

LINE Pay Taiwan Limited and Subsidiaries

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2024 and 2023 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
LINE Pay Taiwan Limited

Introduction

We have reviewed the accompanying consolidated balance sheets of LINE Pay Taiwan Limited and its subsidiaries (collectively, the "Group") as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 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

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of 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 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.

Conclusion

Based on our reviews, nothing has come to our attention that caused 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 of September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chiang Hsun Chen and Cheng Chuan Yu.

Ching-hsun Chen Cheng-Chuan Yu

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 8, 2024

Notice to Readers

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

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

LINE PAY TAIWAN LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 5,198,742	38	\$ 3,390,540	27	\$ 4,095,364	33
Financial assets at amortized cost - current (Notes 8 and 30)	250,000	2	250,000	2	256,000	2
Trade receivables, net (Notes 9 and 20)	223,866	2	234,511	2	190,927	2
Trade receivables from related parties (Notes 20 and 29)	27,950	-	20,259	-	13,176	-
Other receivables (Note 9)	1,406,209	10	2,512,299	20	1,743,063	14
Other receivables from related parties (Note 29)	472,058	3	647,047	5	1,155,888	10
Current tax assets	-	-	10,524	-	1,438	-
Prepayments (Notes 15 and 29)	19,604	-	14,180	-	10,191	-
Other financial assets - current (Notes 10 and 30)	5,597,534	41	5,041,759	40	4,260,096	35
Other current assets	10,425	-	8,719	-	7,135	-
Total current assets	13,206,388	96	12,129,838	96	11,733,278	96
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	215	-	214	-	216	-
Financial assets at amortized cost - non-current (Notes 8 and 30)	38,651	-	27,000	-	21,000	-
Property, plant and equipment (Notes 12 and 29)	156,126	1	178,753	1	187,386	2
Right-of-use assets (Note 13)	159,737	1	214,370	2	215,690	2
Intangible assets (Notes 14 and 29)	52,397	1	60,727	1	64,361	-
Deferred tax assets (Note 4)	105,600	1	38,968	-	35,240	-
Other non-current assets (Notes 15 and 29)	30,860	-	31,524	-	29,531	-
Total non-current assets	543,586	4	551,556	4	553,424	4
TOTAL	\$ 13,749,974	100	\$ 12,681,394	100	\$ 12,286,702	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities (Note 20)	\$ 397,396	3	\$ 210,829	2	\$ 207,586	2
Trade payables	2,590	-	3,390	-	1,995	-
Trade payables to related parties (Note 29)	33,803	-	47,152	-	31,059	-
Other payables (Notes 16 and 24)	219,297	2	258,463	2	179,242	1
Other payables to related parties (Note 29)	6,950	-	21,577	-	10,831	-
Current tax liabilities	124,975	1	55,737	1	25,513	-
Provisions - current (Notes 4 and 17)	19,308	-	18,002	-	5,907	-
Lease liabilities - current (Notes 13 and 29)	39,297	-	69,555	1	65,497	1
Other current liabilities (Notes 16 and 29)	6,394,685	47	6,098,630	48	5,987,726	49
Total current liabilities	7,238,301	53	6,783,335	54	6,515,356	53
NON-CURRENT LIABILITIES						
Provisions - non-current (Notes 4 and 17)	11,338	-	10,628	-	23,758	-
Deferred tax liabilities (Note 4)	21,853	-	2,645	-	1,522	-
Lease liabilities - non-current (Notes 13 and 29)	119,632	1	140,006	1	145,490	1
Net defined benefit liabilities - non-current (Notes 4 and 18)	411,861	3	343,247	3	326,194	3
Other non-current liabilities (Notes 16 and 24)	28,398	-	13,740	-	19,403	-
Total non-current liabilities	593,082	4	510,266	4	516,367	4
Total liabilities	7,831,383	57	7,293,601	58	7,031,723	57
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)						
Share capital						
Ordinary shares	600,000	4	600,000	4	600,000	5
Capital surplus	4,357,279	32	4,305,972	34	4,288,548	35
Retained earnings						
Legal reserve	48,161	-	-	-	-	-
Unappropriated earnings	912,572	7	481,608	4	366,053	3
Total retained earnings	960,733	7	481,608	4	366,053	3
Other equity	579	-	213	-	378	-
Equity attributable to owners of the Company	5,918,591	43	5,387,793	42	5,254,979	43
Total equity	5,918,591	43	5,387,793	42	5,254,979	43
TOTAL	\$ 13,749,974	100	\$ 12,681,394	100	\$ 12,286,702	100

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

LINE PAY TAIWAN LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023 (Restated)	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 20 and 29)	\$ 1,594,644	100	\$ 1,225,380	100	\$ 4,529,951	100	\$ 3,573,801	100
OPERATING COSTS (Notes 21 and 29)	<u>(1,105,890)</u>	<u>(69)</u>	<u>(856,568)</u>	<u>(70)</u>	<u>(3,125,639)</u>	<u>(69)</u>	<u>(2,459,534)</u>	<u>(69)</u>
GROSS PROFIT	<u>488,754</u>	<u>31</u>	<u>368,812</u>	<u>30</u>	<u>1,404,312</u>	<u>31</u>	<u>1,114,267</u>	<u>31</u>
OPERATING EXPENSES (Notes 21 and 29)								
Selling and marketing expenses	(102,505)	(6)	(77,505)	(6)	(267,635)	(6)	(235,784)	(6)
General and administrative expenses	(153,020)	(10)	(120,647)	(10)	(407,844)	(9)	(355,882)	(10)
Research and development expenses	(90,577)	(6)	(39,426)	(3)	(146,002)	(3)	(105,946)	(3)
Expected credit loss (Note 9)	<u>(68)</u>	<u>-</u>	<u>(446)</u>	<u>-</u>	<u>(233)</u>	<u>-</u>	<u>(3,968)</u>	<u>-</u>
Total operating expenses	<u>(346,170)</u>	<u>(22)</u>	<u>(238,024)</u>	<u>(19)</u>	<u>(821,714)</u>	<u>(18)</u>	<u>(701,580)</u>	<u>(19)</u>
PROFIT FROM OPERATIONS	<u>142,584</u>	<u>9</u>	<u>130,788</u>	<u>11</u>	<u>582,598</u>	<u>13</u>	<u>412,687</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 29)								
Interest income	23,577	2	17,146	1	60,595	1	38,527	1
Other income	4,449	-	178	-	17,058	1	479	-
Other gains and losses	(15,448)	(1)	5,988	1	1,817	-	17,008	-
Finance costs	<u>(1,938)</u>	<u>-</u>	<u>(1,538)</u>	<u>-</u>	<u>(6,136)</u>	<u>-</u>	<u>(1,944)</u>	<u>-</u>
Total non-operating income and expenses	<u>10,640</u>	<u>1</u>	<u>21,774</u>	<u>2</u>	<u>73,334</u>	<u>2</u>	<u>54,070</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	153,224	10	152,562	13	655,932	15	466,757	13
INCOME TAX EXPENSE (Notes 4 and 22)	<u>(41,168)</u>	<u>(3)</u>	<u>(19,188)</u>	<u>(2)</u>	<u>(176,807)</u>	<u>(4)</u>	<u>(89,323)</u>	<u>(2)</u>
NET PROFIT FOR THE PERIOD	<u>112,056</u>	<u>7</u>	<u>133,374</u>	<u>11</u>	<u>479,125</u>	<u>11</u>	<u>377,434</u>	<u>11</u>

(Continued)

LINE PAY TAIWAN LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023 (Restated)	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 19 and 22)								
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	\$ 1,380	-	\$ 473	-	\$ 458	-	\$ 156	-
Income tax related to items that may be reclassified subsequently to profit or loss (Note 4)	(276)	-	(95)	-	(92)	-	(95)	-
Other comprehensive income for the period, net of income tax	1,104	-	378	-	366	-	61	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 113,160	7	\$ 133,752	11	\$ 479,491	11	\$ 377,495	11
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 112,056	7	\$ 133,374	11	\$ 479,125	11	\$ 366,053	10
Interests attributable to the predecessor under common control	-	-	-	-	-	-	11,381	1
	\$ 112,056	7	\$ 133,374	11	\$ 479,125	11	\$ 377,434	11
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 113,160	7	\$ 133,752	11	\$ 479,491	11	\$ 366,431	10
Interests attributable to the predecessor under common control	-	-	-	-	-	-	11,064	1
	\$ 113,160	7	\$ 133,752	11	\$ 479,491	11	\$ 377,495	11
EARNINGS PER SHARE (Note 23)								
Basic	\$ 1.87		\$ 2.22		\$ 7.99		\$ 6.16	
Diluted	\$ 1.80		\$ 2.22		\$ 7.68		\$ 6.09	

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

(Concluded)

LINE PAY TAIWAN LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company							
	Ordinary Share Capital	Capital Surplus	Retained Earnings		Other Equity Exchange Differences on Translation of the Financial Statements of Foreign Operations	Total	Interest Attributable to the Predecessor under Common Control	Total Equity
			Legal Reserve	Unappropriated Earnings (Accumulated Deficits)				
BALANCE AT JANUARY 1, 2023	\$ 547,065	\$ 4,593,411	\$ -	\$ (256,427)	\$ -	\$ 4,884,049	\$ 17,150	\$ 4,901,199
Other changes in capital surplus (Note 19)								
Capital surplus used to offset accumulated deficits	-	(256,427)	-	256,427	-	-	-	-
Issuance of share dividends from capital surplus	39,618	(39,618)	-	-	-	-	-	-
Issuance of employee share options (Notes 24)	-	24,880	-	-	-	24,880	10,182	35,062
Other	-	-	-	-	-	-	(141)	(141)
Net profit for the nine months ended September 30, 2023	-	-	-	366,053	-	366,053	11,381	377,434
Other comprehensive income (loss) for the nine months ended September 30, 2023 (Note 19)	-	-	-	-	378	378	(317)	61
Total comprehensive income for the nine months ended September 30, 2023	-	-	-	366,053	378	366,431	11,064	377,495
Reorganization (Notes 11 and 25)	-	(169,537)	-	-	-	(169,537)	(38,255)	(207,792)
Issuance of ordinary shares under employee share options (Notes 19 and 24)	13,317	135,839	-	-	-	149,156	-	149,156
BALANCE AT SEPTEMBER 30, 2023	\$ 600,000	\$ 4,288,548	\$ -	\$ 366,053	\$ 378	\$ 5,254,979	\$ -	\$ 5,254,979
BALANCE AT JANUARY 1, 2024	\$ 600,000	\$ 4,305,972	\$ -	\$ 481,608	\$ 213	\$ 5,387,793	\$ -	\$ 5,387,793
Appropriation of 2023 earnings (Note 19)								
Legal reserve	-	-	48,161	(48,161)	-	-	-	-
Net profit for the nine months ended September 30, 2024	-	-	-	479,125	-	479,125	-	479,125
Other comprehensive income for the nine months ended September 30, 2024 (Note 19)	-	-	-	-	366	366	-	366
Total comprehensive income for the nine months ended September 30, 2024	-	-	-	479,125	366	479,491	-	479,491
Issuance of employee share options (Notes 19 and 24)	-	51,307	-	-	-	51,307	-	51,307
BALANCE AT SEPTEMBER 30, 2024	\$ 600,000	\$ 4,357,279	\$ 48,161	\$ 912,572	\$ 579	\$ 5,918,591	\$ -	\$ 5,918,591

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

LINE PAY TAIWAN LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2024	2023 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 655,932	\$ 466,757
Adjustments for:		
Depreciation expenses	86,109	65,954
Amortization expenses	11,040	2,434
Expected credit loss	233	3,968
Finance costs	6,136	1,944
Interest income	(60,595)	(38,527)
Compensation cost arising from employee share options	51,307	35,062
Gain on disposal of property, plant and equipment	(465)	(197)
Property, plant and equipment transferred to expenses	91	-
Loss on disposal of intangible assets	-	87
Gain on lease modification	-	(4,633)
Loss/(gain) on foreign currency exchange	25,722	(13,953)
Changes in operating assets and liabilities		
Trade receivables	10,645	(13,561)
Trade receivables from related parties	(7,476)	39,307
Other receivables	1,118,290	(564,268)
Other receivables from related parties	174,422	(117,151)
Prepayments	(5,352)	3,187
Other current assets	(1,706)	(7,135)
Other financial assets	(555,775)	(965,652)
Other non-current assets	488	(570)
Contract liabilities	186,535	101,007
Trade payables	(800)	(1,642)
Trade payables to related parties	(13,373)	(68,422)
Other payables	(39,405)	(47,149)
Other payables to related parties	(14,640)	(25,846)
Provisions	1,356	6,135
Other current liabilities	296,010	451,055
Net defined benefit liabilities	66,161	82,256
Other non-current liabilities	<u>14,507</u>	<u>15,824</u>
Cash generated from/(used in) operations	2,005,397	(593,729)
Interest received	48,064	29,318
Interest paid	(5,786)	(1,816)
Income tax (paid)/refunded	<u>(144,227)</u>	<u>21,880</u>
Net cash generated from/(used in) operating activities	<u>1,903,448</u>	<u>(544,347)</u>

(Continued)

LINE PAY TAIWAN LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2024	2023 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	\$ (11,651)	\$ (250,000)
Acquisition of subsidiaries	-	(207,792)
Payments for property, plant and equipment	(10,010)	(15,403)
Proceeds from disposal of property, plant and equipment	2,381	266
Increase in refundable deposits	(725)	(10,705)
Decrease in refundable deposits	1,000	3,481
Payments for intangible assets	<u>(2,680)</u>	<u>(66,181)</u>
Net cash used in investing activities	<u>(21,685)</u>	<u>(546,334)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(51,263)	(36,655)
Proceeds from employee share options	<u>-</u>	<u>149,156</u>
Net cash (used in)/generated from financing activities	<u>(51,263)</u>	<u>112,501</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(22,298)</u>	<u>11,028</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,808,202	(967,152)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>3,390,540</u>	<u>5,062,516</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 5,198,742</u>	<u>\$ 4,095,364</u>

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

(Concluded)

LINE PAY TAIWAN LIMITED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

LINE Pay Taiwan Limited (the “Company”) and the entities controlled by the Company (collectively, the “Group”) was incorporated in Taipei as a company limited by shares in March 2015. The Company is primarily engaged in data processing services, electronic information supply services and the third-party payment services.

In July 2023, the Company acquired 100% interest in LINE Pay Plus Corporation with a payment amount of ~~NT~~8,800,000 thousand as consideration. The transaction is a business combination under common control; therefore, comparative information of the prior period in the consolidated financial statements is restated as if the combination had already occurred.

On November 17, 2023, the Company’s shares were approved for public offering by the Financial Supervisory Commission Securities and Futures Bureau, and the Company’s shares have been listed on the Taipei Exchange (TPEX) Emerging Stock Board (ESB) since January 26, 2024. The initial listing application of the LINE Pay Taiwan Limited’s shares was approved for issuance by the Board of Directors of the Taiwan Stock Exchange (TWSE) on October 22, 2024.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 8, 2024.

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

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

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

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

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- 1) Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- 2) The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- 3) Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.
- 4) Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments, payables for cash-settled share-based payment transactions, provision from long-term employee benefits, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company.

See Note 11 and Table 6 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

1) Classification of current and non-current assets and liabilities

Current assets include:

- a) Assets held primarily for the purpose of trading;
- b) Assets expected to be realized within 12 months after the reporting period; and
- c) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- a) Liabilities held primarily for the purpose of trading;
- b) Liabilities due to be settled within 12 months after the reporting period; and
- c) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

2) Business combinations under common control

Business combinations under common control are accounted for applying the book-value method. Comparative information of the prior period in the consolidated financial statements is restated as if the combination had already occurred.

3) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

4) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that rereasurement is recognized in profit or loss.

5) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Group considers the possible impact of volatility in financial markets on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Based on the assessment of the Group's management, the accounting policies, estimates, and assumptions adopted by the Group have not been subject to material accounting judgments, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Checking accounts and demand deposits	\$ 3,817,742	\$ 3,390,540	\$ 4,095,364
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	<u>1,381,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,198,742</u>	<u>\$ 3,390,540</u>	<u>\$ 4,095,364</u>

The market rate intervals of cash in the bank at the end of the period were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Bank balance	0.01%-4.76%	0.01%-5.12%	0.01%-5.12%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivatives financial assets			
Overseas unlisted shares	<u>\$ 215</u>	<u>\$ 214</u>	<u>\$ 216</u>

8. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 250,000	\$ 250,000	\$ 250,000
Restricted time deposits (b)	<u>-</u>	<u>-</u>	<u>6,000</u>
	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 256,000</u>
<u>Non-current</u>			
Restricted time deposits (b)	<u>\$ 38,651</u>	<u>\$ 27,000</u>	<u>\$ 21,000</u>

- a. The interest rates of time deposits with original maturities of more than 3 months were 1.43%, 1.35% and 1.35% per annum as of September 30, 2024, December 31, 2023 and September 30, 2023.
- b. According to the cooperation agreement with merchants, the Group is required to pledge a certificate of deposits as a performance guarantee and collateral for present and future obligations and a performance bond for the commercial property lease. The interest rates of restricted time deposits were 0.16%, 0.15% and 0.15% per annum as of September 30, 2024, December 31, 2023 and September 30, 2023. Refer to Note 30 for information on assets pledged as collateral or for security.
- c. The Group has tasked its credit management committee to develop and maintain a credit risk grading framework to assess whether there has been a significant increase in credit risk since the last period to the reporting date and measure the expected credit losses. The credit rating information may be obtained from independent rating agencies where available, and if such information is not available, the credit management committee uses other publicly available financial information to rate. In determining the expected credit losses on financial assets measured at amortized cost, the Group considers the current financial condition of counterparties and the future prospects of the industries. The Group assesses that the expected credit loss rates of financial assets measured at amortized cost were 0% per annum as of September 30, 2024, December 31, 2023 and September 30, 2023.

9. TRADE RECEIVABLES AND OTHER RECEIVABLES

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 223,866	\$ 234,511	\$ 190,927
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 223,866</u>	<u>\$ 234,511</u>	<u>\$ 190,927</u>

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Other receivables</u>			
Other receivables - third-party payment (unappropriated)	\$ 1,212,961	\$ 2,304,671	\$ 1,617,698
Other receivables - points issued	179,757	190,551	112,718
Tax refund receivables	-	16,375	3,337
Interest receivables	12,881	350	9,209
Others	610	352	971
Less: Allowance for impairment loss	-	-	(870)
	<u>\$ 1,406,209</u>	<u>\$ 2,512,299</u>	<u>\$ 1,743,063</u>

(Concluded)

a. Trade receivables

The Group's trade receivables mainly come from financial promotion services and marketing products. The average credit period is 30 to 90 days, and no interest is charged on overdue trade receivables.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, as well as forward-looking information. As the Group's historical credit loss experience shows different loss patterns for different customer segments, the Group uses different provision matrixes based on customer segments by industry region.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following tables detail the loss allowance of trade receivables based on the Group's provision matrix:

September 30, 2024

	Not Past Due	1 to 90 Days Past Due	91 to 180 Days Past Due	Over 181 Days Past Due	Total
Expected credit loss rate	0%	0%	-	-	
Gross carrying amount	\$ 192,006	\$ 31,860	\$ -	\$ -	\$ 223,866
Loss allowance (Lifetime ECLs)	-	-	-	-	-
Amortized cost	<u>\$ 192,006</u>	<u>\$ 31,860</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 223,866</u>

December 31, 2023

	Not Past Due	1 to 90 Days Past Due	91 to 180 Days Past Due	Over 181 Days Past Due	Total
Expected credit loss rate	0%	0%	-	-	
Gross carrying amount	\$ 221,908	\$ 12,603	\$ -	\$ -	\$ 234,511
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 221,908</u>	<u>\$ 12,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,511</u>

September 30, 2023

	Not Past Due	1 to 90 Days Past Due	91 to 180 Days Past Due	Over 181 Days Past Due	Total
Expected credit loss rate	0%	0%	0%	-	
Gross carrying amount	\$ 150,128	\$ 32,187	\$ 8,612	\$ -	\$ 190,927
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 150,128</u>	<u>\$ 32,187</u>	<u>\$ 8,612</u>	<u>\$ -</u>	<u>\$ 190,927</u>

b. Other receivables

Other receivables are payments of credit card transactions collected on behalf of the Group but that have not yet been disbursed by the acquiring banks to the Group's account, and receivables of points issued by the Group for banks and contracted merchants. Other receivables are usually received within 1 to 30 days.

The Group measures the loss allowance for other receivables at an amount equal to lifetime ECLs. The expected credit losses on other receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, as well as forward-looking information. As the Group's historical credit loss experience shows different loss patterns for different customer segments, the Group uses different provision matrixes based on customer segments by industry region.

The Group writes off other receivables when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For other receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following tables detail the loss allowance of other receivables based on the Group's provision matrix:

September 30, 2024

	Not Past Due	1 to 90 Days Past Due	91 to 180 Days Past Due	Over 181 Days Past Due	Total
Expected credit loss rate	0%	0%	-	-	
Gross carrying amount	\$ 1,402,369	\$ 3,840	\$ -	\$ -	\$ 1,406,209
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 1,402,369</u>	<u>\$ 3,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,406,209</u>

December 31, 2023

	Not Past Due	1 to 90 Days Past Due	91 to 180 Days Past Due	Over 181 Days Past Due	Total
Expected credit loss rate	0%	0%	-	0%	
Gross carrying amount	\$ 2,493,277	\$ 18,809	\$ -	\$ 213	\$ 2,512,299
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 2,493,277</u>	<u>\$ 18,809</u>	<u>\$ -</u>	<u>\$ 213</u>	<u>\$ 2,512,299</u>

September 30, 2023

	Not Past Due	1 to 90 Days Past Due	91 to 180 Days Past Due	Over 181 Days Past Due	Total
Expected credit loss rate	0%	0%-7%	0%-70%	100%	
Gross carrying amount	\$ 1,739,509	\$ 3,587	\$ 371	\$ 466	\$ 1,743,933
Loss allowance (Lifetime ECLs)	<u>(47)</u>	<u>(125)</u>	<u>(232)</u>	<u>(466)</u>	<u>(870)</u>
Amortized cost	<u>\$ 1,739,462</u>	<u>\$ 3,462</u>	<u>\$ 139</u>	<u>\$ -</u>	<u>\$ 1,743,063</u>

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

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ -	\$ -
Add: Net remeasurement of loss allowance	233	3,968
Less: Amounts written off	<u>(233)</u>	<u>(3,098)</u>
Balance at September 30	<u>\$ -</u>	<u>\$ 870</u>

10. OTHER FINANCIAL ASSETS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Escrow account deposit	<u>\$ 5,597,534</u>	<u>\$ 5,041,759</u>	<u>\$ 4,260,096</u>

The Group provides a third-party payment service where the transaction amounts are deposited in the Group's escrow account as performance guarantee, ensuring the disbursement to merchant. The customers' transaction amounts with contracted merchants via the Group's platform will be directly remitted to the Group's escrow account in the escrow bank, which will disburse the transaction amounts to contracted merchants based on the Group's instructions.

The interest rates of escrow account deposit were 0.64%, 0.51% and 0.51% per annum as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively. Refer to Note 30 for information on assets pledged as collateral or for security.

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements are as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	LINE Pay Plus Corporation	System platform development and maintenance	100	100	100	Foreign exchange risk is the major operational risk

In July 2023, the Company acquired 100% interest of LINE Pay Plus Corporation with the payment amount of ₩8,800,000 thousand (equivalent to NT\$207,792 thousand) as consideration in order to strengthen the system platform development and maintenance related to third-party payment services. The transaction is a business combination under common control. Refer to Note 25 for information on business combination under common control.

12. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2024	December 31, 2023	September 30, 2023
Assets used by the Group	\$ 145,939	\$ 169,248	\$ 177,957
Assets leased under operating leases	<u>10,187</u>	<u>9,505</u>	<u>9,429</u>
	<u>\$ 156,126</u>	<u>\$ 178,753</u>	<u>\$ 187,386</u>

a. Assets used by the Group

	Machinery and Equipment	Office Equipment	Leasehold Improvement	Equipment Pending Acceptance	Total
<u>Cost</u>					
Balance at January 1, 2024	\$ 25,204	\$ 57,369	\$ 100,212	\$ 109,351	\$ 292,136
Additions (Note 29)	-	10,010	-	-	10,010
Transfers from assets leased under operating lease	3,443	-	-	-	3,443
Transfers to assets leased under operating lease	-	-	-	(6,230)	(6,230)
Transfers to operating expenses	-	-	-	(91)	(91)
Disposals	-	(23)	-	(1,916)	(1,939)
Effect of foreign currency exchange differences	-	102	37	-	139
Balance at September 30, 2024	<u>\$ 28,647</u>	<u>\$ 67,458</u>	<u>\$ 100,249</u>	<u>\$ 101,114</u>	<u>\$ 297,468</u>
<u>Accumulated depreciation</u>					
Balance at January 1, 2024	\$ 19,755	\$ 36,148	\$ 66,985	\$ -	\$ 122,888
Depreciation expenses	3,117	11,009	12,948	-	27,074
Transfers from assets leased under operating lease	1,503	-	-	-	1,503
Disposals	-	(23)	-	-	(23)
Effect of foreign currency exchange differences	-	70	17	-	87
Balance at September 30, 2024	<u>\$ 24,375</u>	<u>\$ 47,204</u>	<u>\$ 79,950</u>	<u>\$ -</u>	<u>\$ 151,529</u>
Carrying amount at September 30, 2024	<u>\$ 4,272</u>	<u>\$ 20,254</u>	<u>\$ 20,299</u>	<u>\$ 101,114</u>	<u>\$ 145,939</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 5,449</u>	<u>\$ 21,221</u>	<u>\$ 33,227</u>	<u>\$ 109,351</u>	<u>\$ 169,248</u>
<u>Cost</u>					
Balance at January 1, 2023	\$ 14,415	\$ 56,904	\$ 100,251	\$ 122,500	\$ 294,070
Additions (Note 29)	-	7,745	7,658	-	15,403
Transfers from assets leased under operating lease	8,359	-	-	-	8,359
Transfers to assets leased under operating lease	-	-	-	(9,938)	(9,938)
Disposals	-	(6,342)	(7,567)	-	(13,909)
Effect of foreign currency exchange differences	-	(191)	(91)	-	(282)
Balance at September 30, 2023	<u>\$ 22,774</u>	<u>\$ 58,116</u>	<u>\$ 100,251</u>	<u>\$ 112,562</u>	<u>\$ 293,703</u>

(Continued)

	Machinery and Equipment	Office Equipment	Leasehold Improvement	Equipment Pending Acceptance	Total
<u>Accumulated depreciation</u>					
Balance at January 1, 2023	\$ 12,322	\$ 31,040	\$ 54,723	\$ -	\$ 98,085
Depreciation expenses	1,511	10,893	15,012	-	27,416
Transfers from assets leased under operating lease	4,406	-	-	-	4,406
Disposals	-	(6,273)	(7,567)	-	(13,840)
Effect of foreign currency exchange differences	-	(131)	(190)	-	(321)
Balance at September 30, 2023	<u>\$ 18,239</u>	<u>\$ 35,529</u>	<u>\$ 61,978</u>	<u>\$ -</u>	<u>\$ 115,746</u>
Carrying amount at September 30, 2023	<u>\$ 4,535</u>	<u>\$ 22,587</u>	<u>\$ 38,273</u>	<u>\$ 112,562</u>	<u>\$ 177,957</u> (Concluded)

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

Machinery and equipment	3 years
Office equipment	3-5 years
Leasehold improvement	3-5 years

b. Assets leased under operating leases

	Machinery and Equipment For the Nine Months Ended September 30	
	2024	2023
<u>Cost</u>		
Balance at January 1	\$ 10,957	\$ 8,826
Transfers from equipment pending acceptance used by the Group	6,230	9,938
Transfers to machinery and equipment used by the Group	<u>(3,443)</u>	<u>(8,359)</u>
Balance at September 30	<u>\$ 13,744</u>	<u>\$ 10,405</u>
<u>Accumulated depreciation</u>		
Balance at January 1	\$ 1,452	\$ 2,329
Depreciation expenses	3,608	3,053
Transfers to machinery and equipment used by the Group	<u>(1,503)</u>	<u>(4,406)</u>
Balance at September 30	<u>\$ 3,557</u>	<u>\$ 976</u>
Carrying amount at January 1	<u>\$ 9,505</u>	<u>\$ 6,497</u>
Carrying amount at September 30	<u>\$ 10,187</u>	<u>\$ 9,429</u>

Operating leases relate to leases of machinery and equipment. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

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

Machinery and equipment 3 years

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amount</u>			
Buildings	<u>\$ 159,737</u>	<u>\$ 214,370</u>	<u>\$ 215,690</u>
	For the Three Months Ended September 30	For the Nine Months Ended September 30	
	2024	2023	2024
			2023
Additions to right-of-use assets		<u>\$ 188</u>	<u>\$ 187,011</u>
Depreciation charge for right-of-use assets			
Buildings	<u>\$ 18,660</u>	<u>\$ 14,658</u>	<u>\$ 55,427</u>
			<u>\$ 35,485</u>

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amount</u>			
Current	<u>\$ 39,297</u>	<u>\$ 69,555</u>	<u>\$ 65,497</u>
Non-current	<u>\$ 119,632</u>	<u>\$ 140,006</u>	<u>\$ 145,490</u>

Range of discount rates for lease liabilities were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Buildings	0.72%-4.46%	0.72%-4.46%	0.72%-4.46%

c. Material lease activities and terms

The Group leases buildings for the use of offices with lease terms of 3 to 5 years. The Group does not have bargain purchase options to acquire the buildings at the end of the lease terms. In addition, the Group is prohibited from lending, subleasing, or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	\$ 1,454	\$ 632	\$ 3,908	\$ 5,452
Expenses relating to low-value asset leases	\$ 155	\$ 167	\$ 494	\$ 504
Total cash outflow for leases			\$ (61,451)	\$ (44,427)

The Group's leases of certain office equipment and buildings qualify as short-term or low-value asset leases. The Group has elected to apply the recognition exemption, and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. INTANGIBLE ASSETS

	Computer Software	Patents	Copyright	Total
<u>Cost</u>				
Balance at January 1, 2024	\$ 2,221	\$ 57,100	\$ 8,248	\$ 67,569
Additions	2,680	-	-	2,680
Effect of foreign currency exchange differences	32	-	-	32
Balance at September 30, 2024	\$ 4,933	\$ 57,100	\$ 8,248	\$ 70,281
<u>Accumulated amortization</u>				
Balance at January 1, 2024	\$ 1,167	\$ 4,758	\$ 917	\$ 6,842
Amortization expenses	413	8,565	2,062	11,040
Effect of foreign currency exchange differences	2	-	-	2
Balance at September 30, 2024	\$ 1,582	\$ 13,323	\$ 2,979	\$ 17,884
Carrying amount at September 30, 2024	\$ 3,351	\$ 43,777	\$ 5,269	\$ 52,397
Carrying amount at December 31, 2023 and January 1, 2024	\$ 1,054	\$ 52,342	\$ 7,331	\$ 60,727

(Continued)

	Computer Software	Patents	Copyright	Total
<u>Cost</u>				
Balance at January 1, 2023	\$ 1,987	\$ -	\$ -	\$ 1,987
Additions (Note 29)	833	57,100	8,248	66,181
Disposals	(602)	-	-	(602)
Effect of foreign currency exchange differences	(8)	-	-	(8)
Balance at September 30, 2023	<u>\$ 2,210</u>	<u>\$ 57,100</u>	<u>\$ 8,248</u>	<u>\$ 67,558</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2023	\$ 1,292	\$ -	\$ -	\$ 1,292
Amortization expenses	301	1,904	229	2,434
Disposals	(515)	-	-	(515)
Effect of foreign currency exchange differences	(14)	-	-	(14)
Balance at September 30, 2023	<u>\$ 1,064</u>	<u>\$ 1,904</u>	<u>\$ 229</u>	<u>\$ 3,197</u>
Carrying amount at September 30, 2023	<u>\$ 1,146</u>	<u>\$ 55,196</u>	<u>\$ 8,019</u>	<u>\$ 64,361</u> (Concluded)

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	5 years
Patents	5 years
Copyright	3 years

15. OTHER ASSETS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Prepayments			
Prepayments for software usage fee (Note 29)	\$ 8,332	\$ 1,655	\$ 3,749
Prepayments for taxes	3,408	19	-
Prepayments for insurance	3,095	9,120	2,374
Prepayments for transaction platform management fees for network security	995	-	-
Prepayments for royalty (Note 29)	990	1,520	1,520
Others (Note 29)	<u>2,784</u>	<u>1,866</u>	<u>2,548</u>
	<u>\$ 19,604</u>	<u>\$ 14,180</u>	<u>\$ 10,191</u> (Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Non-current</u>			
Refundable deposits (Note 29)	\$ 30,440	\$ 30,617	\$ 28,960
Others	<u>420</u>	<u>907</u>	<u>571</u>
	<u>\$ 30,860</u>	<u>\$ 31,524</u>	<u>\$ 29,531</u> (Concluded)

16. OTHER LIABILITIES

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Other payables			
Payables for salaries or bonuses (including compensation of employees and remuneration of directors and supervisors)	\$ 115,531	\$ 119,059	\$ 83,426
Payables for VAT	36,133	63,316	44,234
Payables for marketing expenses	21,179	18,106	14,338
Payables for cash-settled share-based payment transactions (Note 24)	14,384	15,416	-
Payables for professional fees	13,659	15,622	19,298
Payables for insurance	6,983	6,542	6,873
Payables for purchase of equipment	693	785	128
Others	<u>10,735</u>	<u>19,617</u>	<u>10,945</u>
	<u>\$ 219,297</u>	<u>\$ 258,463</u>	<u>\$ 179,242</u>
Other liabilities			
Points issuance	\$ 2,220,726	\$ 2,402,160	\$ 2,508,160
Payables for receipts on behalf of others - third-party payment (settled) (Note 29)	3,978,317	1,746,379	1,467,806
Payables for receipts on behalf of others - third-party payment (not settled)	168,654	1,919,441	1,989,888
Refund liabilities	12,905	11,581	9,185
Receipts under custody	8,835	7,395	5,664
Advanced receipts	<u>5,248</u>	<u>11,674</u>	<u>7,023</u>
	<u>\$ 6,394,685</u>	<u>\$ 6,098,630</u>	<u>\$ 5,987,726</u>
<u>Non-current</u>			
Payables for cash-settled share-based payment transactions (Note 24)	<u>\$ 28,398</u>	<u>\$ 13,740</u>	<u>\$ 19,403</u>

17. PROVISIONS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Restoration obligation (a)	\$ 8,391	\$ 8,322	\$ -
Employee benefits (b)	<u>10,917</u>	<u>9,680</u>	<u>5,907</u>
	<u>\$ 19,308</u>	<u>\$ 18,002</u>	<u>\$ 5,907</u>
<u>Non-current</u>			
Restoration obligation (a)	\$ 8,689	\$ 8,174	\$ 15,752
Employee benefits (b)	<u>2,649</u>	<u>2,454</u>	<u>8,006</u>
	<u>\$ 11,338</u>	<u>\$ 10,628</u>	<u>\$ 23,758</u>
	Restoration Obligation	Employee Benefits	Total
Balance at January 1, 2024	\$ 16,496	\$ 12,134	\$ 28,630
Additional provisions recognized	-	1,356	1,356
Lease modification	188	-	188
Interest expenses	350	-	350
Effect of foreign currency exchange differences	<u>46</u>	<u>76</u>	<u>122</u>
Balance at September 30, 2024	<u>\$ 17,080</u>	<u>\$ 13,566</u>	<u>\$ 30,646</u>
Balance at January 1, 2023	\$ 14,935	\$ 7,798	\$ 22,733
Additional provisions recognized	7,455	6,135	13,590
Lease modification	(6,608)	-	(6,608)
Interest expenses	128	-	128
Effect of foreign currency exchange differences	<u>(158)</u>	<u>(20)</u>	<u>(178)</u>
Balance at September 30, 2023	<u>\$ 15,752</u>	<u>\$ 13,913</u>	<u>\$ 29,665</u>

- a. Pursuant to the lease agreements, the Group shall, at the end of the respective lease terms, restore the leased offices to their original condition at the time of the lease. Provisions are recognized based on the present value of the best estimate of future outflow of economic benefits that will be required by the fulfillment of the restoration obligation stated on the lease contracts. The estimate will be reviewed regularly and adjusted according to the use of the offices.
- b. The provision for employee benefits represents accrual of annual leave and vested long service leave entitlements.

18. RETIREMENT BENEFIT PLANS

- a. Defined contribution plan

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

The employees of the subsidiary in South Korea are participants in a retirement benefit plan operated by the South Korean government. The subsidiary is required to allocate a specific proportion of its payroll costs to the retirement benefit plan to provide funding for the plan. The obligation regarding this government-operated retirement benefit plan is limited to making the specified contributions.

b. Defined benefit plans

For the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the pension expenses of defined benefit plans were \$21,164 thousand, \$27,894 thousand, \$64,122 thousand and \$82,448 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023 and 2022, respectively.

19. EQUITY

a. Share capital

Ordinary shares

	September 30, 2024	December 31, 2023	September 30, 2023
Shares authorized (in thousands of shares)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Shares authorized	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
Shares issued and fully paid	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 600,000</u>

Ordinary shares issued, which have a par value of NT\$10, carry one vote per share and carry a right to dividends.

On March 28, 2023, the Company's board of directors resolved to enact the first employee option plan of 2023, with the subscription price set at \$112 per share and the subscription base date set on April 27, 2023. As of the subscription base date, 1,331,750 units of employee share options were exercised. Upon completion of the change registration on May 17, 2023, the share capital was increased to \$560,382 thousand.

The Company's shareholders resolved in the shareholders' meeting on June 28, 2023 to issue 3,962 thousand ordinary shares with a par value of \$10 from capital surplus. On July 17, 2023, the subscription base date was determined by the board of directors to be August 14, 2023, increasing the share capital to \$600,000 thousand.

To address the initial public offering application and to strengthen operating capital, the Company's board of directors to issue 8,000 thousand ordinary shares with a par value of NT\$10 per share, totaling \$80,000 thousand on August 6, 2024, and the shares are tentatively set to be issued at a premium of NT\$520 per share. Upon approval by the competent authority on November 5, 2024, the Chairman is authorized to determine the capital increase record date, listing date, execute agreements for underwriting, fund collection, and fund custody, and handle other matters related to the issuance of new shares and the listing of the Company's stock.

b. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Issuance of ordinary shares premium	\$ 4,244,545	\$ 4,244,545	\$ 4,244,545
Conversion of employee share options	2,317	2,317	2,317
Forfeited employee share options	689	689	689
<u>May only be used to offset a deficit</u>			
Share of changes in capital surplus of subsidiaries	62,545	26,329	13,607
<u>May not be used for any purpose</u>			
Employee share options	<u>47,183</u>	<u>32,092</u>	<u>27,390</u>
	<u>\$ 4,357,279</u>	<u>\$ 4,305,972</u>	<u>\$ 4,288,548</u>

Note: Such capital surplus may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

A reconciliation of the balance of each class of capital surplus for the nine months ended September 30, 2024 and 2023 was as follows:

	Issuance of Ordinary Shares	Conversion of Employee Share Options	Forfeited Employee Share Options	Employee Share Options	Share of Changes in Capital Surplus of Subsidiaries	Total
Balance at January 1, 2024	\$ 4,244,545	\$ 2,317	\$ 689	\$ 32,092	\$ 26,329	\$ 4,305,972
Share-based payments	-	-	-	15,091	36,216	51,307
Balance at September 30, 2024	<u>\$ 4,244,545</u>	<u>\$ 2,317</u>	<u>\$ 689</u>	<u>\$ 47,183</u>	<u>\$ 62,545</u>	<u>\$ 4,357,279</u>
Balance at January 1, 2023	\$ 4,574,288	\$ -	\$ -	\$ 19,123	\$ -	\$ 4,593,411
Capital surplus used to offset accumulated deficits	(256,427)	-	-	-	-	(256,427)
Difference between consideration and carrying amount of subsidiaries acquired	(169,537)	-	-	-	-	(169,537)
Share-based payments	-	-	-	11,273	13,607	24,880
Exercised employee share options	135,839	2,317	-	(2,317)	-	135,839
Capital surplus transferred to share capital	(39,618)	-	-	-	-	(39,618)
Forfeited employee share options	-	-	689	(689)	-	-
Balance at September 30, 2023	<u>\$ 4,244,545</u>	<u>\$ 2,317</u>	<u>\$ 689</u>	<u>\$ 27,390</u>	<u>\$ 13,607</u>	<u>\$ 4,288,548</u>

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors, refer to compensation of employees and remuneration of directors and supervisors in Note 21(g).

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

The deficit compensation for 2022, which had been resolved by the shareholders in their meeting on June 28, 2023, was as follows:

	For the Year Ended December 31, 2022
Capital surplus used to offset accumulated deficits	<u>\$ 256,427</u>

The appropriation of earnings for 2023, which had been resolved by the shareholders in their meetings on June 28, 2024, was as follows:

	For the Year Ended December 31, 2023
Legal reserve	<u>\$ 48,161</u>

d. Other equity items

Exchange differences on the translation of the financial statements of foreign operations

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	<u>\$ 213</u>	<u>\$ -</u>
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	458	473
Income tax related to exchange differences on the translation of the financial statements of foreign operations	<u>(92)</u>	<u>(95)</u>
Other comprehensive income recognized for the period	<u>366</u>	<u>378</u>
Balance at September 30	<u>\$ 579</u>	<u>\$ 378</u>

- e. Interests attributable to the predecessor under common control

Exchange differences on the net assets of foreign operations

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ -	\$ 70
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	-	(317)
Income tax related to exchange differences on the translation of the financial statements of foreign operations	-	-
Reorganization	-	247
Balance at September 30	<u>\$ -</u>	<u>\$ -</u>

20. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Revenue from contracts with customers				
Service fee revenue - third-party payment	\$ 1,309,758	\$ 1,013,186	\$ 3,749,162	\$ 2,805,022
Financial marketing cooperation	177,780	131,874	560,358	433,143
System management services revenue	60,027	32,092	83,949	181,786
Others	<u>47,079</u>	<u>48,228</u>	<u>136,482</u>	<u>153,850</u>
	<u>\$ 1,594,644</u>	<u>\$ 1,225,380</u>	<u>\$ 4,529,951</u>	<u>\$ 3,573,801</u>

- a. Contract information

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

- 1) Service fee revenue

The Group provides third-party payment services. The service fee is directly related to the individual distinguishable payment processing services rendered and thus is recognized when the transaction is processed.

- 2) Financial marketing cooperation

The Group provides financial marketing services. Financial marketing cooperation is recognized when services are provided.

- 3) System management service revenue

The Group provides platform development and maintenance related to third-party payment services. Revenue from the rendering of services is recognized upon satisfaction of the service conditions.

b. Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023	January 1, 2023
Trade receivables (Note 9)	<u>\$ 223,866</u>	<u>\$ 234,511</u>	<u>\$ 190,927</u>	<u>\$ 177,366</u>
Trade receivables from related parties (Note 29)	<u>\$ 27,950</u>	<u>\$ 20,259</u>	<u>\$ 13,176</u>	<u>\$ 51,936</u>
Contract liabilities - current	<u>\$ 397,396</u>	<u>\$ 210,829</u>	<u>\$ 207,586</u>	<u>\$ 106,579</u>

21. NET PROFIT

a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Bank deposits	\$ 23,577	\$ 17,146	\$ 60,540	\$ 38,527
Others	<u>-</u>	<u>-</u>	<u>55</u>	<u>-</u>
	<u>\$ 23,577</u>	<u>\$ 17,146</u>	<u>\$ 60,595</u>	<u>\$ 38,527</u>

b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Rental income	\$ 138	\$ 137	\$ 412	\$ 411
Others	<u>4,311</u>	<u>41</u>	<u>16,646</u>	<u>68</u>
	<u>\$ 4,449</u>	<u>\$ 178</u>	<u>\$ 17,058</u>	<u>\$ 479</u>

c. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Net foreign exchange (losses) gains	\$ (15,666)	\$ 5,578	\$ 1,355	\$ 12,252
Gain on lease modification (Note 29)	-	-	-	4,633
Gain on disposal of property, plant and equipment	219	197	465	197
Loss on disposal of intangible assets	-	-	-	(87)
Others	<u>(1)</u>	<u>213</u>	<u>(3)</u>	<u>13</u>
	<u>\$ (15,448)</u>	<u>\$ 5,988</u>	<u>\$ 1,817</u>	<u>\$ 17,008</u>

Net foreign exchange (losses) gains:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Foreign exchange gains	\$ 4,890	\$ 11,170	\$ 30,666	\$ 27,194
Foreign exchange losses	<u>(20,556)</u>	<u>(5,592)</u>	<u>(29,311)</u>	<u>(14,942)</u>
Net foreign exchange (losses) gains	<u>\$ (15,666)</u>	<u>\$ 5,578</u>	<u>\$ 1,355</u>	<u>\$ 12,252</u>

d. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest on lease liabilities	\$ 1,820	\$ 1,460	\$ 5,786	\$ 1,816
Other finance costs	<u>118</u>	<u>78</u>	<u>350</u>	<u>128</u>
	<u>\$ 1,938</u>	<u>\$ 1,538</u>	<u>\$ 6,136</u>	<u>\$ 1,944</u>

e. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Depreciation expenses	\$ 27,313	\$ 25,320	\$ 86,109	\$ 65,954
Less: Expense allocation (Note 29)	<u>-</u>	<u>(2,608)</u>	<u>(7,203)</u>	<u>(6,919)</u>
	<u>\$ 27,313</u>	<u>\$ 22,712</u>	<u>\$ 78,906</u>	<u>\$ 59,035</u>
An analysis of depreciation by function				
Operating expenses	<u>\$ 27,313</u>	<u>\$ 22,712</u>	<u>\$ 78,906</u>	<u>\$ 59,035</u>
Amortization expenses	\$ 3,760	\$ 2,239	\$ 11,040	\$ 2,434
Less: Expense allocation (Note 29)	<u>-</u>	<u>(21)</u>	<u>(19)</u>	<u>(53)</u>
	<u>\$ 3,760</u>	<u>\$ 2,218</u>	<u>\$ 11,021</u>	<u>\$ 2,381</u>
An analysis of amortization by function				
Operating costs	\$ 3,544	\$ 2,132	\$ 10,628	\$ 2,132
Operating expenses	<u>216</u>	<u>86</u>	<u>393</u>	<u>249</u>
	<u>\$ 3,760</u>	<u>\$ 2,218</u>	<u>\$ 11,021</u>	<u>\$ 2,381</u>

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 227,937	\$ 200,669	\$ 630,480	\$ 543,966
Post-employment benefits				
Defined contribution plan	6,441	5,537	17,658	15,071
Defined benefit plans	21,164	27,894	64,122	82,448
Share-based payments (Note 24)				
Equity-settled	18,315	17,575	51,307	35,062
Cash-settled	12,714	6,996	13,447	20,270
Other employee benefits	18,373	18,149	56,566	33,196
Total employee benefits expenses	304,944	276,820	833,580	730,013
Less: Expense allocation (Note 29)	-	(91,332)	(130,874)	(272,137)
	\$ 304,944	\$ 185,488	\$ 702,706	\$ 457,876
An analysis of employee benefits expense by function				
Operating costs	\$ 122,196	\$ 88,104	\$ 316,510	\$ 183,647
Operating expenses	182,748	97,384	386,196	274,229
	\$ 304,944	\$ 185,488	\$ 702,706	\$ 457,876

g. Compensation of employees and remuneration of directors and supervisors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors and supervisors at rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors. But if the Company still has accumulated deficits, it shall first set aside an amount to offset of the deficits.

The compensation of employees and the remuneration of directors and supervisors for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 are as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2024	2023
Compensation of employees	1.01%	4.37%
Remuneration of directors and supervisors	-	-

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Compensation of employees	<u>\$ 1,463</u>	<u>\$ 7,402</u>	<u>\$ 6,382</u>	<u>\$ 21,321</u>
Remuneration of directors and supervisors	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recognized as a change in the accounting estimate and recorded in the following year.

The Company did not accrue compensation of employees and remuneration of directors and supervisors for the year ended December 31, 2022 due to the accumulated deficits.

The compensation of employees and the remuneration of directors and supervisors for the year ended December 31, 2023, which was resolved by the Company's board of directors on March 28, 2024 is as follows:

Accrual rate

	For the Year Ended December 31, 2023
Compensation of employees	1.01%
Remuneration of directors and supervisors	-

Amount

	For the Year Ended December 31, 2023
Compensation of employees	<u>\$ 6,142</u>
Remuneration of directors and supervisors	<u>\$ -</u>

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

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

22. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current income tax				
In respect of the current period	\$ 52,089	\$ 28,157	\$ 203,276	\$ 28,157
Income tax on unappropriated earnings	-	-	21,672	-
Adjustments for prior year	<u>-</u>	<u>-</u>	<u>(1,150)</u>	<u>-</u>
	52,089	28,157	223,798	28,157
Deferred income tax				
In respect of the current period	<u>(10,921)</u>	<u>(8,969)</u>	<u>(46,991)</u>	<u>61,166</u>
Income tax expense recognized in profit or loss	<u>\$ 41,168</u>	<u>\$ 19,188</u>	<u>\$ 176,807</u>	<u>\$ 89,323</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
<u>Deferred tax</u>				
In respect of the current period				
Translation of foreign operations	<u>\$ 276</u>	<u>\$ 95</u>	<u>\$ 92</u>	<u>\$ 95</u>

c. Income tax assessments

As of September 30, 2024, the Group had no pending tax litigation cases. The income tax returns of the Company through 2022 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Basic earnings per share	<u>\$ 1.87</u>	<u>\$ 2.22</u>	<u>\$ 7.99</u>	<u>\$ 6.16</u>
Diluted earnings per share	<u>\$ 1.80</u>	<u>\$ 2.22</u>	<u>\$ 7.68</u>	<u>\$ 6.09</u>

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

Net Profit for the Period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Profit for the period attributable to owners of the Company	\$ 112,056	\$ 133,374	\$ 479,125	\$ 366,053
Profit for the period attributable to the predecessor under common control	-	-	-	11,381
Profit for the period	\$ 112,056	\$ 133,374	\$ 479,125	\$ 377,434
Earnings used in the computation of basic earnings per share and diluted earnings per share	\$ 112,056	\$ 133,374	\$ 479,125	\$ 366,053

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	60,000	60,000	60,000	59,389
Effect of potentially dilutive ordinary shares				
Employee share options	2,352	16	2,403	591
Compensation of employees	12	109	15	109
Weighted average number of ordinary shares used in the computation of diluted earnings per share	62,364	60,125	62,418	60,089

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

24. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share option plan of the parent company

In order to attract and retain professional personnel for the Group and incentivize employee morale to create profits for both the Company and its shareholders, the intermediate parent company, Z Holdings Corporation, which was renamed LY Corporation from October 2023 onward, through resolutions of the board of directors, enacted terms and conditions for the issuance of employee share option plans. The following employee share options were issued to employees of the Group:

Grant Date	Granted Units	Exercise Prices (In JPY)
March 31, 2021	1,259,600	¥ 481
April 28, 2020	1,043,400	298
July 29, 2019	370,125	298

Qualified employees of the intermediate parent company and its subsidiaries were granted options in the intermediate parent company, Z Holdings Corporation, which was renamed LY Corporation from October 2023 onward. Each option entitles the holder to subscribe for 1,175 ordinary shares of the intermediate parent company. The options granted are valid for 9 to 10 years and exercisable at certain percentages after the second to fifth anniversary of the grant date. The performance of the share option is delivered by the intermediate parent company by issuing new shares. For any subsequent changes in the intermediate parent company's share capital, the exercise price is adjusted accordingly.

Due to organizational restructuring, the intermediate parent company, Z Holdings Corporation, was merged with LINE Corporation and other companies within the Group in October 2023. Following the merger, LINE Corporation and other companies within the Group were dissolved, and Z Holdings Corporation was the surviving company, which was renamed LY Corporation.

Information on employee share options was as follows:

	For the Nine Months Ended September 30, 2024					
	Granted on March 31, 2021		Granted on April 28, 2020		Granted on July 29, 2019	
	Number of Options	Weighted- average Exercise Price (In JPY)	Number of Options	Weighted- average Exercise Price (In JPY)	Number of Options	Weighted- average Exercise Price (In JPY)
Employee Share Options						
Balance at January 1	1,310,125	¥ 481	1,053,975	¥ 298	437,100	¥ 298
Options granted	-	-	-	-	-	-
Options transferred-in	16,450	481	24,675	298	-	-
Options forfeited	(25,850)	481	(17,625)	298	-	-
Options exercised	-	-	(15,275)	298	-	-
Balance at September 30	<u>1,300,725</u>	481	<u>1,045,750</u>	298	<u>437,100</u>	298
Options exercisable, end of the period	<u>269,075</u>	481	<u>1,045,750</u>	298	<u>437,100</u>	298

For the Nine Months Ended September 30, 2023						
	Granted on March 31, 2021		Granted on April 28, 2020		Granted on July 29, 2019	
	Number of Options	Weighted-average Exercise Price (In JPY)	Number of Options	Weighted-average Exercise Price (In JPY)	Number of Options	Weighted-average Exercise Price (In JPY)
Employee Share Options						
Balance at January 1	1,214,950	¥ 481	962,325	¥ 298	351,325	¥ 298
Options granted	-	-	-	-	-	-
Options forfeited	(23,500)	481	(14,100)	298	(8,225)	298
Options exercised	-	-	(15,275)	298	(8,225)	298
Balance at September 30	<u>1,191,450</u>	481	<u>932,950</u>	298	<u>334,875</u>	298
Options exercisable, end of the period	<u>-</u>	-	<u>531,100</u>	298	<u>204,450</u>	298

Information on outstanding options was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Range of exercise price (in JPY)	¥298-¥481	¥298-¥481	¥298-¥481
Weighted-average remaining contractual life (in years)	5.40 years	6.16 years	6.77 years

Compensation costs recognized were \$7,145 thousand, \$7,576 thousand, \$16,537 thousand and \$20,110 thousand for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, respectively.

b. Employee share option plan of the Company

On March 28, 2023, the Company's board of directors resolved to approve the first, second and third employee stock option issuance and subscription plan for fiscal year 2023, which approved the issuance of the following employee stock options to the employees of the Company and its subsidiaries who meet certain criteria, respectively:

Terms	Authorized Units	Exercise Prices (NT\$)
First of 2023	1,727,750	\$ 112
Second of 2023	1,827,750	112
Third of 2023	1,914,500	112

The above employee stock options may be issued in one or several installments within one year after the resolutions of the board of directors, with the actual grant dates determined by the chairman. Each option entitles the holder to the right to subscribe for one ordinary share of the Company.

In accordance with the first employee share option plan of 2023, the options were vested immediately on the date of grant. The stock option is exercisable by the stock option holder within one month from the date of grant and is deemed to be forfeited after the expiration of the period.

In accordance with the second employee share option plan of 2023, the stock options are valid for 10 years. The stock option holders may exercise the stock option in accordance with the plan after the third anniversary of the grant date.

In accordance with the third employee share option plan of 2023, the stock options are valid for 10 years. The stock option holders may exercise the stock option in accordance with the plan after the third to fifth anniversary of the grant date at certain percentages.

The performance of the share option is delivered by the Company by issuing new shares. For any subsequent changes in the Company's share capital, the exercise price is adjusted accordingly.

Information on employee share options was as follows:

Employee Share Options	For the Nine Months Ended September 30, 2024							
	First of 2023		Second of 2023			Third of 2023		
	Number of Options	Weighted-average Exercise Price (NT\$)	Number of Options	Weighted-average Exercise Price (NT\$)		Number of Options	Weighted-average Exercise Price (NT\$)	
Balance at January 1	-	\$ -	1,798,250	\$ 104.60	Note	1,394,000	\$ 104.60	Note
Options granted	-	-	-	-		-	-	
Options forfeited	-	-	(68,500)	104.60	Note	-	-	
Options exercised	-	-	-	-		-	-	
Options expired	-	-	-	-		-	-	
Balance at September 30	<u>-</u>	-	<u>1,729,750</u>	104.60	Note	<u>1,394,000</u>	104.60	Note
Options exercisable, end of the period	<u>-</u>	-	<u>-</u>	-		<u>-</u>	-	

Employee Share Options	For the Nine Months Ended September 30, 2024							
	First of 2023		Second of 2023			Third of 2023		
	Number of Options	Weighted-average Exercise Price (NT\$)	Number of Options	Weighted-average Exercise Price (NT\$)		Number of Options	Weighted-average Exercise Price (NT\$)	
Balance at January 1	-	\$ -	-	\$ -		-	\$ -	
Options granted	1,727,750	112.00	1,827,750	112.00		747,000	112.00	
Options forfeited	-	-	-	-		-	-	
Options exercised	(1,331,750)	112.00	-	-		-	-	
Options expired	<u>(396,000)</u>	112.00	<u>-</u>	-		<u>-</u>	-	
Balance at September 30	<u>-</u>	-	<u>1,827,750</u>	104.60	Note	<u>747,000</u>	104.60	Note
Options exercisable, end of the period	<u>-</u>	-	<u>-</u>	-		<u>-</u>	-	
Weighted-average fair value of options granted (\$)	\$ 1.74		\$ 50.67			\$ 50.70		

Note: The exercise prices have been adjusted to account for the issuance of bonus shares.

Information on outstanding options was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Range of exercise price (NT\$)	\$104.60	\$104.60	\$104.60
Weighted-average remaining contractual life (in years)	8.78 years	9.53 years	9.70 years

Options granted as above are priced using the Black-Scholes pricing model, and the inputs to the model are as follows:

Employee Share Option Plan of the Company			
Granted on March 28, 2023			
	First of 2023	Second of 2023	Third of 2023
Grant-date share price (NT\$)	\$104.84	\$104.84	\$104.84
Exercise price (NT\$)	\$112	\$112	\$112
Expected volatility	50.36%	48.45%	47.64%-48.45%
Expected life (in years)	0.04	6.50	6.50-7.50
Expected dividend yield	0.00%	0.00%	0.00%
Risk-free interest rate	0.94%	1.15%	1.15%-1.16%

Employee Share Option Plan of the Company			
	Granted on July 3, 2023		Granted on October 31, 2023
	Second of 2023	Third of 2023	Third of 2023
Grant-date share price (NT\$)	\$107.32	\$107.32	\$106.97
Exercise price (NT\$)	\$112	\$112	\$104.6
Expected volatility	48.63%	47.33%-48.63%	46.39%-47.65%
Expected life (in years)	6.50	6.50-7.50	6.50-7.50
Expected dividend yield	0.00%	0.00%	0.00%
Risk-free interest rate	1.11%	1.11%-1.14%	1.26%-1.27%

Compensation costs recognized were \$11,170 thousand, \$9,999 thousand, \$34,770 thousand and \$14,952 thousand for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, respectively.

c. Cash-settled share-based payments of the parent company

In August 2022, Z Holdings Corporation, which was renamed LY Corporation from October 2023 onward, issued a plan for share-based payments with employee reward points. The cash-settled share-based payments of the plan apply to employees of the Group. This plan aims to reward all employees of Z Holdings Corporation, which was renamed LY Corporation from October 2023 onward, and its controlled subsidiaries who meet certain conditions. Employees are awarded reward points based on their achievements, and the share-based payments will be settled in cash when the vesting conditions are fulfilled.

The Group recorded compensation costs in respect of cash-settled share-based payments of \$12,714 thousand, \$6,996 thousand, \$13,447 thousand and \$20,270 thousand for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, respectively. As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group recorded liabilities of \$42,782 thousand, \$29,156 thousand and \$19,403 thousand, respectively, under other payables and other non-current liabilities. Refer to Note 16.

25. BUSINESS COMBINATION UNDER COMMON CONTROL

In July 2023, the Company acquired 100% interest in LINE Pay Plus Corporation from LINE Biz Plus Corporation with a cash payment as consideration in order to expand the business and enhance operational efficiency. The transaction is a business combination under common control; therefore, the comparative information of the prior period in the consolidated financial statements is restated as if the combination had already occurred.

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)
LINE Pay Plus Corporation	System platform development and maintenance	July 3, 2023	100

b. Consideration transferred

	LINE Pay Plus Corporation
Cash	\$ <u>207,792</u>

c. Net assets at the date of acquisition

	LINE Pay Plus Corporation
Current assets	
Cash and cash equivalents	\$ 238,812
Trade and other receivables	133,626
Other current assets	6,473
Non-current assets	
Plant and equipment	16,169
Other non-current assets	10,146
Current liabilities	
Trade and other payables	(60,024)
Other current liabilities	(8,369)
Non-current liabilities	
Net defined benefit liabilities	(281,687)
Other non-current liabilities	<u>(16,891)</u>
	<u>\$ 38,255</u>

d. The impact of the business combination under common control

	LINE Pay Plus Corporation
Consideration paid	\$ 207,792
Less: Carrying amount of the acquired net assets	<u>(38,255)</u>
The impact recognized in equity	<u>\$ 169,537</u>

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

- e. The impact of retrospective restatement for the nine months ended September 30, 2023

Consolidated statement of comprehensive income for the nine months ended September 30, 2023

Item	As Originally Stated	Impact	Restated
Operating revenue	\$ 3,424,107	\$ 149,694	\$ 3,573,801
Operating costs	(2,355,851)	(103,683)	(2,459,534)
Operating expenses	(662,624)	(38,956)	(701,580)
Non-operating income and expenses	49,744	4,326	54,070
Income tax expense	<u>(89,323)</u>	<u>-</u>	<u>(89,323)</u>
Total effect on net profit for the period	366,053	11,381	377,434
Total effect on other comprehensive income for the period, net of income tax	<u>378</u>	<u>(317)</u>	<u>61</u>
Total effect on total comprehensive income for the period	<u>\$ 366,431</u>	<u>\$ 11,064</u>	<u>\$ 377,495</u>
Impact on net profit attributable to:			
Owners of the Company	\$ 366,053	\$ -	\$ 366,053
Interests attributable to the predecessor under common control	<u>-</u>	<u>11,381</u>	<u>11,381</u>
	<u>\$ 366,053</u>	<u>\$ 11,381</u>	<u>\$ 377,434</u>
Impact on total comprehensive income attributable to:			
Owners of the Company	\$ 366,431	\$ -	\$ 366,431
Interests attributable to the predecessor under common control	<u>-</u>	<u>11,064</u>	<u>11,064</u>
	<u>\$ 366,431</u>	<u>\$ 11,064</u>	<u>\$ 377,495</u>
Impact on earnings per share (Unit: NT\$ per share)			
Basic earnings per share	<u>\$6.16</u>		<u>\$6.16</u>
Diluted earnings per share	<u>\$6.09</u>		<u>\$6.09</u>

26. CASH FLOW INFORMATION

- a. Non-cash transactions

For the nine months ended September 30, 2024 and 2023, the Group entered into the following non-cash investing activities which were not reflected in the statements of cash flows:

As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group had not yet paid for the acquisition of property, plant and equipment at amounts of \$693 thousand, \$785 thousand and \$128 thousand, respectively, which were recorded under other payables.

b. Changes in liabilities arising from financing activities

For the nine months ended September 30, 2024

	Opening Balance	Cash Flows	Non-cash Changes			Others	Closing Balance
			Lease Modification	Interest Expenses	Change in Exchange Rates		
Lease liabilities	<u>\$ 209,561</u>	<u>\$ (51,263)</u>	<u>\$ -</u>	<u>\$ 5,786</u>	<u>\$ 631</u>	<u>\$ (5,786)</u>	<u>\$ 158,929</u>

For the nine months ended September 30, 2023

	Opening Balance	Cash Flows	Non-cash Changes			Others	Closing Balance
			Additions	Lease Modification	Interest Expenses		
Lease liabilities	<u>\$ 74,121</u>	<u>\$ (36,655)</u>	<u>\$ 179,556</u>	<u>\$ (4,443)</u>	<u>\$ 1,816</u>	<u>\$ (1,592)</u>	<u>\$ 210,987</u>

27. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of equity of the Company (comprising issued capital, reserves, retained earnings and other equity).

Key management personnel of the Group review the capital structure on a regular basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders or the number of new shares issued.

28. FINANCIAL INSTRUMENTS

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

The carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements which are not measured at fair value approximate their fair value, or the fair value of such assets and liabilities cannot be reliably measured.

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

1) Fair value hierarchy

September 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Overseas unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 215</u>	<u>\$ 215</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Oversea unlisted shares	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 214</u>	\$ <u> 214</u>

September 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Oversea unlisted shares	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 216</u>	\$ <u> 216</u>

There were no transfers between Levels 1 and 2 for the nine months ended September 30, 2024 and 2023.

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

For the nine months ended September 30, 2024

Financial Assets	Financial Assets at FVTPL Equity Instruments
Balance at January 1, 2024	\$ 214
Effect of foreign currency exchange differences	<u> 1</u>
Balance at September 30, 2024	\$ <u> 215</u>

For the nine months ended September 30, 2023

Financial Assets	Financial Assets at FVTPL Equity Instruments
Balance at January 1, 2023	\$ 218
Effect of foreign currency exchange differences	<u> (2)</u>
Balance at September 30, 2023	\$ <u> 216</u>

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

The fair value of unlisted equity securities held by the Group is determined using the asset-based approach. In this approach, the value of net asset measured at fair value in the most recent financial statements of the investee and a liquidity discount parameter are considered in order to derive the fair value of the shares.

c. Categories of financial instruments

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 215	\$ 214	\$ 216
Financial assets at amortized cost (1)	13,245,450	12,137,657	11,761,137
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	6,457,306	6,194,229	6,054,448

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, trade receivables, trade receivables from related parties, other receivables (excluding tax refund receivables), other receivables from related parties, other financial assets and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise trade payables, trade payables to related parties, other payables (excluding payables for salaries or bonus, payables for VAT, payables for cash-settled share-based payments transactions and payables for insurance), other payables to related parties, and other current liabilities (excluding advanced receipts, refund liabilities and receipts under custody).

d. Financial risk management objectives and policies

The Group's major financial instruments include receivables, other financial assets, payables and other current liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, and liquidity risk.

The corporate treasury function reports regularly to the Group's management, which monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price (see (c) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the period are set out in Note 32.

Sensitivity analysis

The Group is mainly exposed to the USD and JPY.

The following table details the Group's sensitivity to a 1% increase and decrease in the functional currencies of each entity in the Group against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. A positive number below indicates an increase in pre-tax profit associated with the functional currency of each entity in the Group strengthening 1% against the relevant currency. For a 1% weakening of the functional currency of each entity in the Group against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	USD Impact		JPY Impact	
	For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Profit or loss	\$ (3,419)	\$ (2,577)	\$ 597	\$ 384

The above results were mainly attributable to the exposure on outstanding bank deposits, receivables and payables in USD and JPY that were not hedged at the end of the period.

The Group's sensitivity to USD increased during the current period mainly due to the increase in net assets in USD.

The Group's sensitivity to JPY increased during the current period mainly due to the increase in net liabilities in JPY.

b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the period were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Fair value interest rate risk			
Financial assets	\$ 1,669,651	\$ 277,000	\$ 277,000
Financial liabilities	158,929	209,561	210,987
Cash flow interest rate risk			
Financial assets	9,415,276	8,432,299	8,355,460

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the period was outstanding for the whole year. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2024 and 2023 would have increased/decreased by \$70,615 thousand and \$62,666 thousand, respectively, which was mainly a result of the Group's exposure to interest rates of demand deposits and other financial assets.

The Group's sensitivity to interest rates increased during the current period mainly due to the increase in floating rate financial assets.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than for trading purposes. The Group does not actively trade these investments.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the period.

If equity prices had been 1% higher/lower, pre-tax profit for the nine months ended September 30, 2024 and 2023 would have both increased/decreased by \$2 thousand as a result of the changes in fair value of financial assets at FVTPL.

The Group's sensitivity to investments in equity securities has not changed significantly from the prior period.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligations, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to minimize credit risk, the management of the Group is responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group reviews the recoverable amount of each individual receivable at the end of the period to ensure that adequate allowance is made for possible irrecoverable amounts.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the period.

September 30, 2024

	On Demand or Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1-5 Years
Non-interest bearing liabilities	\$ 4,236,580	\$ -	\$ -	\$ -
Lease liabilities	<u>6,456</u>	<u>7,065</u>	<u>32,005</u>	<u>127,679</u>
	<u>\$ 4,243,036</u>	<u>\$ 7,065</u>	<u>\$ 32,005</u>	<u>\$ 127,679</u>

December 31, 2023

	On Demand or Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1-5 Years
Non-interest bearing liabilities	\$ 3,792,069	\$ -	\$ -	\$ -
Lease liabilities	<u>6,336</u>	<u>12,673</u>	<u>51,691</u>	<u>158,885</u>
	<u>\$ 3,798,405</u>	<u>\$ 12,673</u>	<u>\$ 51,691</u>	<u>\$ 158,885</u>

September 30, 2023

	On Demand or Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1-5 Years
Non-interest bearing liabilities	\$ 3,546,288	\$ -	\$ -	\$ -
Lease liabilities	<u>6,060</u>	<u>12,120</u>	<u>54,727</u>	<u>158,626</u>
	<u>\$ 3,552,348</u>	<u>\$ 12,120</u>	<u>\$ 54,727</u>	<u>\$ 158,626</u>

29. TRANSACTIONS WITH RELATED PARTIES

The parent company of the Company is LINE Financial Corporation, which held 65.84%, 68.35% and 68.35% of the ordinary shares of the Company as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively. The Company's ultimate parent company is SoftBank Group Corp.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows:

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Taipei Fubon Commercial Bank Co., Ltd.	The Company's shareholder
Union Bank of Taiwan Co., Ltd.	The Company's shareholder
SoftBank Group Corp.	Ultimate parent company
LY Corporation (Note 1)	Intermediate parent company
LINE Financial Corporation (Note 2)	Parent company
LINE Pay Corporation	Fellow subsidiary
LINE Plus Corporation	Fellow subsidiary
LY Communications Corporation	Fellow subsidiary
LINE NEXT Corporation	Fellow subsidiary
LINE Biz Plus Corporation (Note 3)	Fellow subsidiary
LINE Taiwan Limited	Fellow subsidiary
NAVER Corporation	The Company acts as its associate
NAVER Cloud Corporation	Related party in substance
JDW Co., Ltd. (Note 4)	Related party in substance
Choco Media Co., Limited	Related party in substance
LINE Bank Taiwan Limited	Related party in substance
IPX Corporation (Note 5)	Related party in substance
LINE Friends Taiwan Limited (Note 5)	Related party in substance
N Tech Service Corporation	Related party in substance
NAVER I&S Corporation	Related party in substance
NAVER Financial Corporation	Related party in substance
NAVER Connect Foundation	Related party in substance
inComms Corporation	Related party in substance
SNOW Corporation	Related party in substance

Note 1: Due to organizational restructuring, Z Holdings Corporation merged with LINE Corporation and other companies within the Group in October 2023. Following the merger, LINE Corporation and other companies within the Group were dissolved, and Z Holdings Corporation was the surviving company, which was renamed LY Corporation. The rights and obligations of the Group and the original parent company, LINE Corporation, are assumed by LY Corporation.

Note 2: LINE Financial Plus Corporation was renamed LINE Financial Corporation in October 2023.

Note 3: The fellow subsidiary, LINE Biz Plus Corporation, resolved to dissolve and liquidate during its shareholders' meeting in June 2024. The liquidation process was completed in September 2024.

Note 4: Due to changes in percentage of ownership, the Group's original fellow subsidiary, JDW Co., Ltd., became a related party in substance in September 2023. The related party transactions for the nine months ended September 30, 2023 are disclosed based on the above new related party category.

Note 5: Starting in May 2024, the related party category of former fellow subsidiaries IPX Corporation and LINE Friends Taiwan Limited changed from that of fellow subsidiaries to that of related parties in substance. The related party transactions for the nine months ended September 30, 2023 are disclosed based on the above new related party category.

b. Operating revenue

Related Party Category/Name	Nature	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Parent company	System management services revenue (1)	\$ 5,688	\$ -	\$ 7,031	\$ -
Intermediate parent company					
LY Corporation	Service fee revenue (2)	66,518	59,209	194,132	166,206
Fellow subsidiaries					
LINE Pay Corporation	System management services revenue (3)	54,339	32,092	76,918	181,786
Others	Service fee revenue (4)	7,458	6,326	21,389	18,227
	Others	1,499	2,214	3,671	6,226
The Company's shareholders	Service fee revenue (4)	1,295	3,190	9,669	8,416
	Financial marketing cooperation (5)	22,983	30,439	74,764	95,275
	Others	1,298	564	4,558	1,996
Related parties in substance	Service fee revenue (4)	6,239	5,703	17,904	17,745
	Others	<u>270</u>	<u>364</u>	<u>587</u>	<u>1,054</u>
		<u>\$ 167,587</u>	<u>\$ 140,101</u>	<u>\$ 410,623</u>	<u>\$ 496,931</u>

- 1) The subsidiary, LINE Pay Plus Corporation, entered into a system software development and maintenance service agreement with LINE Financial Corporation on June 1, 2024. The service fee is charged monthly based on the agreed-upon rates per hour worked.
- 2) The Company entered into a LINE Points business agreement with LINE Corporation (it was renamed LY Corporation from October 2023 on) on September 4, 2017. The service fee revenue is charged based on the usage ratio of LINE Points according to the contract.
- 3) The subsidiary, LINE Pay Plus Corporation, provided manpower support services related to software development and maintenance of the payment system for LINE Pay Corporation. The service fee is charged monthly based on the agreed-upon rates per hour worked. In July 2023, the agreement was terminated. In June 2024, the service contract was renewed, and the services revenue is computed based on hours worked and the agreed-upon rates.
- 4) The Company entered into platform operator service agreements with related parties. Based on the agreements, the Company shall recognize service fee revenue for providing third-party payment services. The service fee revenue is charged based on a fixed rate of the transaction amount of third-party payments.
- 5) The Company entered into business collaboration agreements with related parties. Based on the agreements, the Company shall recognize financial cooperation marketing revenue for providing promotion services for co-branded cards issued by banks.

The transaction prices and credit terms with related parties are in accordance with the agreement.

c. Operating costs

Related Party Category/Name	Nature	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Fellow subsidiary					
LINE Pay Corporation	System management service cost (1)	\$ 8,471	\$ 52,194	\$ 30,863	\$ 256,322
The Company's shareholders					
Taipei Fubon Commercial Bank Co., Ltd.	Service fee cost (2)	5,587	172,480	8,628	558,413
Union Bank of Taiwan Co., Ltd.	Service fee cost (2)	62,874	48,696	189,988	123,049
Related parties in substance					
	System management service cost	10,684	4,482	24,637	12,621
	Others	-	1,498	529	10,918
		<u>\$ 87,616</u>	<u>\$ 279,350</u>	<u>\$ 254,645</u>	<u>\$ 961,323</u>

1) In 2019, the Company entered into a system management service agreement with LINE Pay Corporation. Under the agreement, LINE Pay Corporation will provide services related to the development, maintenance and operation of the payment system, hardware and software. The agreement is in effect from January 1, 2019 until September 21, 2023, and will be extended automatically upon expiration of the contract if there are no objections. The fee is calculated on a cost basis based on the transaction volume of LINE Pay service plus an 8% markup and an additional system usage license fee of 1% of the monthly service fee revenues of the Company. Because the Company acquired patents of the payment system from LINE Pay Corporation, the Company entered into a supplementary agreement with LINE Pay Corporation in August 2023, under which the calculation of fees was changed to a 5.5% markup on the cost of services rendered by LINE Pay Corporation. The fee is recognized as an operating cost or an operating expense based on its nature.

2) Service fee costs were computed based on transaction amounts and agreed-upon service fee rates.

The transaction prices and credit terms with related parties conform to regular business practice and are not different from those with unrelated parties.

d. Receivables from related parties

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Trade receivables	Parent company			
	LINE Financial Corporation	\$ 3,103	\$ -	\$ -
	Fellow subsidiaries			
	LINE Pay Corporation	16,568	-	-
	Others	1,037	1,301	1,101
	The Company's shareholders			
	Taipei Fubon Commercial Bank Co., Ltd.	5,008	15,634	8,794
	Union Bank of Taiwan Co., Ltd.	<u>2,234</u>	<u>3,324</u>	<u>3,281</u>
		<u>\$ 27,950</u>	<u>\$ 20,259</u>	<u>\$ 13,176</u>
Other receivables - third-party payment (unappropriated)	The Company's shareholders			
	Taipei Fubon Commercial Bank Co., Ltd.	\$ 107,679	\$ 65,084	\$ 649,703
	Union Bank of Taiwan Co., Ltd.	<u>116,897</u>	<u>215,998</u>	<u>185,750</u>
		<u>\$ 224,576</u>	<u>\$ 281,082</u>	<u>\$ 835,453</u>

(Continued)

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Other receivables - points issued	Fellow subsidiary			
	LINE Taiwan Limited	\$ 141,362	\$ 152,884	\$ 130,743
	The Company's shareholders			
	Taipei Fubon Commercial Bank Co., Ltd.	71,849	86,428	73,435
	Union Bank of Taiwan Co., Ltd.	<u>34,271</u>	<u>30,583</u>	<u>49,735</u>
		<u>\$ 247,482</u>	<u>\$ 269,895</u>	<u>\$ 253,913</u>
Other receivables - others	Fellow subsidiaries	<u>\$ -</u>	<u>\$ 96,070</u>	<u>\$ 66,522</u> (Concluded)

The outstanding trade and other receivables from related parties are unsecured. For the nine months ended September 30, 2024 and 2023, no impairment loss was recognized on trade and other receivables from related parties.

e. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Trade payables	Fellow subsidiaries			
	LINE Pay Corporation	\$ 2,300	\$ 23,558	\$ 10,554
	LINE Taiwan Limited	27,661	20,613	17,804
	Related party in substance			
	N Tech Service Corporation	<u>3,842</u>	<u>2,981</u>	<u>2,701</u>
		<u>\$ 33,803</u>	<u>\$ 47,152</u>	<u>\$ 31,059</u>
Other payables	Parent company			
	LINE Financial Corporation	\$ 1,658	\$ -	\$ -
	Intermediate parent company	125	124	158
	Fellow subsidiaries			
	LINE Pay Corporation	3,502	17,278	8,637
	Others	270	242	247
	The Company acts as its associate	129	1,733	223
	Related parties in substance	<u>1,266</u>	<u>2,200</u>	<u>1,566</u>
		<u>\$ 6,950</u>	<u>\$ 21,577</u>	<u>\$ 10,831</u>
Payables for receipts on behalf of others - third-party payment (settled) (classified as other current liabilities)	Intermediate parent company	\$ 16,946	\$ 20,848	\$ 19,013
	Fellow subsidiaries	38,585	43,119	146,844
	Related parties in substance	<u>14,424</u>	<u>4,606</u>	<u>4,738</u>
		<u>\$ 69,955</u>	<u>\$ 68,573</u>	<u>\$ 170,595</u>

The outstanding payables to related parties are unsecured.

f. Prepayments

Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Intermediate parent company			
LY Corporation	\$ 2,966	\$ 878	\$ 2,703
The Company acts as its associate	9	-	-
Related parties in substance			
IPX Corporation	990	1,520	1,520
Others	<u>45</u>	<u>60</u>	<u>-</u>
	<u>\$ 4,010</u>	<u>\$ 2,458</u>	<u>\$ 4,223</u>

g. Acquisition of property, plant and equipment

Related Party Category/Name	Purchase Price			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Parent company	\$ -	\$ -	\$ 21	\$ 247
Fellow subsidiaries	<u>-</u>	<u>226</u>	<u>208</u>	<u>3,859</u>
	<u>\$ -</u>	<u>\$ 226</u>	<u>\$ 229</u>	<u>\$ 4,106</u>

h. Acquisition of intangible assets

Related Party Category/Name	Purchase Price			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Intermediate parent company				
LY Corporation	\$ -	\$ 8,248	\$ -	\$ 8,248
Fellow subsidiaries				
LINE Pay Corporation	-	57,100	-	57,100
Others	<u>-</u>	<u>8</u>	<u>-</u>	<u>8</u>
	<u>\$ -</u>	<u>\$ 65,356</u>	<u>\$ -</u>	<u>\$ 65,356</u>

i. Lease arrangements

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Lease liabilities	Parent company			
	LINE Financial Corporation	<u>\$ 156,008</u>	<u>\$ 180,476</u>	<u>\$ 173,231</u>

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
<u>Interest expense</u>				
Parent company				
LINE Financial Corporation	\$ 1,794	\$ 1,335	\$ 5,635	\$ 1,335
Related party in substance				
SNOW Corporation	<u>-</u>	<u>-</u>	<u>-</u>	<u>32</u>
	<u>\$ 1,794</u>	<u>\$ 1,335</u>	<u>\$ 5,635</u>	<u>\$ 1,367</u>
<u>Lease expense</u>				
Fellow subsidiary	\$ -	\$ 1,259	\$ -	\$ 4,870
Related party in substance	<u>-</u>	<u>1,130</u>	<u>-</u>	<u>2,615</u>
	<u>\$ -</u>	<u>\$ 2,389</u>	<u>\$ -</u>	<u>\$ 7,485</u>

The subsidiary leased the right-of-use assets of office buildings from the parent company and related party in substance in August 2023 and February 2022, respectively. The lease terms of the two contracts were 5 years and 1.5 years, respectively; the rental is based on similar assets' market rental rates and fixed lease payments are paid monthly. However, in March 2023, the subsidiary terminated its lease agreement with a related party in substance in advance, recognizing a gain on lease modification of \$4,633 thousand, which was recorded under other gains and losses.

Lease expenses included expenses relating to short-term leases.

j. Others

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023	
Refundable deposits	Parent company				
	LINE Financial Corporation	<u>\$ 19,621</u>	<u>\$ 19,523</u>	<u>\$ 17,941</u>	
Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Marketing expenses	Fellow subsidiaries	\$ 25	\$ 136	\$ 211	\$ 434
	Related parties in substance	<u>-</u>	<u>72</u>	<u>-</u>	<u>72</u>
		<u>\$ 25</u>	<u>\$ 208</u>	<u>\$ 211</u>	<u>\$ 506</u>
Management service expenses	Parent company (3)	\$ 4,462	\$ -	\$ 5,553	\$ -
	Intermediate parent company (1)	897	1,336	2,650	4,533
	Fellow subsidiaries				
	LINE Pay Corporation (c)	10,915	13,893	31,004	52,754
	Others	616	314	1,376	815
	Related parties in substance	<u>3,062</u>	<u>618</u>	<u>6,842</u>	<u>3,137</u>
		<u>\$ 19,952</u>	<u>\$ 16,161</u>	<u>\$ 47,425</u>	<u>\$ 61,239</u>

(Continued)

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Other management expenses	Intermediate parent company	\$ 1,562	\$ 1,424	\$ 4,523	\$ 3,177
	Parent company	141	-	370	-
	Fellow subsidiaries	2,661	267	2,944	267
	The Company acts as its associate	217	432	595	526
	Related parties in substance	<u>1,422</u>	<u>947</u>	<u>6,071</u>	<u>2,226</u>
		<u>\$ 6,003</u>	<u>\$ 3,070</u>	<u>\$ 14,503</u>	<u>\$ 6,196</u>
Research and development expenses	Fellow subsidiary				
	LINE Plus Corporation (2)	\$ -	\$ -	\$ -	\$ 16,273
	Related parties in substance	<u>5</u>	<u>2,016</u>	<u>1,825</u>	<u>4,211</u>
		<u>\$ 5</u>	<u>\$ 2,016</u>	<u>\$ 1,825</u>	<u>\$ 20,484</u>

(Concluded)

- 1) In 2017, the Company entered into a management service agreement with LINE Corporation (it was renamed LY Corporation from October 2023 on). Under the agreement, LY Corporation shall provide services related to the use and maintenance of LINE POINTS system for a period of one year, which will be automatically extended upon expiration of the agreement if there are no objections. The fee is calculated on the basis of a monthly fee of ¥1,755 thousand. In September 2023, the Company acquired the copyright of LINE POINTS system and the management service agreement was re-signed. The calculation of the fee changed to ¥40 thousand and ₩6,145 thousand per month, and the Company shall pay the US dollar equivalents.
- 2) On January 1, 2021, the Company entered into a service agreement with LINE UP Corporation. Under the agreement, LINE UP Corporation shall provide LINE Pay application development and maintenance services. The service expense is charged monthly based on the actual hours spent. From August 2022 on, LINE Plus Corporation continued to provide the services as LINE UP Corporation was merged with LINE Plus Corporation. Since LINE Pay Plus Corporation was established in April 2023, the service has been provided by it since then.
- 3) The subsidiary entered into a management service agreement with LINE Financial Corporation on June 1, 2024. The fee for the services is calculated monthly based on the actual hours worked by LINE Financial Corporation.
- 4) The Company paid \$4,232 thousand, \$13,364 thousand, \$16,483 thousand and \$38,148 thousand, respectively, to LY Corporation for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, respectively, for transactions conducted by consumers to purchase products from LINE STORE using LINE Points whose costs are borne by the Company.
- 5) The subsidiary shared manpower with its fellow subsidiary, LINE Biz Plus Corporation, and received \$0 thousand, \$98,295 thousand, \$141,304 thousand and \$299,039 thousand for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, respectively, which were recognized as reductions in the Group's operating costs or operating expenses based on their nature. The service was terminated in May 2024.

k. Remuneration of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 11,855	\$ 11,981	\$ 36,367	\$ 35,052
Post-employment benefits	251	395	749	874
Share-based payments				
Equity-settled	3,748	2,595	11,751	6,016
Cash-settled	1,744	381	2,214	588
Other long-term employee benefits	<u>725</u>	<u>1,529</u>	<u>1,450</u>	<u>3,230</u>
	<u>\$ 18,323</u>	<u>\$ 16,881</u>	<u>\$ 52,531</u>	<u>\$ 45,760</u>

The remuneration of directors and key executives, as determined by the board of directors, is based on the performance of individuals and market trends.

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets at amortized cost - current			
Restricted time deposits	\$ -	\$ -	\$ 6,000
Financial assets at amortized cost - non-current			
Restricted time deposits	38,651	27,000	21,000
Other financial assets - current			
Escrow account deposit	<u>3,335,012</u>	<u>2,195,467</u>	<u>2,819,902</u>
	<u>\$ 3,373,663</u>	<u>\$ 2,222,467</u>	<u>\$ 2,846,902</u>

31. SIGNIFICANT UNRECOGNIZED COMMITMENTS

In April 2024, the Group entered into an office lease for a land use rights investment and development project located at Plot 15, Jingmao Section, Nangang District, Taipei City. The lease term is 10 years. Starting November 1, 2025, the estimated monthly rent will be \$5,548 thousand, and the actual monthly rent will be calculated based on the actual area specified in the issued title deed.

In August 2024, the Group entered into lease agreement for dedicated server room of internet data center. The lease term is 5 years. From January 1, 2025 onwards, the estimated monthly rent will be \$1,952 thousand.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

September 30, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 10,524	31.592 (USD:NTD)	\$ 332,482
USD	2,523	1,319.6 (USD:KRW)	79,719
<u>Financial liabilities</u>			
Monetary items			
USD	2,226	31.592 (USD:NTD)	70,334
JPY	153,364	0.221 (JPY:NTD)	33,945
JPY	116,485	9.245 (JPY:KRW)	25,782

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 6,211	30.715 (USD:NTD)	\$ 190,780
USD	4,868	1,289.4 (USD:KRW)	149,516
<u>Financial liabilities</u>			
Monetary items			
USD	5,700	30.715 (USD:NTD)	175,085
JPY	150,656	0.217 (JPY:NTD)	32,753
JPY	79,349	9.127 (JPY:KRW)	17,251

September 30, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 8,622	32.203 (USD:NTD)	\$ 277,649
USD	2,844	1,344.8 (USD:KRW)	91,598
			(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 3,462	32.203 (USD:NTD)	\$ 111,502
JPY	114,901	0.216 (JPY:NTD)	24,824
JPY	62,910	9.022 (JPY:KRW)	13,592
			(Concluded)

The significant realized and unrealized foreign exchange (losses) gains were as follows:

For the Three Months Ended September 30				
2024			2023	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	33.302 (USD:NTD)	\$ (10,071)	31.684 (USD:NTD)	\$ 7,478
USD	1,357.8 (USD:KRW)	(3,568)	1,313.0 (USD:KRW)	1,011
JPY	0.217 (JPY:NTD)	(1,953)	0.219 (JPY:NTD)	(2,896)
JPY	9.105 (JPY:KRW)	(73)	9.092 (JPY:KRW)	(15)

For the Nine Months Ended September 30				
2024			2023	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	32.022 (USD:NTD)	\$ (5,378)	30.928 (USD:NTD)	\$ 12,864
USD	1,352.2 (USD:KRW)	8,323	1,300.8 (USD:KRW)	585
JPY	0.212 (JPY:NTD)	(1,475)	0.224 (JPY:NTD)	(1,176)
JPY	8,957 (JPY:KRW)	(22)	9.438 (JPY:KRW)	(21)

33. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others (None)
- 2) Endorsements/guarantees provided (None)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 1)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Table 2)

- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 3)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
 - 9) Trading in derivative instruments (None)
 - 10) Intercompany relationships and significant intercompany transactions (Table 5)
- b. Information on investees (Table 6)
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (None)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (None):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

34. SEGMENT INFORMATION

The Group determines operating segments based on management reports presented to management (the chief operation decision maker) for the purpose of decision making, assessment of performance and resource allocation. The Group only has a single operating segment, which engages in third-party payment business.

LINE PAY TAIWAN LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
LINE Pay Plus Corporation	<u>Stocks</u> BravoBeaver Daegu Corp.	Non-related parties	Financial assets at FVTPL - non-current	900	\$ 215	1	\$ 215	Note 1

Note 1: There were no restrictions on the use of assets due to providing collateral, pledging loans, or other contractual obligations for the period ended September 30, 2024.

Note 2: Please refer to Table 6 for information on investees.

Note 3: The highest ownership percentage indicated in the above table was equal to the ownership percentage as of September 30, 2024. In addition, such investments are not collateralized or secured.

LINE PAY TAIWAN LIMITED AND SUBSIDIARIES

**ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024**

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
The Company	Right-of-use asset - office for investment and development project on land use rights at Plot 15, Jingmao Section, Nangang District, Taipei City	Board resolution date: November 21, 2023 Transaction signing date: April 12, 2024	\$ 625,022 (Note 1)	\$ - (Note 2)	Taiwan Life Insurance Co., Ltd.	Non-related parties	-	-	-	\$ -	Real estate appraisal report	For operational use	-

Note 1: The value of the right-of-use asset is estimated based on the discounted monthly rental rate.

Note 2: The lease term begins on May 1, 2025; therefore, the consideration has not yet been paid.

LINE PAY TAIWAN LIMITED AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			(Purchase)/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Company	LY Corporation Union Bank of Taiwan Co., Ltd. LINE Pay Plus Corporation	Intermediate parent company The Company's shareholder Subsidiary	Service fee revenue	\$ (194,132)	(4)	Note 1	Note 1	Note 1	\$ -	-	-
			Service fee cost	189,988	6	Note 1	Note 1	Note 1	-	-	-
			System management service cost	347,427	12	30 days of an invoice issued	In accordance with the agreement	-	(32,859)	(51)	Note 4
LINE Pay Plus Corporation	The Company	Parent company	System management service revenue	(496,216) (Note 2)	(86)	30 days of an invoice issued	In accordance with the agreement	-	63,151 (Note 3)	76	Note 4

Note 1: Not applicable due to the nature of the third-party payment business.

Note 2: Operating costs of \$374,427 thousand and research and development expenses of \$121,789 thousand were recognized by the Company.

Note 3: Trade payables to related parties of \$32,859 thousand and other payables to related parties of \$30,292 thousand were recognized by the Company.

Note 4: The transaction has been eliminated through consolidation.

LINE PAY TAIWAN LIMITED AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note)	Allowance for Impairment Loss	
					Amount	Action Taken			
The Company	Taipei Fubon Commercial Bank Co., Ltd.	The Company's shareholder	Other receivables	\$ 179,528	-	\$ -	-	\$ 179,528	\$ -
			Trade receivables	5,008	8.27	-	-	4,924	-
	Union Bank of Taiwan Co., Ltd.	The Company's shareholder	Other receivables	151,168	-	-	-	151,096	-
			Trade receivables	2,234	12.00	-	-	2,230	-
	LINE Taiwan Limited	Fellow subsidiary	Other receivables	141,362	-	-	-	61,624	-
			Trade receivables	1,037	28.58	-	-	417	-

Note: It refers to the post-period collection status as of October 31, 2024.

LINE PAY TAIWAN LIMITED AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount (Note 5)	Payment Terms	% of Total Sales or Assets (Note 2)
1	LINE Pay Plus Corporation	The Company	The subsidiary to the parent company	System management service revenue	\$ 496,216 (Note 3)	Monthly settlements of an invoice issued, and the payment is based on actual hours worked	11
				Trade receivables	63,151 (Note 4)		-

Note 1: The Company and the subsidiaries listed on the table are coded according to the following rules:

- a. The Company is coded "0".
- b. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: In calculating the ratio of transaction amounts to total consolidated revenue or total assets, if they pertain to balance sheet items, they are calculated as the period-end balance divided by the total consolidated assets. If they pertain to income statement items, they are calculated as the accumulated amount for the period divided by the total consolidated revenue.

Note 3: Operating costs of \$374,427 thousand and research and development expenses of \$121,789 thousand were recognized by the Company.

Note 4: Trade payables to related parties of \$32,859 thousand and other payables to related parties of \$30,292 thousand were recognized by the Company.

Note 5: The transaction has been eliminated through consolidation.

Note 6: The table above includes significant intercompany transactions with amounts exceeding \$10,000 thousand.

LINE PAY TAIWAN LIMITED AND SUBSIDIARIES

**INFORMATION ON INVESTEEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
The Company	LINE Pay Plus Corporation	South Korea	System platform development and maintenance	\$ 207,792	\$ 207,792	200,000 (Note 1)	100.00	\$ 121,758 (Note 2)	\$ 27,215	\$ 27,215 (Note 2)	Subsidiary

Note 1: The highest ownership percentage indicated in the above table is equal to the ownership percentage as of September 30, 2024. In addition, such investments are not collateralized or secured.

Note 2: The transaction has been eliminated through consolidation.