	9,322	143	11,399	985	9,051	128	10,164
Remuneration of directors	-	3,248	-	3,248	-	2,090	-	2,090
Other personnel expense	1,498	6,132	169	7,799	606	5,766	155	6,527
Depreciation	1,751	15,224	284	17,259	3,891	11,888	284	16,063
Amortization	18	158	-	176	90	220	-	310

Function / Account	For the nine months ended September 30,							
	2022				2021			
	Operating costs	Operating expenses	Non-operating expenses (Note)	Total	Operating costs	Operating expenses	Non-operating expenses	Total
Employee benefits								
Salary	121,747	751,402	7,792	880,941	73,809	671,075	7,078	751,962
Health and labor insurance	10,096	50,084	885	61,065	5,888	49,118	867	55,873
Pension	5,523	27,257	408	33,188	3,077	26,657	395	30,129
Remuneration of directors	-	10,170	-	10,170	-	5,685	-	5,685
Other personnel expense	3,690	17,266	506	21,462	1,918	17,066	481	19,465
Depreciation	5,370	45,003	827	51,200	12,689	36,232	880	49,801
Amortization	56	503	-	559	272	609	1	882

Note: Non-operating expenses and non-operating income are offset and recognized as other gains and losses.

2) Seasonality of operations

The Consolidated Company’s operations were not affected by seasonality or cyclicality factors.

(Continued)

104 CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(13) Other disclosures items

1) 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 Consolidated Company for the nine months ended September 30, 2022:

1. Loans to other parties: None.

2. Guarantees and endorsements for other parties: None.

3. Securities held as of September 30, 2022 (excluding investment in subsidiaries, associates, and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Remarks
				Shares/ units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Private fund-SparkLabs Taipei Fund I	-	Financial assets at fair value through profit or loss－non-current	-	5,080	- %	5,080	

4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of $300 million or 20% of the capital stock: None.

5. Acquisition of individual real estate with amount exceeding $300 million or 20% of the capital stock: None.

6. Disposal of individual real estate with amount exceeding the lower of $300 million or 20% of the capital stock: None.

7. Related-party transactions for purchases and sales with amounts exceeding the lower of $100 million or 20% of the capital stock: None.

8. Receivables from related parties with amount exceeding the lower of $100 million or 20% of the capital stock: None.

9. Trading in derivative instruments: None.

10. Business relationships and significant intercompany transactions:

Number (note 1)	Name of company	Name of counterparty	Nature of relationship (note 2)	Intercompany transactions			
				Account name	Amount (note 3)	Trading terms	Percentage of the consolidated total operating revenue or total assets
0	The Company	104 Consulting	1	Miscellaneous income	4,103	Income for service support and asset authorization; there are no other customers for comparison	0.25%
0	The Company	104 Consulting	1	Other receivables	1,586	There are no other customers for comparison	0.05%
0	The Company	104 Human Resources Consultancy	1	Miscellaneous income	5,420	Income for service support and asset authorization; there are no other customers for comparison	0.33%

Note 1: 1. 0 represents the Company
2. 1 represents 104 Consulting
3. 2 represents 104 Human Resource Consultancy
4. 3 represents Redpoint Information

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

Note 3: Mutual business dealings between the parent company and subsidiaries amounting to $1,000 thousand are disclosed.

Note 4: Related-party transactions have been eliminated in the preparation of the consolidated financial statements.

(Continued)

104 CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2) Information on investees:

The following is the information on investees for the nine months ended September 30, 2022 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main business and products	Original investment amount		Balance of September 30, 2022			Net income (loss) of investee	Share of profit/ losses of investee (note)	Remarks
				September 30, 2022	December 31, 2021	Shares (in thousands)	Percentage of ownership	Book value (note)			
The Company	104 Consulting	Taiwan	General advertising services, IT software services, electronic information services, talent dispatching, management consultancy and data processing services	12,678	12,678	1,219	100%	41,584	13,425	13,425	Subsidiary

Note : 1. The long-term investments and investment gain or loss accounts have been eliminated in the preparation of the consolidated financial statements.

2. The investment gain (loss) and book value recognized by the Company are based on the unaudited financial statements of the investee companies under the equity method.

3) Information on investment in Mainland China:

1. The names of investees in Mainland China, the main businesses and products, and other information:

Unit: thousand dollars

Name of investee	Main businesses and products	Total amount of paid-in capital (note 4)	Method of investment (note 1)	Aggregate investment amount remitted from Taiwan at beginning of period (note 4)	Amount remitted or returned in current year		Aggregate investment amount remitted from Taiwan at end of period (note 4)	Net income (loss) of investee	Percentage of direct or indirect ownership by the Company (%)	Investment gain (loss) (notes 2 and 3)	Book value as of September 30, 2022 (notes 2 and 3)	Amount of investment income remitted back to Taiwan at end of period
					Invested amount	Returned amount						
104 Human Resources Consultancy	Collecting, coordinating, publishing, and consulting on human resource information; recruitment; designing and developing computer software, multimedia, and network systems; designing and producing advertising	34,091	(1)	23,909 (USD770)	-	-	23,909 (USD770)	(3,354)	70.00%	(2,348)	3,444	-
Redpoint Information	Developing network technologies and computer software, selling products, providing technical advice and services, and management consultancy	60,365	(1)	60,365 (USD2,000)	-	-	60,365 (USD2,000)	3,793	100.00%	3,793	42,881	-

Note 1: Ways of investments are as follows:

(1) direct investment in Mainland China.

(2) others.

Note 2: The long-term investments and investment gain or loss accounts have been eliminated in the preparation of the consolidated financial statements.

Note 3: The investment gain (loss) and book value disclosed above included direct and indirect investments. The investment gain (loss) and book value recognized by the Company are based on the unaudited financial statements of the investee companies under the equity method.

Note 4: Based on historical exchange rates.

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Notes to the Consolidated Financial Statements

2. Limitation on investment in Mainland China:

Unit: thousand dollars

Aggregate investment amount remitted from Taiwan to Mainland China at the end of the period (Note 2)	Investment amount approved by Investment Commission of Ministry of Economic Affairs (Note 2)	Limitation on investment in Mainland China by Investment Commission of Ministry of Economic Affairs (Note 1)
84,274 (USD 2,770)	87,948 (USD 2,770)	948,568

Note 1: Limitation on investment in Mainland China: 60% of the Company’s stockholders’ equity of $1,580,946 thousand.

Note 2: Issued capital and investment capital remitted from Taiwan to Mainland China were translated at historical rates, and the rest of the investment information was translated at the period-end rate of September 30, 2022 (USD : NTD=1:31.750).

3. Significant transactions:

Significant transactions with the investees in Mainland China for the nine months ended September 30, 2022, for which inter-company transactions were eliminated upon consolidation, are disclosed in “Information on significant transactions”.

4) Major shareholders:

Unit: Share

Shareholding / Shareholder’s Name	Shares	Percentage
JcbNext Berhad	7,267,034	21.89 %
Rocky Yang	4,495,402	13.54 %
Vicky Ku	4,495,401	13.54 %
Askforce Corporation	2,427,344	7.31 %

Note: (1) The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of the total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculations basis.

(2) If the aforementioned data contains shares which were kept in trust by the shareholders, the data disclosed will be deemed as the settlor’s separate account for the fund set by the trustee. As for the shareholder who reports its share equity as an insider and whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act and include its self-owned shares and trusted shares, as well as the shares of the individuals who have power to decide how to allocate the trust assets. For the information on reported share equity of the insider, please refer to the Market Observation Post System.

(14) Segment information

The Consolidated Company identifies reportable segment in accordance with the reported information which used by operating decision maker when making decision. To develop diversified career services and improve operating synergy, the Consolidated Company only has a single reportable segment and considerate the overall operating profit and loss. Please refer to consolidated financial statements of comprehensive income for the related segment information for the three and nine months ended September 30, 2022 and 2021.