

Taiwan Mobile Co., Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2023 and 2022 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders
Taiwan Mobile Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Taiwan Mobile Co., Ltd. and its subsidiaries (collectively, the “Group”) as of March 31, 2023 and 2022, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by 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 March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months then ended 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 Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Pei-De Chen and Te-Chen Cheng.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 3, 2023

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 Taiwan, the Republic of China (ROC) and not those of any other jurisdictions. The standards, procedures and practices to review such financial statements are those generally accepted and applied in the ROC.

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 ROC. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' review report and consolidated financial statements shall prevail.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)		LIABILITIES AND EQUITY	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash and cash equivalents (Notes 6 and 29)	\$ 14,260,578	8	\$ 14,934,740	8	\$ 14,649,126	8	Short-term borrowings (Note 17)	\$ 15,410,000	8	\$ 20,550,000	11	\$ 15,970,000	8
Financial assets at fair value through other comprehensive income (Note 7)	260,610	-	249,824	-	286,534	-	Short-term notes and bills payable (Note 17)	6,188,139	3	3,092,395	2	6,096,255	3
Contract assets (Note 22)	5,227,475	3	5,092,822	3	4,728,775	3	Contract liabilities (Note 22)	1,800,512	1	2,079,999	1	1,826,940	1
Notes and accounts receivable, net (Note 8)	7,636,970	4	7,711,033	4	7,269,601	4	Notes and accounts payable	12,287,383	6	13,847,707	7	11,269,911	6
Notes and accounts receivable due from related parties (Note 29)	591,163	-	576,760	-	484,452	-	Notes and accounts payable due to related parties (Note 29)	196,509	-	133,150	-	267,032	-
Other receivables (Note 29)	2,910,491	2	3,359,268	2	2,429,051	1	Other payables (Note 29)	8,043,174	4	10,373,509	5	9,046,312	5
Inventories (Note 9)	7,893,711	4	8,101,340	4	6,023,927	3	Current tax liabilities	3,357,705	2	2,537,557	1	3,312,122	2
Prepayments (Note 29)	784,820	-	572,104	-	731,701	1	Provisions (Note 19)	81,282	-	80,467	-	71,130	-
Other financial assets (Notes 29 and 30)	676,575	-	646,289	-	669,688	-	Lease liabilities (Notes 13, 26 and 29)	3,662,719	2	3,693,801	2	3,628,451	2
Other current assets	188,943	-	194,920	-	147,727	-	Advance receipts	104,173	-	164,474	-	80,211	-
Total current assets	<u>40,431,336</u>	<u>21</u>	<u>41,439,100</u>	<u>21</u>	<u>37,420,582</u>	<u>20</u>	Long-term liabilities, current portion (Notes 17 and 18)	9,770,763	5	9,772,757	5	273,470	-
							Other current liabilities (Note 29)	3,335,985	2	3,242,300	2	3,046,530	2
NON-CURRENT ASSETS							Total current liabilities	<u>64,238,344</u>	<u>33</u>	<u>69,568,116</u>	<u>36</u>	<u>54,888,364</u>	<u>29</u>
Financial assets at fair value through profit or loss	1,205,815	-	1,181,015	-	571,126	-	NON-CURRENT LIABILITIES						
Financial assets at fair value through other comprehensive income (Note 7)	4,875,928	3	4,786,843	3	3,855,349	2	Contract liabilities (Note 22)	92,790	-	97,845	-	110,405	-
Contract assets (Note 22)	5,372,476	3	5,397,742	3	5,205,101	3	Bonds payable (Note 18)	31,483,137	16	31,481,943	16	37,476,995	20
Investments accounted for using equity method (Note 10)	1,744,956	1	1,794,033	1	1,982,066	1	Long-term borrowings (Note 17)	6,729,740	4	6,282,531	3	8,506,169	4
Property, plant and equipment (Note 12)	44,034,066	23	44,247,993	23	43,203,379	23	Provisions (Note 19)	1,457,614	1	1,440,590	1	1,410,844	1
Right-of-use assets (Notes 13 and 29)	9,755,593	5	9,784,277	5	9,299,167	5	Deferred tax liabilities	1,296,999	1	1,278,223	1	1,212,350	1
Investment properties (Note 14)	2,729,657	2	2,734,429	2	2,587,186	1	Lease liabilities (Notes 13, 26 and 29)	6,079,030	3	6,155,641	3	5,682,279	3
Concessions (Notes 15 and 30)	55,099,296	29	56,178,122	29	59,414,599	31	Net defined benefit liabilities	95,898	-	108,631	-	452,680	-
Goodwill (Note 15)	15,819,108	8	15,819,108	8	15,819,108	9	Guarantee deposits	1,318,562	1	1,310,619	1	1,276,355	1
Other intangible assets (Note 15)	4,817,272	3	4,874,135	3	4,927,112	3	Other non-current liabilities	2,543,366	1	2,496,747	1	2,065,071	1
Deferred tax assets	579,190	-	575,978	-	673,763	-	Total non-current liabilities	<u>51,097,136</u>	<u>27</u>	<u>50,652,770</u>	<u>26</u>	<u>58,193,148</u>	<u>31</u>
Incremental costs of obtaining a contract (Note 22)	1,943,182	1	1,913,755	1	1,828,663	1	Total liabilities	<u>115,335,480</u>	<u>60</u>	<u>120,220,886</u>	<u>62</u>	<u>113,081,512</u>	<u>60</u>
Other financial assets (Notes 29 and 30)	397,186	-	373,125	-	387,468	-	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 21)						
Other non-current assets (Notes 16 and 29)	2,658,644	1	1,972,011	1	2,245,558	1	Common stock	35,192,336	18	35,192,336	18	35,192,336	19
Total non-current assets	<u>151,032,369</u>	<u>79</u>	<u>151,632,566</u>	<u>79</u>	<u>151,999,645</u>	<u>80</u>	Capital surplus	15,372,217	8	15,326,778	8	16,903,239	9
							Retained earnings						
							Legal reserve	32,603,345	17	32,603,345	17	31,500,472	17
							Special reserve	1,823,415	1	1,823,415	1	2,449,739	1
							Unappropriated earnings	11,571,260	6	8,954,012	5	13,751,426	7
							Other equity interests	430,277	-	288,214	-	(1,958,772)	(1)
							Treasury stock	(29,717,344)	(15)	(29,717,344)	(15)	(29,717,344)	(16)
							Total equity attributable to owners of the parent	67,275,506	35	64,470,756	34	68,121,096	36
							NON-CONTROLLING INTERESTS	<u>8,852,719</u>	<u>5</u>	<u>8,380,024</u>	<u>4</u>	<u>8,217,619</u>	<u>4</u>
							Total equity	<u>76,128,225</u>	<u>40</u>	<u>72,850,780</u>	<u>38</u>	<u>76,338,715</u>	<u>40</u>
TOTAL	<u>\$ 191,463,705</u>	<u>100</u>	<u>\$ 193,071,666</u>	<u>100</u>	<u>\$ 189,420,227</u>	<u>100</u>	TOTAL	<u>\$ 191,463,705</u>	<u>100</u>	<u>\$ 193,071,666</u>	<u>100</u>	<u>\$ 189,420,227</u>	<u>100</u>

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 22, 29 and 36)	\$ 43,015,338	100	\$ 39,787,793	100
OPERATING COSTS (Notes 9, 29, 33 and 36)	<u>34,610,143</u>	<u>80</u>	<u>31,798,820</u>	<u>80</u>
GROSS PROFIT FROM OPERATIONS	<u>8,405,195</u>	<u>20</u>	<u>7,988,973</u>	<u>20</u>
OPERATING EXPENSES (Notes 29, 33 and 36)				
Marketing	2,634,852	6	2,468,343	6
Administrative	1,497,657	4	1,470,278	4
Research and development	116,284	-	62,672	-
Expected credit loss	<u>61,714</u>	<u>-</u>	<u>55,301</u>	<u>-</u>
Total operating expenses	<u>4,310,507</u>	<u>10</u>	<u>4,056,594</u>	<u>10</u>
OTHER INCOME AND EXPENSES, NET (Note 29)	<u>194,905</u>	<u>-</u>	<u>169,335</u>	<u>-</u>
OPERATING INCOME (Note 36)	<u>4,289,593</u>	<u>10</u>	<u>4,101,714</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	42,409	-	15,439	-
Other income	2,278	-	1,439	-
Other gains and losses, net (Note 23)	(41,151)	-	(20,616)	-
Finance costs (Note 23)	(230,929)	(1)	(157,189)	-
Share of profit (loss) of associates accounted for using equity method	<u>(1,517)</u>	<u>-</u>	<u>41,762</u>	<u>-</u>
Total non-operating income and expenses	<u>(228,910)</u>	<u>(1)</u>	<u>(119,165)</u>	<u>-</u>
PROFIT BEFORE TAX	4,060,683	9	3,982,549	10
INCOME TAX EXPENSE (Note 24)	<u>843,316</u>	<u>2</u>	<u>793,098</u>	<u>2</u>
NET PROFIT	<u>3,217,367</u>	<u>7</u>	<u>3,189,451</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 21 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	109,630	-	(190,729)	-
Share of other comprehensive income (loss) of associates accounted for using equity method	(53,831)	-	38,194	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation	3,941	-	27,347	-
Share of other comprehensive loss of associates accounted for using equity method	<u>(3,532)</u>	<u>-</u>	<u>(1,302)</u>	<u>-</u>
Other comprehensive income (loss) (after tax)	<u>56,208</u>	<u>-</u>	<u>(126,490)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 3,273,575</u>	<u>7</u>	<u>\$ 3,062,961</u>	<u>8</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the parent	\$ 2,714,714	6	\$ 2,723,260	7
Non-controlling interests	<u>502,653</u>	<u>1</u>	<u>466,191</u>	<u>1</u>
	<u>\$ 3,217,367</u>	<u>7</u>	<u>\$ 3,189,451</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent	\$ 2,760,229	6	\$ 2,587,903	7
Non-controlling interests	<u>513,346</u>	<u>1</u>	<u>475,058</u>	<u>1</u>
	<u>\$ 3,273,575</u>	<u>7</u>	<u>\$ 3,062,961</u>	<u>8</u>
EARNINGS PER SHARE (Note 25)				
Basic earnings per share	<u>\$ 0.96</u>		<u>\$ 0.97</u>	
Diluted earnings per share	<u>\$ 0.96</u>		<u>\$ 0.96</u>	

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Parent						Other Equity Interests		Treasury Stock	Total	Non-controlling Interests	Total Equity
	Common Stock	Capital Collected in Advance	Capital Surplus	Retained Earnings			Exchange Differences on Translation	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
				Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE, JANUARY 1, 2022	\$ 35,135,201	\$ 57,135	\$ 16,903,239	\$ 31,500,472	\$ 2,449,739	\$ 11,028,726	\$ (44,294)	\$ (1,779,121)	\$(29,717,344)	\$ 65,533,753	\$ 7,743,245	\$ 73,276,998
Profit for the three months ended March 31, 2022	-	-	-	-	-	2,723,260	-	-	-	2,723,260	466,191	3,189,451
Other comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	-	-	13,067	(148,424)	-	(135,357)	8,867	(126,490)
Total comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	-	2,723,260	13,067	(148,424)	-	2,587,903	475,058	3,062,961
Conversion of convertible bonds to common stock	57,135	(57,135)	-	-	-	-	-	-	-	-	-	-
Changes in equity of associates accounted for using equity method	-	-	-	-	-	(560)	-	-	-	(560)	(684)	(1,244)
BALANCE, MARCH 31, 2022	<u>\$ 35,192,336</u>	<u>\$ -</u>	<u>\$ 16,903,239</u>	<u>\$ 31,500,472</u>	<u>\$ 2,449,739</u>	<u>\$ 13,751,426</u>	<u>\$ (31,227)</u>	<u>\$ (1,927,545)</u>	<u>\$(29,717,344)</u>	<u>\$ 68,121,096</u>	<u>\$ 8,217,619</u>	<u>\$ 76,338,715</u>
BALANCE, JANUARY 1, 2023	\$ 35,192,336	\$ -	\$ 15,326,778	\$ 32,603,345	\$ 1,823,415	\$ 8,954,012	\$ (27,862)	\$ 316,076	\$(29,717,344)	\$ 64,470,756	\$ 8,380,024	\$ 72,850,780
Profit for the three months ended March 31, 2023	-	-	-	-	-	2,714,714	-	-	-	2,714,714	502,653	3,217,367
Other comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	-	(571)	46,086	-	45,515	10,693	56,208
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	2,714,714	(571)	46,086	-	2,760,229	513,346	3,273,575
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(96,548)	-	96,548	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	-	-	(918)	-	-	-	(918)	(1,623)	(2,541)
Changes in equity of associates accounted for using equity method	-	-	6,411	-	-	-	-	-	-	6,411	-	6,411
Reorganization	-	-	39,028	-	-	-	-	-	-	39,028	(39,028)	-
BALANCE, MARCH 31, 2023	<u>\$ 35,192,336</u>	<u>\$ -</u>	<u>\$ 15,372,217</u>	<u>\$ 32,603,345</u>	<u>\$ 1,823,415</u>	<u>\$ 11,571,260</u>	<u>\$ (28,433)</u>	<u>\$ 458,710</u>	<u>\$(29,717,344)</u>	<u>\$ 67,275,506</u>	<u>\$ 8,852,719</u>	<u>\$ 76,128,225</u>

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 4,060,683	\$ 3,982,549
Adjustments for:		
Depreciation expense	3,203,207	3,159,313
Amortization expense	1,189,615	1,194,059
Amortization of incremental costs of obtaining a contract	332,146	334,282
Loss on disposal and retirement of property, plant and equipment, net	28,442	57,542
Expected credit loss	61,714	55,301
Other income and expenses	(137,339)	(92,423)
Finance costs	230,929	157,189
Interest income	(42,409)	(15,439)
Valuation (gain) loss on financial assets at fair value through profit or loss	13,676	(22,657)
Share of (profit) loss of associates accounted for using equity method	1,517	(41,762)
Others	(1,372)	1,700
Changes in operating assets and liabilities		
Contract assets	(110,321)	(67,356)
Notes and accounts receivable	82,538	(88,265)
Notes and accounts receivable due from related parties	(14,403)	(101,378)
Other receivables	450,361	290,917
Inventories	207,629	416,189
Prepayments	(784,684)	(281,196)
Other current assets	6,008	33,566
Other financial assets	(1,874)	(1,912)
Incremental costs of obtaining a contract	(361,573)	(334,558)
Contract liabilities	(284,542)	(46,963)
Notes and accounts payable	(1,560,324)	(348,538)
Notes and accounts payable due to related parties	63,359	(71,528)
Other payables	(1,835,755)	(1,648,768)
Provisions	2,676	1,277
Advance receipts	(60,312)	14,259
Other current liabilities	93,685	95,485
Net defined benefit liabilities	(12,733)	(10,882)
Cash inflows generated from operating activities	4,820,544	6,620,003
Interest received	2,105	1,670
Interest paid	(455)	(232)
Income taxes paid	(14,131)	(1,170)
Net cash generated from operating activities	<u>4,808,063</u>	<u>6,620,271</u>

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	\$ (2,348,884)	\$ (2,148,745)
Acquisition of right-of-use assets	(11,081)	(11,880)
Acquisition of intangible assets	(96,976)	(101,637)
Increase in prepayments for equipment	(25,473)	(60,135)
Proceeds from disposal of property, plant and equipment	8,852	1,565
Increase in advance receipts from asset disposals	11	337
Acquisition of financial assets at fair value through profit or loss	(38,522)	(274,702)
Acquisition of financial assets at fair value through other comprehensive income	-	(345,870)
Disposal of financial assets at fair value through other comprehensive income	16,199	-
Increase in prepayments for investment	(169,972)	(17,090)
Disposal of investments accounted for using equity method	-	667
Other investing activities	97,469	8,989
Increase in refundable deposits	(84,829)	(143,748)
Decrease in refundable deposits	69,318	85,751
Increase in other financial assets	(53,567)	(30,178)
Decrease in other financial assets	1,256	739
Interest received	29,258	10,282
Other dividends received	-	1,528
Net cash used in investing activities	<u>(2,606,941)</u>	<u>(3,024,127)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(5,140,000)	(4,540,000)
Increase in short-term notes and bills payable	3,093,557	1,497,170
Proceeds from long-term borrowings	504,040	20
Repayment of long-term borrowings	(51,000)	(51,000)
Repayment of the principal portion of lease liabilities	(1,114,971)	(1,040,225)
Increase in guarantee deposits received	30,726	51,799
Decrease in guarantee deposits received	(23,539)	(41,930)
Other financing activities	151,000	-
Interest paid	(323,091)	(227,947)
Acquisition of ownership interests in subsidiaries	(2,541)	-
Net cash used in financing activities	<u>(2,875,819)</u>	<u>(4,352,113)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>535</u>	<u>3,070</u>
		(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended	
	March 31	
	2023	2022
NET DECREASE IN CASH AND CASH EQUIVALENTS	\$ (674,162)	\$ (752,899)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>14,934,740</u>	<u>15,402,025</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>\$ 14,260,578</u>	<u>\$ 14,649,126</u>

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

(Concluded)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. ORGANIZATION AND OPERATIONS

Taiwan Mobile Co., Ltd. (TWM) was incorporated in Taiwan, the Republic of China (ROC) on February 25, 1997. TWM's stock was listed on the ROC Over-the-Counter Securities Exchange (currently known as The Taipei Exchange, TPEx) on September 19, 2000. On August 26, 2002, TWM's stock was shifted to be listed on the Taiwan Stock Exchange. TWM is mainly engaged in rendering wireless communication services and the sale of mobile phones and accessories, games, e-books and value-added services.

TWM received a second-generation mobile telecommunications concession operation license issued by the Directorate General of Telecommunications (DGT) of the ROC. The license allows TWM to provide services for 15 years from 1997 onwards. The 2G concession license had been renewed by the National Communications Commission (NCC) and expired on June 30, 2017. TWM received a third-generation concession license issued by the DGT in March 2005, and the 3G concession license expired on December 31, 2018. TWM participated in the mobile spectrum auctions held by NCC for the need of long-term business development and from April 2014 to June 2018 acquired the concession licenses for the fourth-generation mobile broadband spectrum in the 700MHz, 1800MHz and 2100MHz frequency bands separately, and the aforementioned licenses are valid until December 2030 and December 2033, respectively. In June 2020, TWM acquired the concession licenses for the fifth-generation mobile broadband spectrum in the 3500MHz and 28000MHz frequency bands, and the aforementioned licenses are valid until December 2040.

The accompanying consolidated financial statements comprise of TWM and its subsidiaries (collectively, the "Group").

2. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors approved the consolidated financial statements on May 3, 2023.

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

- a. Application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group's accounting policies.

- b. New IFRSs issued by International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the following description, the significant accounting policies adopted for the consolidated financial statements are the same as those adopted for the consolidated financial statements for the year ended December 31, 2022.

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 Interim Financial Reporting endorsed and issued into effect by the FSC. The consolidated financial statements do not include all the information which should be disclosed in the annual consolidated financial statements in accordance with the IFRSs endorsed and issued into effect by the FSC.

Basis of Consolidation

- a. The basis of preparation of the consolidated financial statements is the same as that of the consolidated financial statements for the year ended December 31, 2022.
- b. The subsidiaries included in the consolidated financial statements were as follows:

Investor	Subsidiary	Main Business and Products	Percentage of Ownership			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
TWM	Taiwan Cellular Co., Ltd. (TCC)	Investment	100.00%	100.00%	100.00%	-
	Wealth Media Technology Co., Ltd. (WMT)	Investment	100.00%	100.00%	100.00%	-
	TWM Venture Co., Ltd. (TVC)	Investment	100.00%	100.00%	100.00%	-

(Continued)

Investor	Subsidiary	Main Business and Products	Percentage of Ownership			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
TWM	Taipei New Horizon Co., Ltd. (TNH)	Building and operating Songshan Cultural and Creative Park BOT project	49.90%	49.90%	49.90%	-
	Fu Sheng Digital Co., Ltd. (FSD)	Information services	100.00%	100.00%	-	Note 1
TCC	Taiwan Fixed Network Co., Ltd. (TFN)	Fixed-line service provider	100.00%	100.00%	100.00%	-
	Taiwan Teleservices & Technologies Co., Ltd. (TT&T)	Call center service and telephone marketing	100.00%	100.00%	100.00%	-
	TWM Holding Co. Ltd. (TWM Holding)	Investment	100.00%	100.00%	100.00%	-
	TCC Investment Co., Ltd. (TCCI)	Investment	100.00%	100.00%	100.00%	Note 2
	Taiwan Digital Service Co., Ltd. (TDS)	Commissioned maintenance services	100.00%	100.00%	100.00%	-
	Taihsin Property Insurance Agent Co., Ltd. (TPIA)	Property insurance agent	100.00%	100.00%	100.00%	-
	Tai-Fu Cloud Technology Co., Ltd. (TFC)	Cloud and information services	100.00%	100.00%	100.00%	-
WMT	TFN Media Co., Ltd. (TFNM)	Type II telecommunications business	100.00%	100.00%	100.00%	-
	Global Forest Media Technology Co., Ltd. (GFMT)	Investment	100.00%	100.00%	100.00%	-
	Global Wealth Media Technology Co., Ltd. (GWMT)	Investment	100.00%	100.00%	100.00%	-
	Win TV Broadcasting Co., Ltd. (WTVB)	TV program provider	100.00%	100.00%	100.00%	-
	momo.com Inc. (momo)	Wholesale and retail sales	45.01%	45.01%	45.01%	-
TVC	Taiwan Mobile Film Co., Ltd. (TWMFM)	Film production	100.00%	100.00%	100.00%	-
TFN	TFN Union Investment Co., Ltd. (TUI)	Investment	100.00%	100.00%	100.00%	Note 2
TWM Holding	TWM Communications (Beijing) Co., Ltd. (TWMC)	Data communication application development	100.00%	100.00%	100.00%	-
TCCI	TCCI Investment and Development Co., Ltd. (TID)	Investment	100.00%	100.00%	100.00%	Note 2
TWMFM	Taiwan Stampede Franchise Film Co., Ltd. (SFF)	Film production	100.00%	100.00%	-	Note 3
TFNM	Taiwan Kuro Times Co., Ltd. (TKT)	Digital music services	100.00%	100.00%	100.00%	-
	Yeong Jia Leh Cable TV Co., Ltd. (YJCTV)	Cable TV service provider	100.00%	100.00%	100.00%	-
	Mangrove Cable TV Co., Ltd. (MCTV)	Cable TV service provider	29.53%	29.53%	29.53%	Note 4
	Phoenix Cable TV Co., Ltd. (PCTV)	Cable TV service provider	100.00%	100.00%	100.00%	-
TFNM	Union Cable TV Co., Ltd. (UCTV)	Cable TV service provider	99.22%	99.22%	99.22%	-
	Globalview Cable TV Co., Ltd. (GCTV)	Cable TV service provider	92.38%	92.38%	92.38%	-
GFMT	UCTV	Cable TV service provider	0.76%	0.76%	0.76%	-
GWMT	GCTV	Cable TV service provider	6.83%	6.83%	6.83%	-
momo	Asian Crown International Co., Ltd. (Asian Crown (BVI))	Investment	81.99%	81.99%	81.99%	-
	Honest Development Co., Ltd. (Honest Development)	Investment	100.00%	100.00%	100.00%	-
	Fuli Life Insurance Agent Co., Ltd. (FLI)	Life insurance agent	100.00%	100.00%	100.00%	-

(Continued)

Investor	Subsidiary	Main Business and Products	Percentage of Ownership			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
momo	Fuli Insurance Agent Co., Ltd. (FI)	Comprehensive insurance agent	100.00%	100.00%	100.00%	Note 5
	Fu Sheng Travel Service Co., Ltd. (FST)	Travel agent	100.00%	100.00%	100.00%	-
	Bebe Poshe International Co., Ltd. (Bebe Poshe)	Wholesale of cosmetics	90.26%	88.68%	85.00%	Note 6
	Fu Sheng Logistics Co., Ltd. (FSL)	Logistics and transport	100.00%	100.00%	100.00%	-
	MFS Co., Ltd. (MFS)	Wholesaling	100.00%	100.00%	100.00%	-
	Prosperous Living Co., Ltd. (Prosperous Living)	Wholesale and retail sales	73.62%	73.62%	73.62%	-
Asian Crown (BVI)	Fortune Kingdom Corporation (Fortune Kingdom)	Investment	100.00%	100.00%	100.00%	-
Fortune Kingdom	Hong Kong Fubon Multimedia Technology Co., Ltd. (HK Fubon Multimedia)	Investment	100.00%	100.00%	100.00%	-
Honest Development	Hongkong Yue Numerous Investment Co., Ltd. (HK Yue Numerous)	Investment	100.00%	100.00%	100.00%	-
HK Yue Numerous	Haobo Information Consulting (Shenzhen) Co., Ltd. (Haobo)	Investment	100.00%	100.00%	100.00%	-
HK Fubon Multimedia	Fubon Gehua (Beijing) Enterprise Ltd. (FGE)	Wholesaling	93.55%	93.55%	93.55%	-

(Concluded)

Note 1: In September 2022, FSD was set up as a preparatory office, and the incorporation registration was completed on October 7, 2022.

Note 2: TCCI, TUI and TID collectively owned 698,752 thousand shares of TWM, representing 19.86% of total outstanding shares as of March 31, 2023.

Note 3: Became a subsidiary in June 2022.

Note 4: The other 70.47% of shares were held under trustee accounts.

Note 5: Formerly known as Fuli Property Insurance Agent Co., Ltd. Renamed and changed its main business in February 2023.

Note 6: In October 2022 and March 2023, momo bought back minority interest of Bebe Poshe, resulting in the increase in its ownership.

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

Employee Benefits

Defined benefit 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 fiscal year.

Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. The interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the profit before tax of the interim period.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty have been followed when preparing these interim consolidated financial statements as those that were applied in the preparation of the consolidated financial statements for the year ended December 31, 2022.

6. CASH AND CASH EQUIVALENTS

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand and revolving funds	\$ 66,053	\$ 84,603	\$ 88,040
Cash in banks	5,136,896	5,783,016	8,253,854
Time deposits	6,877,350	6,718,115	4,115,012
Government bonds with repurchase rights	<u>2,180,279</u>	<u>2,349,006</u>	<u>2,192,220</u>
	<u>\$ 14,260,578</u>	<u>\$ 14,934,740</u>	<u>\$ 14,649,126</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Investments in equity instruments - current</u>			
Domestic investments			
Listed stocks	\$ 259,735	\$ 245,607	\$ 276,036
Foreign investments			
Listed stocks	875	-	-
Unlisted stocks	<u>-</u>	<u>4,217</u>	<u>10,498</u>
	<u>\$ 260,610</u>	<u>\$ 249,824</u>	<u>\$ 286,534</u>
<u>Investments in equity instruments - non-current</u>			
Domestic investments			
Listed stocks	\$ 272,500	\$ 260,000	\$ 1,053,546
Unlisted stocks	1,212,133	1,224,455	587,121
Foreign investments			
Unlisted stocks	2,169,106	2,092,100	1,303,218
Limited partnerships	<u>1,222,189</u>	<u>1,210,288</u>	<u>911,464</u>
	<u>\$ 4,875,928</u>	<u>\$ 4,786,843</u>	<u>\$ 3,855,349</u>

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

Regarding to the merger between Far EastTone Telecommunications Co., Ltd. (FET) and Asia Pacific Telecom Co., Ltd. (APT), TWM exercised the dissenting shareholder's appraisal right to request APT to buy back TWM's shares in accordance with the Business Mergers And Acquisitions Act, and had deposited all of the held shares to APT in the second quarter of 2022. The related valuation of loss of \$2,308,625

thousand was transferred from other equity to retained earnings. In July 2022, APT had paid the fair price it has recognized of \$671,375 thousand to TWM in accordance with the Business Mergers And Acquisitions Act. However, TWM disagreed with such the fair price recognized by APT, and therefore, APT applied to the court for a ruling on the fair price. The case is now progressing at the Intellectual Property and Commercial Court.

8. NOTES AND ACCOUNTS RECEIVABLE, NET

	March 31, 2023	December 31, 2022	March 31, 2022
Notes receivable	\$ 15,820	\$ 18,619	\$ 5,209
Accounts receivable	8,0103,317	8,080,052	7,596,236
Less: Allowance for impairment loss	<u>(392,167)</u>	<u>(387,638)</u>	<u>(331,844)</u>
	<u>\$ 7,636,970</u>	<u>\$ 7,711,033</u>	<u>\$ 7,269,601</u>

The main credit terms range from 30 to 90 days.

The Group serves a large consumer base for its telecommunications business; therefore, the concentration of credit risk is limited. When entering into transactions with customers, the Group considers the record of arrears in the past. In addition, the Group may also collect some telecommunication charges in advance to reduce the risk of payment arrears in subsequent periods.

The Group adopted a policy of only trading with corporate counterparties with a considerable scale of operations, certain credit ratings and financial conditions for telecommunications service and products. In addition to examining publicly available financial information and its own historical transaction experience, the Group obtains collateral where necessary to mitigate the risk of loss arising from default. The Group continues to monitor the credit exposure and financial and credit conditions of its counterparties, and spreads the total amount of the transactions among qualified counterparties.

In order to mitigate credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure the recoverability of receivables. In addition, the Group reviews the recoverable amount of trade receivables at balance sheet dates to ensure that adequate allowance is provided for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk could be reasonably reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are estimated using a provision matrix approach considering the past default records of the customers and an analysis of the customers' current financial positions, as well as forward-looking indicators such as the change rates of consumer price index, economic leading indicators and economic growth rate. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision matrix does not distinguish customer segments. As a result, the expected credit loss rate is based on the number of past due days of trade receivables.

The Group writes off a trade receivable when there is evidence indicating that the counterparty is in severe financial difficulty and the trade receivable is considered uncollectible. 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.

Movements of the allowance for doubtful notes and accounts receivable by individual and collective assessment were as follows:

March 31, 2023

	Not Past Due	Overdue			Total
		1 to 120 Days	121 to 365 Days	Over 365 Days	
Gross carrying amount	\$ 7,191,674	\$ 652,654	\$ 183,711	\$ 1,098	\$ 8,029,137
Loss allowance (Lifetime ECLs)	<u>(54,391)</u>	<u>(162,601)</u>	<u>(174,077)</u>	<u>(1,098)</u>	<u>(392,167)</u>
Amortized cost	<u>\$ 7,137,283</u>	<u>\$ 490,053</u>	<u>\$ 9,634</u>	<u>\$ -</u>	<u>\$ 7,636,970</u>

December 31, 2022

	Not Past Due	Overdue			Total
		1 to 120 Days	121 to 365 Days	Over 365 Days	
Gross carrying amount	\$ 7,311,629	\$ 602,634	\$ 183,562	\$ 846	\$ 8,098,671
Loss allowance (Lifetime ECLs)	<u>(54,025)</u>	<u>(159,225)</u>	<u>(173,543)</u>	<u>(846)</u>	<u>(387,638)</u>
Amortized cost	<u>\$ 7,257,604</u>	<u>\$ 443,409</u>	<u>\$ 10,020</u>	<u>\$ -</u>	<u>\$ 7,711,033</u>

March 31, 2022

	Not Past Due	Overdue			Total
		1 to 120 Days	121 to 365 Days	Over 365 Days	
Gross carrying amount	\$ 6,891,464	\$ 561,469	\$ 143,472	\$ 5,040	\$ 7,601,445
Loss allowance (Lifetime ECLs)	<u>(50,985)</u>	<u>(142,293)</u>	<u>(133,526)</u>	<u>(5,040)</u>	<u>(331,844)</u>
Amortized cost	<u>\$ 6,840,479</u>	<u>\$ 419,176</u>	<u>\$ 9,946</u>	<u>\$ -</u>	<u>\$ 7,269,601</u>

Expected credit loss rates of the Group for the aforementioned periods were as follows:

	Not Past Due and Past Due within 120 Days	Past Due Over 120 Days
Telecommunications services	0.02%-85%	65.5%-100%
Retail business and others	below 10%	10%-100%

Movements of the loss allowance of notes and accounts receivable were as follows:

	For the Three Months Ended March 31	
	2023	2022
Beginning balance	\$ 387,638	\$ 334,941
Add: Provision	60,356	54,197
Recovery	12,010	10,451
Less: Write-off	<u>(67,837)</u>	<u>(67,745)</u>
Ending balance	<u>\$ 392,167</u>	<u>\$ 331,844</u>

9. INVENTORIES

	March 31, 2023	December 31, 2022	March 31, 2022
Merchandise	\$ 7,885,955	\$ 8,089,629	\$ 6,012,014
Materials for maintenance	<u>7,756</u>	<u>11,711</u>	<u>11,913</u>
	<u>\$ 7,893,711</u>	<u>\$ 8,101,340</u>	<u>\$ 6,023,927</u>

For the three months ended March 31, 2023 and 2022, the cost of goods sold related to inventories amounted to \$26,183,720 thousand and \$23,747,558 thousand, respectively, which included the inventory write-down totaling \$22,074 thousand and \$19,131 thousand, respectively.

10. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Associates, which were not individually material and were accounted for using equity method, were as follows:

Investee Company	March 31, 2023		December 31, 2022		March 31, 2022	
	Amount	% of Owner- ship	Amount	% of Owner- ship	Amount	% of Owner- ship
AppWorks Ventures Co., Ltd. (AppWorks)	\$ 260,451	51.00	\$ 244,745	51.00	\$ 274,382	51.00
AppWorks Fund III Co., Ltd. (AppWorks Fund III)	558,277	20.14	600,765	20.14	794,876	20.14
Global Home Shopping Co., Ltd. (GHS)	483,810	20.00	486,008	20.00	596,658	20.00
Uospace Tech Co., Ltd. (Uospace)	189,095	32.90	194,095	32.90	-	-
AppWorks Fund IV L.P. (AppWorks Fund IV)	95,657	32.86	101,159	32.86	-	-
kbro Media Co., Ltd. (kbro Media)	65,327	33.58	78,593	33.58	132,864	33.58
NADA Holdings Corp. (NADA)	59,233	31.38	55,558	37.93	58,227	37.93
Mistake Entertainment Co., Ltd. (M.E.)	33,106	11.33	33,110	11.33	27,107	15.00
TV Direct Public Company Limited (TV Direct)	<u>-</u>	-	<u>-</u>	-	<u>97,952</u>	21.35
	<u>\$ 1,744,956</u>		<u>\$ 1,794,033</u>		<u>\$ 1,982,066</u>	

a. AppWorks

In September 2019, TWM acquired 51% equity interest of AppWorks. TWM has no control over AppWorks due to its holding less than half number of seats on AppWorks' board of directors. Therefore, TWM only has significant influence on AppWorks and accounts for its investment in AppWorks as an associate of TWM, under the equity-method of accounting.

b. AppWorks Fund III

In April 2020, TVC acquired 19.46% equity interest of AppWorks Fund III. TVC has significant influence on AppWorks Fund III since the president of TWM serves as the chairman of AppWorks Fund III. TVC's percentage of ownership interest in AppWorks Fund III increased to 20.14% due to non-proportionate subscription to AppWorks Fund III's issuance of new capital stock during 2020 and 2021.

The extraordinary stockholders' meetings of AppWorks Fund III resolved to reduce its capital stock. TVC received proportional capital returns in September and December 2022, respectively.

c. GHS

In June 2015, momo acquired 20% equity interest of GHS through its subsidiary.

As momo's subsidiary did not participate in GHS's capital increase in October 2015, its percentage of ownership interest in GHS decreased to 18%. In January 2016, its percentage of ownership interest in GHS increased to 20% due to the acquisition of an additional 2% equity interest of GHS.

d. Uspace

From October to November 2022, TVC acquired 32.9% equity interest of Uspace. Although TVC was the single largest stockholder of Uspace, it only obtained one out of five seats of the board of directors. In addition, the management considered the size of ownership interest and the dispersion of shares owned by other stockholders, the other holdings were not extremely dispersed. Therefore, TVC has no control over Uspace but retains significant influence.

e. AppWorks Fund IV

In December 2022, TVC subscribed 32.86% equity of AppWorks Fund IV and became the single largest limited partner. Since the management, control, operation and decision-making of the limited partnerships investments are executed by general partner, TVC has no control over AppWorks Fund IV but retains significant influence.

f. kbro Media

In August 2012, TFNM acquired 32.5% equity interest of kbro Media.

In November 2020, kbro Media both decreased and increased capital. TFNM's percentage of ownership interest in kbro Media increased to 33.58% due to non-proportionate subscription to kbro Media's issuance of new capital stock.

g. NADA

In December 2021, TVC acquired 37.93% equity interest of NADA, and its percentage of ownership interest in NADA decreased to 31.38% due to non-proportionate subscription to NADA's issuance of new capital stock in January 2023. Although TVC was the single largest stockholder of NADA, it only obtained two out of five seats of the board of directors. In addition, the management considered the size of ownership interest and the dispersion of shares owned by other stockholders, the other holdings were not extremely dispersed. Therefore, TVC has no control over NADA but retains significant influence.

h. M.E.

In May 2019, TKT acquired 15% equity interest of M.E. and its percentage of ownership interest in M.E. decreased to 11.33% due to non-proportionate subscription to M.E.'s issuance of new capital stock during 2022. TKT has significant influence on M.E. due to having a seat on M.E.'s board of directors.

i. TV Direct

In June 2020, momo acquired 16.2% equity interest of Thailand TV Direct and had significant influence on TV Direct. momo's percentage of ownership interest in TV Direct increased to 24.99% due to its additional acquisitions of TV Direct in the second half of 2020. momo's percentage of ownership interest in TV Direct decreased to 21.35% due to non-subscription to the exercise of the share options, which were granted by TV Direct, in the first three quarters of 2021.

In May 2022, momo resolved to sell all its equity interest in TV Direct and reclassified the amount as non-current assets held for sale. From June 2022, momo started to sell its equity interests of TV Direct successively and sold out all its shares in August.

11. SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Subsidiary	Proportion of Non-controlling Interests' Ownership and Voting Rights		
	March 31, 2023	December 31, 2022	March 31, 2022
momo	54.99%	54.99%	54.99%

For information on the principal place of business and the company's country of registration, see Table 6.

The summarized financial information of momo and its subsidiaries had taken into account the adjustments to acquisition-date fair value, and reflected the amounts before eliminations of intercompany transactions as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 14,228,552	\$ 15,649,166	\$ 14,222,065
Non-current assets	18,118,370	18,165,009	16,105,387
Current liabilities	(12,826,821)	(11,644,809)	(11,644,809)
Non-current liabilities	<u>(1,308,424)</u>	<u>(1,411,826)</u>	<u>(1,520,911)</u>
Equity	<u>\$ 18,211,637</u>	<u>\$ 17,377,062</u>	<u>\$ 17,161,732</u>
Equity attributable to:			
Owners of the parent	\$ 11,344,512	\$ 10,968,706	\$ 10,871,403
Non-controlling interests of momo	6,779,176	6,320,135	6,201,280
Non-controlling interests of momo's subsidiaries	<u>87,949</u>	<u>88,221</u>	<u>89,049</u>
	<u>\$ 18,211,637</u>	<u>\$ 17,377,062</u>	<u>\$ 17,161,732</u>

	For the Three Months Ended March 31	
	2023	2022
Operating revenue	<u>\$ 25,120,040</u>	<u>\$ 22,937,441</u>
Profit	\$ 888,658	\$ 824,450
Other comprehensive income	<u>19,438</u>	<u>16,047</u>
Comprehensive income	<u>\$ 908,096</u>	<u>\$ 840,497</u>
Profit (loss) attributable to:		
Owners of the parent	\$ 399,931	\$ 371,607
Non-controlling interests of momo	488,510	453,913
Non-controlling interests of momo's subsidiaries	<u>217</u>	<u>(1,070)</u>
	<u>\$ 888,658</u>	<u>\$ 824,450</u>
Comprehensive income (loss) attributable to:		
Owners of the parent	\$ 408,675	\$ 378,787
Non-controlling interests of momo	499,191	462,683
Non-controlling interests of momo's subsidiaries	<u>230</u>	<u>(973)</u>
	<u>\$ 908,096</u>	<u>\$ 840,497</u>

	For the Three Months Ended March 31	
	2023	2022
Net cash generated from (used in) operating activities	\$ (96,626)	\$ 447,060
Net cash used in investing activities	(246,879)	(691,529)
Net cash used in financing activities	(192,333)	(148,998)
Effect of exchange rate changes	<u>42</u>	<u>315</u>
Net decrease in cash	<u>\$ (535,796)</u>	<u>\$ (393,152)</u>

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Telecommuni- cations Equipment and Machinery	Others	Construction in Progress and Equipment to be Inspected	Total
<u>Cost</u>						
Balance, January 1, 2023	\$ 10,290,697	\$ 5,667,344	\$ 107,475,035	\$ 9,410,610	\$ 3,880,214	\$ 136,723,900
Additions	-	-	48,824	59,211	1,845,222	1,953,257
Disposals and retirements	-	-	(412,469)	(83,622)	(52)	(496,143)
Reclassification	-	-	1,242,117	71,265	(1,351,667)	(38,285)
Balance, March 31, 2023	<u>\$ 10,290,697</u>	<u>\$ 5,667,344</u>	<u>\$ 108,353,507</u>	<u>\$ 9,457,464</u>	<u>\$ 4,373,717</u>	<u>\$ 138,142,729</u>
<u>Accumulated depreciation and impairment</u>						
Balance, January 1, 2023	\$ -	\$ 2,131,858	\$ 82,115,130	\$ 8,228,919	\$ -	\$ 92,475,907
Depreciation	-	32,986	1,945,469	169,815	-	2,148,270
Disposals and retirements	-	-	(382,558)	(82,995)	-	(465,553)
Reclassification	-	-	(49,961)	-	-	(49,961)
Balance, March 31, 2023	<u>\$ -</u>	<u>\$ 2,164,844</u>	<u>\$ 83,628,080</u>	<u>\$ 8,315,739</u>	<u>\$ -</u>	<u>\$ 94,108,663</u>
Carrying amount, January 1, 2023	<u>\$ 10,290,697</u>	<u>\$ 3,535,486</u>	<u>\$ 25,359,905</u>	<u>\$ 1,181,691</u>	<u>\$ 3,880,214</u>	<u>\$ 44,247,993</u>
Carrying amount, March 31, 2023	<u>\$ 10,290,697</u>	<u>\$ 3,502,500</u>	<u>\$ 24,725,427</u>	<u>\$ 1,141,725</u>	<u>\$ 4,373,717</u>	<u>\$ 44,034,066</u>
<u>Cost</u>						
Balance, January 1, 2022	\$ 9,098,215	\$ 5,723,861	\$ 104,347,852	\$ 10,238,804	\$ 1,702,372	\$ 131,111,104
Additions	-	-	26,231	105,334	1,819,587	1,951,152
Disposals and retirements	-	-	(442,431)	(59,762)	(317)	(502,510)
Reclassification	-	-	1,045,156	87,031	(1,135,283)	(3,096)
Effect of exchange rate changes	-	-	2,626	82	-	2,708
Balance, March 31, 2022	<u>\$ 9,098,215</u>	<u>\$ 5,723,861</u>	<u>\$ 104,979,434</u>	<u>\$ 10,371,489</u>	<u>\$ 2,386,359</u>	<u>\$ 132,559,358</u>

(Continued)

	Land	Buildings	Telecommuni- cations Equipment and Machinery	Others	Construction in Progress and Equipment to be Inspected	Total
Accumulated depreciation and impairment						
Balance, January 1, 2022	\$ -	\$ 1,994,389	\$ 76,676,012	\$ 9,000,963	\$ -	\$ 87,671,364
Depreciation	-	40,930	1,896,781	187,601	-	2,125,312
Disposals and retirements	-	-	(383,884)	(59,519)	-	(443,403)
Effect of exchange rate changes	-	-	2,625	81	-	2,706
Balance, March 31, 2022	<u>\$ -</u>	<u>\$ 2,035,319</u>	<u>\$ 78,191,534</u>	<u>\$ 9,129,126</u>	<u>\$ -</u>	<u>\$ 89,355,979</u>
Carrying amount, March 31, 2022	<u>\$ 9,098,215</u>	<u>\$ 3,688,542</u>	<u>\$ 26,787,900</u>	<u>\$ 1,242,363</u>	<u>\$ 2,386,359</u>	<u>\$ 43,203,379</u>

(Concluded)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Primary buildings	20-55 years
Mechanical and electrical equipment	5-15 years
Telecommunications equipment and machinery	1-20 years
Others	1-15 years

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Carrying amount</u>			
Land	\$ 633,781	\$ 616,943	\$ 547,239
Buildings	8,761,617	8,762,700	8,216,477
Telecommunications equipment and machinery	266,925	299,705	406,670
Others	<u>93,270</u>	<u>104,929</u>	<u>128,781</u>
	<u>\$ 9,755,593</u>	<u>\$ 9,784,277</u>	<u>\$ 9,299,167</u>

	For the Three Months Ended March 31	
	2023	2022
Additions to right-of-use assets	<u>\$ 1,102,685</u>	<u>\$ 1,311,874</u>
Depreciation charge for right-of-use assets		
Land	\$ 60,575	\$ 59,925
Buildings	938,768	916,972
Telecommunications equipment and machinery	37,050	38,064
Others	<u>13,772</u>	<u>14,535</u>
	<u>\$ 1,050,165</u>	<u>\$ 1,029,496</u>

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

b. Lease liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Carrying amount</u>			
Current	<u>\$ 3,662,719</u>	<u>\$ 3,693,801</u>	<u>\$ 3,628,451</u>
Non-current	<u>\$ 6,079,030</u>	<u>\$ 6,155,641</u>	<u>\$ 5,682,279</u>

Range of discount rates for lease liabilities was as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Land	0.61%-1.02%	0.61%-1%	0.61%-1%
Buildings	0.61%-1.2%	0.61%-1.2%	0.61%-1.2%
Telecommunications equipment and machinery	0.61%-4.38%	0.61%-4.38%	0.61%-4.38%
Others	0.61%-1.02%	0.61%-0.86%	0.61%-0.86%

c. Material lease-in activities and terms

The Group leases base transceiver stations and machine rooms, stores, offices, warehouses, maintenance centers, equipment, etc., with most of the lease terms ranging from 1 to 6 years. The Group does not have bargain purchase options to acquire the leasehold assets at the end of the lease terms. In addition, the Group is prohibited from subleasing all or any portion of the underlying assets without the lessors' consents in some lease agreements. The Group can early terminate the arrangements if there are any controversial or other incidental matters that will cause the leasehold assets not being able to meet the purposes of use.

d. Other lease information

	For the Three Months Ended March 31	
	2023	2022
Expenses related to short-term leases	<u>\$ 8,970</u>	<u>\$ 9,381</u>
Expenses related to low-value asset leases	<u>\$ 25,638</u>	<u>\$ 25,585</u>
Expenses related to variable lease payments and not included in the measurement of lease liabilities	<u>\$ 6,979</u>	<u>\$ 7,529</u>
Total cash outflow for leases	<u>\$ 1,187,700</u>	<u>\$ 1,118,959</u>

14. INVESTMENT PROPERTIES

The Group leases its properties to others and thus reclassifies them from property, plant and equipment to investment properties.

The fair values of investment properties were measured using Level 3 inputs, arising from income approach, comparative approach, and cost approach adopted by a third party real estate appraiser, HomeBan Appraisers Joint Firm. As of March 31, 2023, December 31, 2022 and March 31, 2022, the fair values of investment properties were \$6,877,264 thousand, \$6,877,283 thousand and \$6,451,762 thousand, respectively, and the capitalization rates for the aforementioned financial reporting periods were ranging from 1.47%-5.23%, 1.47%-5.23% and 1.37%-5.23%, respectively.

The amounts of depreciation recognized for the three months ended March 31, 2023 and 2022 were \$4,772 thousand and \$4,505 thousand, respectively.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Year 1	\$ 57,475	\$ 91,600	\$ 137,591
Year 2	33,245	34,181	42,420
Year 3	29,161	29,722	21,636
Year 4	20,164	25,740	18,322
Year 5	8,181	9,321	9,976
Year 6 and thereafter	<u>32,371</u>	<u>34,137</u>	<u>48</u>
	<u>\$ 180,597</u>	<u>\$ 224,701</u>	<u>\$ 229,993</u>

15. INTANGIBLE ASSETS

	Concessions			Other Intangible Assets					Total
	Concession Licenses	Service Concessions	Goodwill	Computer Software	Customer Relationships	Operating Rights	Trademarks	Copyrights	
Cost									
Balance, January 1, 2023	\$ 71,699,375	\$ 8,180,078	\$ 15,872,595	\$ 3,604,255	\$ 2,643,826	\$ 1,382,000	\$ 2,517,164	\$ 228,519	\$ 106,127,812
Additions	-	-	-	33,303	-	-	-	1,885	35,188
Disposals and retirements	-	-	-	(19,323)	-	-	-	-	(19,323)
Reclassification	-	-	-	3,909	-	-	-	14,829	18,738
Balance, March 31, 2023	<u>\$ 71,699,375</u>	<u>\$ 8,180,078</u>	<u>\$ 15,872,595</u>	<u>\$ 3,622,144</u>	<u>\$ 2,643,826</u>	<u>\$ 1,382,000</u>	<u>\$ 2,517,164</u>	<u>\$ 245,233</u>	<u>\$ 106,162,415</u>
Accumulated amortization and impairment									
Balance, January 1, 2023	\$ 21,955,149	\$ 1,746,182	\$ 53,487	\$ 3,282,655	\$ 2,046,000	\$ -	\$ 741	\$ 172,233	\$ 29,256,447
Amortization	1,034,146	44,680	-	64,327	34,100	-	30	12,332	1,189,615
Disposals and retirements	-	-	-	(19,323)	-	-	-	-	(19,323)
Balance, March 31, 2023	<u>\$ 22,989,295</u>	<u>\$ 1,790,862</u>	<u>\$ 53,487</u>	<u>\$ 3,327,659</u>	<u>\$ 2,080,100</u>	<u>\$ -</u>	<u>\$ 771</u>	<u>\$ 184,565</u>	<u>\$ 30,426,739</u>
Carrying amount, January 1, 2023	<u>\$ 49,744,226</u>	<u>\$ 6,433,896</u>	<u>\$ 15,819,108</u>	<u>\$ 321,600</u>	<u>\$ 597,826</u>	<u>\$ 1,382,000</u>	<u>\$ 2,516,423</u>	<u>\$ 56,286</u>	<u>\$ 76,871,365</u>
Carrying amount, March 31, 2023	<u>\$ 48,710,080</u>	<u>\$ 6,389,216</u>	<u>\$ 15,819,108</u>	<u>\$ 294,485</u>	<u>\$ 563,726</u>	<u>\$ 1,382,000</u>	<u>\$ 2,516,393</u>	<u>\$ 60,668</u>	<u>\$ 75,735,676</u>
Cost									
Balance, January 1, 2022	\$ 71,699,375	\$ 8,180,078	\$ 15,872,595	\$ 3,419,522	\$ 2,654,089	\$ 1,382,000	\$ 2,518,355	\$ 157,428	\$ 105,883,442
Additions	-	-	-	23,732	-	-	14	289	24,035
Disposals and retirements	-	-	-	(8,862)	-	-	(744)	-	(9,606)
Reclassification	-	-	-	3,271	-	-	-	-	3,271
Effect of exchange rate changes	-	-	-	434	-	-	-	-	434
Balance, March 31, 2022	<u>\$ 71,699,375</u>	<u>\$ 8,180,078</u>	<u>\$ 15,872,595</u>	<u>\$ 3,438,097</u>	<u>\$ 2,654,089</u>	<u>\$ 1,382,000</u>	<u>\$ 2,517,625</u>	<u>\$ 157,717</u>	<u>\$ 105,901,576</u>
Accumulated amortization and impairment									
Balance, January 1, 2022	\$ 17,818,565	\$ 1,567,463	\$ 53,487	\$ 3,077,377	\$ 1,919,863	\$ -	\$ 1,870	\$ 117,254	\$ 24,555,879
Amortization	1,034,146	44,680	-	64,012	34,100	-	36	17,085	1,194,059
Disposals and retirements	-	-	-	(8,862)	-	-	(744)	-	(9,606)
Effect of exchange rate changes	-	-	-	425	-	-	-	-	425
Balance, March 31, 2022	<u>\$ 18,852,711</u>	<u>\$ 1,612,143</u>	<u>\$ 53,487</u>	<u>\$ 3,132,952</u>	<u>\$ 1,953,963</u>	<u>\$ -</u>	<u>\$ 1,162</u>	<u>\$ 134,339</u>	<u>\$ 25,740,757</u>
Carrying amount, March 31, 2022	<u>\$ 52,846,664</u>	<u>\$ 6,567,935</u>	<u>\$ 15,819,108</u>	<u>\$ 305,145</u>	<u>\$ 700,126</u>	<u>\$ 1,382,000</u>	<u>\$ 2,516,463</u>	<u>\$ 23,378</u>	<u>\$ 80,160,819</u>

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

Concession licenses	14-21 years
Service concessions	44-50 years
Computer software	1-10 years
Customer relationships	20 years
Trademarks	10 years
Copyrights	Amortized over the broadcast period

a. Service concessions

On January 15, 2009, TNH signed a BOT contract with the Taipei City Government. Under the BOT contract, TNH obtained the right to build and operate a development project located at the old Songshan Tobacco Plant. The development concession premium of superficies is amortized on a straight-line basis during the contract period, and the construction costs are amortized on a straight-line basis from the completion date of the construction to the BOT contract expiry date.

b. Customer relationships, operating rights, and trademarks

The Group measures the fair value of acquired assets when acquisitions occur, and identifies the fair value and amortization periods of the intangible assets which conform to materiality and related standards. Although some of the intangible assets such as operating rights and trademarks have legal useful lives, which can be extended, the Group regards these assets as intangible assets with indefinite useful lives.

- 1) On April 17, 2007, TFN, one of TWM's wholly-owned subsidiaries, acquired more than 50% of the former Taiwan Fixed Network Co., Ltd. (formerly "TFN") through a public tender offer. TWM split the former TFN and its subsidiaries into two cash-generating units, i.e., fixed network services and cable television and broadband business. Accordingly, customer relationships and operating rights are identified as major intangible assets.
- 2) On September 1, 2010, TFNM, one of TWM's wholly-owned subsidiaries, acquired 55% of TKT. On August 12, 2011, TFNM acquired 45% of TKT. TWM measured the fair value of the acquired net assets and viewed TKT's wireless services as one cash-generating unit. Accordingly, trademarks and customer relationships are identified as major intangible assets.
- 3) On July 13, 2011, WMT, one of TWM's wholly-owned subsidiaries, acquired control over momo. TWM measured the fair value of the acquired assets and viewed momo's retail business as one cash-generating unit. Accordingly, trademarks are identified as major intangible assets.

c. Goodwill

The carrying amounts of goodwill allocated to the cash-generating units were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Mobile communication services	\$ 7,211,936	\$ 7,211,936	\$ 7,211,936
Fixed network services	357,970	357,970	357,970
Retail business	4,979,566	4,979,566	4,979,566
Cable television and broadband business	<u>3,269,636</u>	<u>3,269,636</u>	<u>3,269,636</u>
	<u>\$ 15,819,108</u>	<u>\$ 15,819,108</u>	<u>\$ 15,819,108</u>

d. Impairment of assets

See Note 15(d) to the consolidated financial statements for the year ended December 31, 2022 for the related information on impairment of assets. There was no significant evidence indicating impairment of intangible assets as of March 31, 2023.

16. OTHER NON-CURRENT ASSETS

	March 31, 2023	December 31, 2022	March 31, 2022
Long-term accounts receivable	\$ 224,239	\$ 290,212	\$ 361,457
Refundable deposits	871,422	856,497	809,699
Other prepayments	929,180	359,249	593,493
Prepayments for investment	170,018	-	17,090
Others	<u>463,785</u>	<u>466,053</u>	<u>463,819</u>
	<u>\$ 2,658,644</u>	<u>\$ 1,972,011</u>	<u>\$ 2,245,558</u>

17. BORROWINGS

a. Short-term borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
Unsecured loans	<u>\$ 15,410,000</u>	<u>\$ 20,550,000</u>	<u>\$ 15,970,000</u>
Annual interest rates	1.32%-1.775%	1.53%-1.66%	0.55%-1.05%

For the information on endorsements and guarantees, see Note 31(b).

b. Short-term notes and bills payable

	March 31, 2023	December 31, 2022	March 31, 2022
Short-term notes and bills payable	\$ 6,200,000	\$ 3,100,000	\$ 6,100,000
Less: Discounts on short-term notes and bills payable	<u>(11,861)</u>	<u>(7,605)</u>	<u>(3,745)</u>
	<u>\$ 6,188,139</u>	<u>\$ 3,092,395</u>	<u>\$ 6,096,255</u>
Annual interest rates	1.338%-1.368%	1.658%	0.428%-0.488%

c. Long-term borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
Secured loans	\$ 2,008,276	\$ 2,059,160	2,281,754
Commercial papers payable	8,500,000	8,000,000	6,500,000
Less: Discounts on commercial papers payable	(7,709)	(3,503)	(2,115)
Less: Current portion	<u>(3,770,827)</u>	<u>(3,773,126)</u>	<u>(273,470)</u>
	<u>\$ 6,729,740</u>	<u>\$ 6,282,531</u>	<u>\$ 8,506,169</u>
Annual interest rates:			
Secured loans	2.2211%	2.1895%	1.7947%
Commercial papers payable	0.688%~2.1017%	0.688%~1.81%	0.687%-0.697%

1) Secured loans

TNH entered into a syndicated loan agreement, with respect to the investment under the aforementioned BOT contract. The credit agreement originally signed in 2010 had been terminated in advance. TNH signed another credit agreement with Bank of Taiwan for a \$3,400,000 thousand credit amount and a \$65,000 thousand guarantee amount in 2017. The agreement started from the date of the first drawdown of the loan and would last for 7 years with interest payments made on a monthly basis. In accordance with the loan agreement, the regular financial covenants, e.g., current ratio, equity ratio, and interest protection multiples, must be complied with during the credit facility period. For property under the BOT contract and its superficies that have been pledged as collateral, see Note 30.

2) Commercial papers payable

TWM's commercial papers payable are treated as revolving credit facilities under the contracts. The last repayment dates of the commercial papers payable are no later than June 2025.

18. BONDS PAYABLE

	March 31, 2023	December 31, 2022	March 31, 2022
5th domestic unsecured straight corporate bonds	\$ 14,997,220	\$ 14,996,589	\$ 14,994,661
6th domestic unsecured straight corporate bonds	19,988,521	19,987,778	19,985,507
7th domestic unsecured straight corporate bonds	2,497,332	2,497,207	2,496,827
Less: Current portion	<u>(5,999,936)</u>	<u>(5,999,631)</u>	<u>-</u>
	<u>\$ 31,483,137</u>	<u>\$ 31,481,943</u>	<u>\$ 37,476,995</u>

a. 5th domestic unsecured straight corporate bonds

On April 20, 2018, TWM issued the 5th domestic unsecured straight corporate bonds. The bonds included five-year and seven-year bonds, with the principal amount of \$6,000,000 thousand and \$9,000,000 thousand, each having a face value of \$10,000 thousand, and coupon rates of 0.848% and 1% per annum, respectively, with simple interest due annually. Repayment will be made in full at maturity. As of March 31, 2023, the amount of unamortized bond issue cost was \$2,780 thousand. The trustee of bond holders is Bank of Taiwan.

Future repayments of the above-mentioned corporate bonds are as follows:

Year	Amount
2023Q2	\$ 6,000,000
2025	<u>9,000,000</u>
	<u>\$ 15,000,000</u>

b. 6th domestic unsecured straight corporate bonds

On March 24, 2020, TWM issued the 6th domestic unsecured straight corporate bonds. The bonds included five-year, seven-year, and ten-year bonds, with the principal amount of \$5,000,000 thousand, \$10,000,000 thousand and \$5,000,000 thousand, each having a face value of \$10,000 thousand, and coupon rates of 0.64%, 0.66% and 0.72% per annum, respectively, with simple interest due annually. Repayment will be made in full at maturity. As of March 31, 2023, the amount of unamortized bond issue cost was \$11,479 thousand. The trustee of bond holders is Bank of Taiwan.

Future repayments of the above-mentioned corporate bonds are as follows:

Year	Amount
2025	\$ 5,000,000
2027	10,000,000
2030	<u>5,000,000</u>
	<u>\$ 20,000,000</u>

c. 7th domestic unsecured straight corporate bonds

On July 13, 2021, TWM issued the 7th domestic unsecured straight corporate bonds. The bond was seven-year bond, with the principal amount of \$2,500,000 thousand, having a face value of \$10,000 thousand, and coupon rate of 0.53% per annum, with simple interest due annually. Repayment will be made in full at maturity. As of March 31, 2023, the amount of unamortized bond issue cost was \$2,668 thousand. The trustee of bond holders is Bank of Taiwan.

Future repayments of the above-mentioned corporate bonds are as follows:

Year	Amount
2028	<u>\$ 2,500,000</u>

19. PROVISIONS

	March 31, 2023	December 31, 2022	March 31, 2022	
Restoration	\$ 1,000,837	\$ 999,153	\$ 997,278	
Replacement	521,336	505,570	462,880	
Warranties	<u>16,723</u>	<u>16,334</u>	<u>21,816</u>	
	<u>\$ 1,538,896</u>	<u>\$ 1,521,057</u>	<u>\$ 1,481,974</u>	
Current	\$ 81,282	\$ 80,467	\$ 71,130	
Non-current	<u>1,457,614</u>	<u>1,440,590</u>	<u>1,410,844</u>	
	<u>\$ 1,538,896</u>	<u>\$ 1,521,057</u>	<u>\$ 1,481,974</u>	
	Restoration	Replacement	Warranties	Total
Balance, January 1, 2023	\$ 999,153	\$ 505,570	\$ 16,334	\$ 1,521,057
Provision	11,002	13,916	6,471	31,389
Payment/Reversal	(9,960)	(1,677)	(6,082)	(17,719)
Unwinding of discount	<u>642</u>	<u>3,527</u>	<u>-</u>	<u>4,169</u>
Balance, March 31, 2023	<u>\$ 1,000,837</u>	<u>\$ 521,336</u>	<u>\$ 16,723</u>	<u>\$ 1,538,896</u>
Balance, January 1, 2022	\$ 995,275	\$ 447,279	\$ 23,774	\$ 1,466,328
Provision	10,568	13,564	6,275	30,407
Payment/Reversal	(9,279)	(1,057)	(8,233)	(18,569)
Unwinding of discount	<u>714</u>	<u>3,094</u>	<u>-</u>	<u>3,808</u>
Balance, March 31, 2022	<u>\$ 997,278</u>	<u>\$ 462,880</u>	<u>\$ 21,816</u>	<u>\$ 1,481,974</u>

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

Domestic firms of the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed and defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The employees of the Group's subsidiaries in other countries are participants of state-managed retirement benefit plans operated by local governments. In accordance with the above provisions, the Group's contributions to the pension plan amounted to \$96,338 thousand and \$91,081 thousand for the three months ended March 31, 2023 and 2022, respectively.

b. Defined benefit plans

The Group recognized pension amounts of \$616 thousand and \$1,080 thousand for the three months ended March 31, 2023 and 2022, respectively, by using the actuarially determined pension cost rate.

21. EQUITY

a. Share capital

As of March 31, 2023, December 31, 2022 and March 31, 2022, TWM's authorized capital was \$60,000,000 thousand and capital issued and outstanding was \$35,192,336 thousand, divided into 3,519,234 thousand shares, which were all common stocks, at a par value of \$10 each.

TWM had completed the related corporate registration procedures and transferred the capital collected in advance of \$57,135 thousand to common stock in the first quarter of 2022.

b. Capital surplus

	March 31, 2023	December 31, 2022	March 31, 2022
Additional paid-in capital	\$ 9,570,398	\$ 9,531,369	\$ 11,107,455
Treasury stock transactions	5,159,704	5,159,704	5,159,704
Difference between consideration and carrying amount arising from the disposal of subsidiaries' stock	85,965	85,965	85,965
Changes in equity of subsidiaries	501,215	501,215	501,215
Changes in equity of associates accounted for using equity method	15,015	8,605	10,828
Expired share options	13,269	13,269	13,269
Others	<u>26,651</u>	<u>26,651</u>	<u>24,803</u>
	<u>\$ 15,372,217</u>	<u>\$ 15,326,778</u>	<u>\$ 16,903,239</u>

Under the ROC Company Act, capital surplus generated from the excess of the issue price over the par value of capital stock, including the stock issued for new capital, the conversion premium from convertible corporate bonds, treasury stock transactions, and the difference between consideration and carrying amount of subsidiaries' stock disposed of, may be applied to make-up accumulated deficit, if any, or be transferred to capital as stock dividends, or be distributed as cash dividends when there is no accumulated deficit, and this transfer is restricted to a certain percentage of the paid-in capital. The capital surplus arising from changes in equity of subsidiaries, changes in equity of associates accounted for using equity method and the overdue unclaimed dividends could also be applied to make-up accumulated deficit, if any. The other capital surplus cannot be used by any means.

c. Appropriation of earnings and dividend policy

In accordance with the Company's Articles of Incorporation, TWM's profits earned in a fiscal year shall first be set aside to pay the applicable taxes, offset losses, and set aside for legal reserve pursuant to laws and regulations, unless the legal reserve has reached TWM's total paid-up capital. The remaining profits shall be set aside for special reserve in accordance with laws, regulations, or business requirements. Any further remaining profits plus unappropriated earnings shall be distributed in accordance with the proposal submitted by the Board of Directors for approval at a stockholders' meeting.

TWM adopts a dividend distribution policy whereby only surplus profits of TWM shall be distributed to stockholders. That is, after setting aside amounts for retained earnings based on TWM's capital budget plan, the residual profits shall be distributed as cash dividends. Stock dividends in a particular year shall be capped at no more than 80% of total dividends to be distributed for that year. The amount of the distributable dividends, the forms in which dividends shall be distributed, and the ratio thereof shall depend on the actual profit and cash positions of TWM and shall be approved by resolutions of the Board of Directors, who shall, upon such approval, recommend the same to the stockholders for approval by resolution at the stockholders' meetings.

The above appropriation of earnings should be resolved in the annual general stockholders' meeting (AGM) held in the following year.

According to the ROC Company Act, a company shall first set aside its earnings as legal reserve until the legal reserve equals the paid-in capital. The legal reserve may be used to offset losses. After offsetting any deficit, the legal reserve may be transferred to capital and distributed as stock dividends or cash dividends for the amount in excess of 25% of the paid-in capital pursuant to a resolution adopted in the stockholders' meeting.

Pursuant to existing regulations, TWM is required to set aside and reverse additional special reserve equivalent to the net debit balance of the other equity interests, such as the exchange differences on translation and unrealized gain or loss on financial assets at fair value through other comprehensive income.

The appropriations of earnings for 2022 and 2021, which have been proposed by the Board of Directors on May 3, 2023 and resolved in the AGM on June 23, 2022, respectively, were as follows:

	Appropriation of Earnings	
	For Fiscal Year 2022	For Fiscal Year 2021
Legal reserve	\$ 895,382	\$ 1,102,873
Special reserve	(1,823,415)	(626,324)
Cash dividends	9,881,841	10,551,987
Cash dividends per share (NT\$)	3.5036	3.7412

In addition, cash distributions arising from capital surplus with respect to the excess of stock issuance price over the par value of capital stock, totaling \$2,246,232 thousand and \$1,576,086 thousand and representing \$0.7964 and \$0.5588 per share, were proposed by the Board of Directors and resolved in the AGM; thus, total distributions for both 2022 and 2021 are \$4.3 per share.

TWM's 2022 earnings appropriation and cash appropriation from the capital surplus are awaiting approval in the AGM on June 13, 2023.

d. Other equity interests

	Exchange Differences on Translation	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Total
Balance, January 1, 2023	\$ (27,862)	\$ 316,076	\$ 288,214
Exchange differences on translation	2,039	-	2,039
Changes in fair value of financial assets at FVTOCI	-	114,663	114,663
Changes in other comprehensive income (loss) of associates accounted for using equity method	(2,610)	(53,831)	(56,441)
Valuation loss of equity instruments transferred to retained earnings due to disposal	-	35,769	35,769
Valuation loss of equity instruments transferred to retained earnings due to disposal by associates	-	60,779	60,779
Income tax effect	<u>-</u>	<u>(14,746)</u>	<u>(14,746)</u>
Balance, March 31, 2023	<u>\$ (28,433)</u>	<u>\$ 458,710</u>	<u>\$ 430,277</u>
Balance, January 1, 2022	\$ (44,294)	\$ (1,779,121)	\$ (1,823,415)
Exchange differences on translation	13,787	-	13,787
Changes in fair value of financial assets at FVTOCI	-	(170,904)	(170,904)
Changes in other comprehensive income (loss) of associates accounted for using equity method	(720)	38,194	37,474
Income tax effect	<u>-</u>	<u>(15,714)</u>	<u>(15,714)</u>
Balance, March 31, 2022	<u>\$ (31,227)</u>	<u>\$ (1,927,545)</u>	<u>\$ (1,958,772)</u>

e. Treasury stock

As of March 31, 2023, December 31, 2022 and March 31, 2022, TWM's stocks held for the investment purposes by TCCI, TUI and TID, which are all wholly-owned by TWM, were 698,752 thousand shares, and the market values were \$70,573,912 thousand, \$66,171,777 thousand and \$73,368,918 thousand, respectively. Since TWM's stocks held by its subsidiaries are regarded as treasury stock, TWM recognized \$29,717,344 thousand as treasury stock. For those treasury stockholders, they have the same rights as the other stockholders, except that they are not allowed to subscribe new shares issued by TWM for cash and exercise the voting rights over such treasury stock.

22. OPERATING REVENUE

	For the Three Months Ended March 31	
	2023	2022
Revenue from contracts with customers		
Telecommunications and value-added services	\$ 12,052,601	\$ 11,343,951
Sales revenue	29,239,537	26,749,305
Cable TV and broadband services	1,472,177	1,472,204
Others	211,391	184,238
Other operating revenue	<u>39,632</u>	<u>38,095</u>
	<u>\$ 43,015,338</u>	<u>\$ 39,787,793</u>

a. Contract information

Refer to Note 36 and to Note 4 to the consolidated financial statements for the year ended December 31, 2022.

b. Contract balances

	March 31, 2023	December 31, 2022	March 31, 2022	January 1, 2022
Contract assets				
Bundle sales	\$ 10,690,705	\$ 10,580,384	\$ 10,018,920	\$ 9,951,564
Less: Allowance for impairment loss	<u>(90,754)</u>	<u>(89,820)</u>	<u>(85,044)</u>	<u>(84,514)</u>
	<u>\$ 10,599,951</u>	<u>\$ 10,490,564</u>	<u>\$ 9,933,876</u>	<u>\$ 9,867,050</u>
Current	\$ 5,227,475	\$ 5,092,822	\$ 4,728,775	\$ 4,667,271
Non-current	<u>5,372,476</u>	<u>5,397,742</u>	<u>5,205,101</u>	<u>5,199,779</u>
	<u>\$ 10,599,951</u>	<u>\$ 10,490,564</u>	<u>\$ 9,933,876</u>	<u>\$ 9,867,050</u>

For notes and accounts receivable, please refer to Note 8.

The Group measures the loss allowance for contract assets at an amount equal to lifetime ECLs. The contract assets will be transferred to accounts receivable when the corresponding invoice is billed to the client, and the contract assets have substantially the same risk as the trade receivables. Therefore, the Group concluded that the expected loss rates for trade receivables can be applied to the contract assets.

	March 31, 2023	December 31, 2022	March 31, 2022	January 1, 2022
Contract liabilities				
Telecommunications and value-added services	\$ 1,137,759	\$ 1,289,461	\$ 1,178,513	\$ 1,195,258
Sales of goods	106,829	255,349	112,160	154,895
Cable TV and broadband services	643,389	628,941	639,769	624,065
Others	<u>5,325</u>	<u>4,093</u>	<u>6,903</u>	<u>10,090</u>
	<u>\$ 1,893,302</u>	<u>\$ 2,177,844</u>	<u>\$ 1,937,345</u>	<u>\$ 1,984,308</u>

(Continued)

	March 31, 2023	December 31, 2022	March 31, 2022	January 1, 2022
Current	\$ 1,800,512	\$ 2,079,999	\$ 1,826,940	\$ 1,894,828
Non-current	<u>92,790</u>	<u>97,845</u>	<u>110,405</u>	<u>89,480</u>
	<u>\$ 1,893,302</u>	<u>\$ 2,177,844</u>	<u>\$ 1,937,345</u>	<u>\$ 1,984,308</u>

(Concluded)

The changes in balances of contract assets and contract liabilities primarily result from the timing difference between the satisfaction of performance obligations and the payments collected from customers.

c. Assets related to contract costs

	March 31, 2023	December 31, 2022	March 31, 2022
Incremental costs of obtaining a contract - non-current	<u>\$ 1,943,182</u>	<u>\$ 1,913,755</u>	<u>\$ 1,828,663</u>

The Group considered the past experience and the default clauses in the sale contracts and believed the commission and the subsidy paid for obtaining a contract are wholly recoverable, therefore, such costs are capitalized. The amounts of amortization recognized for the three months ended March 31, 2023 and 2022 were \$332,146 thousand and \$334,282 thousand, respectively.

23. NON-OPERATING INCOME AND EXPENSES

a. Other gains and losses, net

	For the Three Months Ended March 31	
	2023	2022
Loss on disposal and retirement of property, plant and equipment, net	\$ (28,442)	\$ (57,542)
Valuation gain (loss) on financial assets at fair value through profit and loss (FVTPL), net	(13,676)	22,657
Gain on foreign exchange, net	1,124	16,092
Others	<u>(157)</u>	<u>(1,823)</u>
	<u>\$ (41,151)</u>	<u>\$ (20,616)</u>

b. Finance costs

	For the Three Months Ended March 31	
	2023	2022
Interest expense		
Corporate bonds	\$ 72,536	\$ 72,544
Bank loans	89,636	43,154
Commercial papers payable	42,837	16,460
Lease liabilities	19,098	18,382
Others	<u>6,822</u>	<u>6,649</u>
	<u>\$ 230,929</u>	<u>\$ 157,189</u>

24. INCOME TAX

a. Income tax recognized in profit or loss

	For the Three Months Ended March 31	
	2023	2022
Current income tax expense		
Current period	\$ 840,701	\$ 762,076
Prior years' adjustments	<u>8,544</u>	<u>2,666</u>
	<u>849,245</u>	<u>764,742</u>
Deferred income tax expense		
Temporary differences	<u>(5,929)</u>	<u>28,356</u>
Income tax expense	<u>\$ 843,316</u>	<u>\$ 793,098</u>

b. Income tax recognized in other comprehensive income (loss)

	For the Three Months Ended March 31	
	2023	2022
Current income tax expense		
Realized gain/loss on financial assets at FVTOCI	\$ (14,997)	\$ -
Deferred income tax expense		
Unrealized gain/loss on financial assets at FVTOCI	<u>21,493</u>	<u>15,714</u>
Income tax expense	<u>\$ 6,496</u>	<u>\$ 15,714</u>

c. Income tax examinations

The latest years for which the income tax returns of the entities in the Group have been examined and cleared by the tax authorities were as follows:

<u>Company</u>	<u>Year</u>
TWM	2020

(Continued)

<u>Company</u>	<u>Year</u>
TCC	2021
WMT	2021
TVC	2021
TNH	2021
TFN	2020
TT&T	2020
TCCI	2021
TDS	2021
TPIA	2021
TFC	2021
TWMFM	2021
TUI	2021
TID	2021
TKT	2021
TFNM	2020
GFMT	2021
GWMT	2021
WTVB	2020
YJCTV	2020
MCTV	2021
PCTV	2020
UCTV	2020
GCTV	2020
momo	2020
FLI	2021
FI	2021
FST	2021
Bebe Poshe	2021
FSL	2021
MFS	2021
Prosperous Living	2021

(Concluded)

25. EARNINGS PER SHARE

	<u>For the Three Months Ended March 31, 2023</u>		
	<u>Amount After</u>	<u>Weighted-</u>	<u>EPS</u>
	<u>Income Tax</u>	<u>average Number</u>	<u>(NT\$)</u>
		<u>of Shares</u>	
		<u>(In Thousands)</u>	
Basic EPS			
Profit attributable to owners of the parent	\$ 2,714,714	2,820,482	<u>\$ 0.96</u>
Effect of dilutive potential common stock:			
Employees' compensation	<u>-</u>	<u>2,795</u>	
Diluted EPS			
Profit attributable to owners of the parent (adjusted for potential effect of common stock)	<u>\$ 2,714,714</u>	<u>2,823,277</u>	<u>\$ 0.96</u>

For the Three Months Ended March 31, 2022

	Amount After Income Tax	Weighted- average Number of Shares (In Thousands)	EPS (NT\$)
Basic EPS			
Profit attributable to owners of the parent	\$ 2,723,260	2,820,482	<u>\$ 0.97</u>
Effect of dilutive potential common stock:			
Employees' compensation	<u>-</u>	<u>2,848</u>	
Diluted EPS			
Profit attributable to owners of the parent (adjusted for potential effect of common stock)	<u>\$ 2,723,260</u>	<u>2,823,330</u>	<u>\$ 0.96</u>

Since TWM has the discretion to settle the employees' compensation by cash or stock, TWM should presume that the entire amount of the compensation will be settled in stock, and the potential stock dilution should be included in the weighted-average number of stock outstanding used in the calculation of diluted EPS, provided there is a dilutive effect. Such dilutive effect of the potential stock needs to be included in the calculation of diluted EPS until employees' compensation is approved in the following year.

26. CASH FLOW INFORMATION

Changes in liabilities arising from financing activities:

For the Three Months Ended March 31, 2023

	Opening Balance	Cash Flows	<u>Non-cash Changes</u>		Ending Balance
			New Leases	Others	
Lease liabilities (including current and non-current portions)	<u>\$ 9,849,442</u>	<u>\$ (1,134,046)</u>	<u>\$ 1,101,418</u>	<u>\$ (75,065)</u>	<u>\$ 9,741,749</u>

For the Three Months Ended March 31, 2022

	Opening Balance	Cash Flows	<u>Non-cash Changes</u>		Ending Balance
			New Leases	Others	
Lease liabilities (including current and non-current portions)	<u>\$ 9,093,347</u>	<u>\$ (1,058,529)</u>	<u>\$ 1,310,683</u>	<u>\$ (34,771)</u>	<u>\$ 9,310,730</u>

27. CAPITAL MANAGEMENT

The Group maintains and manages its capital to meet the minimum paid-in capital required by the competent authority, and to optimize the balance of liabilities and equity in order to maximize stockholders' return. By periodically reviewing and measuring relative cost, risk, and rate of return to ensure profit and to maintain adequate financial ratios, the Group may adopt various financing approaches to balance its capital structure in order to meet the demands for working capital, capital expenditures, settlements of liabilities, and dividend payments in its normal course of business for the future.

28. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets</u>			
Financial assets at FVTPL (including current and non-current portions) (Note 1)	\$ 1,205,815	\$ 1,181,015	\$ 571,126
Financial assets at FVTOCI (including current and non-current portions)	5,136,538	5,036,667	4,141,883
Financial assets measured at amortized cost (including current and non-current portions) (Note 2)	<u>27,568,624</u>	<u>28,747,924</u>	<u>27,060,542</u>
	<u>\$ 33,910,977</u>	<u>\$ 34,965,606</u>	<u>\$ 31,773,551</u>
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost (including current and non-current portions) (Note 3)	<u>\$ 92,347,247</u>	<u>\$ 97,744,967</u>	<u>\$ 91,130,358</u>

Note 1: Financial assets mandatorily measured at FVTPL.

Note 2: The balances comprise cash and cash equivalents, notes and accounts receivable, other receivables, other financial assets and refundable deposits, which were financial assets measured at amortized cost.

Note 3: The balances comprise long-term and short-term borrowings, commercial papers payable, notes and accounts payable, other payables, other financial liabilities (classified as other current liabilities), bonds payable and guarantee deposits, which were financial liabilities measured at amortized cost.

b. Fair value of financial instruments

1) Financial instruments not measured at fair value

Except for the table below, the Group considers that the carrying amount of financial assets and liabilities that are not at fair value is close to the fair value, or the fair value cannot be reliably measured.

	<u>March 31, 2023</u>		<u>December 31, 2022</u>		<u>March 31, 2022</u>	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial liabilities</u>						
Bonds payable (including current portion)	\$ 37,483,073	\$ 37,015,274	\$ 37,481,574	\$ 36,972,577	\$ 37,476,995	\$ 37,364,049

The fair value of bonds payable is measured by Level 2 inputs, using a volume-weighted average price on the TPEX at the end of the reporting period (reporting date).

2) Fair value of financial instruments that are measured at fair value on a recurring basis

The table below provides the related analysis of financial instruments at fair value after initial recognition. Based on the extent that fair value can be observed, the fair value measurements are grouped into Levels 1 to 3:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on the reporting date.
- Level 2: Inputs other than quoted prices included within Level 1 are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the assets or liabilities are not based on observable market data (unobservable inputs).

March 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic unlisted stocks	\$ -	\$ -	\$ 241,310	\$ 241,310
Foreign unlisted stocks	-	-	172,315	172,315
Foreign convertible notes	-	-	126,662	126,662
Foreign limited partnerships	-	-	646,703	646,703
Domestic limited partnerships	-	-	18,825	18,825
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,205,815</u>	<u>\$ 1,205,815</u>

Financial assets at FVTOCI

Equity instruments

Domestic listed stocks	\$ 532,235	\$ -	\$ -	\$ 532,235
Domestic unlisted stocks	-	-	1,212,133	1,212,133
Foreign listed stocks	875	-	-	875
Foreign unlisted stocks	-	-	2,169,106	2,169,106
Foreign limited partnerships	-	-	1,222,189	1,222,189
	<u>\$ 533,110</u>	<u>\$ -</u>	<u>\$ 4,603,428</u>	<u>\$ 5,136,538</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic unlisted stocks	\$ -	\$ -	\$ 237,546	\$ 237,546
Foreign unlisted stocks	-	-	169,507	169,507
Foreign convertible notes	-	-	126,280	126,280
Foreign limited partnerships	-	-	628,563	628,563
Domestic limited partnerships	-	-	19,119	19,119
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,181,015</u>	<u>\$ 1,181,015</u>

(Continued)

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Equity instruments				
Domestic listed stocks	\$ 505,607	\$ -	\$ -	\$ 505,607
Domestic unlisted stocks	-	-	1,224,455	1,224,455
Foreign unlisted stocks	-	-	2,096,317	2,096,317
Foreign limited partnerships	-	-	1,210,288	1,210,288
	<u>\$ 505,607</u>	<u>\$ -</u>	<u>\$ 4,531,060</u>	<u>\$ 5,036,667</u>
				(Concluded)

March 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Foreign unlisted stocks	\$ -	\$ -	\$ 27,525	\$ 27,525
Foreign convertible notes	-	-	158,879	158,879
Foreign limited partnerships	-	-	364,722	364,722
Domestic limited partnerships	-	-	20,000	20,000
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 571,126</u>	<u>\$ 571,126</u>

Financial assets at FVTOCI

Equity instruments				
Domestic listed stocks	\$ 1,329,582	\$ -	\$ -	\$ 1,329,582
Domestic unlisted stocks	-	-	587,121	587,121
Foreign unlisted stocks	-	-	1,313,716	1,313,716
Foreign limited partnerships	-	-	911,464	911,464
	<u>\$ 1,329,582</u>	<u>\$ -</u>	<u>\$ 2,812,301</u>	<u>\$ 4,141,883</u>

There were no transfers between the fair value measurements of Levels 1 and 2 for the three months ended March 31, 2023 and 2022.

Valuation techniques and assumptions used in fair value determination

- a) The fair value of financial instruments traded in active markets is based on quoted market prices (including stocks of publicly traded companies).
- b) Valuation techniques and inputs applied for Level 3 fair value measurement:

The evaluations of fair value of unlisted stocks and convertible notes were mainly referenced to the valuation of the same type of companies or the transaction prices of recent financing activities and estimated free cash flows through the market approach, income approach and asset approach. The unobservable inputs were the liquidity discount rate and the stock price volatility. The liquidity discount rates were ranged from 10% to 37%, 12.5% to 38% and 14.4%

to 26.41% as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively. The stock price volatility were ranged from 39.05% to 103.3%, 38.91% to 100.7% and 26.24% to 84.8% as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

The fair value of limited partnerships investments was evaluated through the market approach, income approach and asset approach. The evaluation and assumptions are mainly referenced to related information of comparable transactions or companies and estimated future cash flows. The unobservable input was liquidity discount rate, which were estimated to be 28.7%, 26.2% and 26.2% as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

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

For the Three Months Ended March 31, 2023

	Financial Assets at FVTPL - Financial Instruments	Financial Assets at FVTOCI - Equity Instruments
Balance at January 1, 2023	\$ 1,181,015	\$ 4,531,060
Additions	38,522	-
Disposals	-	(17,164)
Recognized in profit or loss (loss on financial assets at FVTPL)	(13,722)	-
Recognized in other comprehensive income (unrealized gain on financial assets at FVTOCI)	<u>-</u>	<u>89,532</u>
Balance at March 31, 2023	<u>\$ 1,205,815</u>	<u>\$ 4,603,428</u>

For the Three Months Ended March 31, 2022

	Financial Assets at FVTPL - Financial Instruments	Financial Assets at FVTOCI - Equity Instruments
Balance at January 1, 2022	\$ 273,767	\$ 2,259,069
Additions	274,702	345,870
Recognized in profit or loss (gain on financial assets at FVTPL)	22,657	-
Recognized in other comprehensive income (unrealized gain on financial assets at FVTOCI)	<u>-</u>	<u>207,362</u>
Balance at March 31, 2022	<u>\$ 571,126</u>	<u>\$ 2,812,301</u>

c. Financial risk management

1) The Group's major financial instruments include equity investments, hybrid investments, trade receivables, trade payables, commercial papers payable, bonds payable, borrowings, lease liabilities, etc., and the Group is exposed to the following risks due to usage of financial instruments:

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

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

2) Risk management framework

a) Decision-making mechanism

The Board of Directors is the highest supervisory and decision-making body responsible for assessing material risks, designating actions to control these risks, and keeping track of their execution. In addition, the Operations and Management Committee conducts periodic reviews of each business group's operating target and performance to meet the Group's guidance and budget.

b) Risk management policies

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

c) Monitoring mechanism

The Internal Audit Office assesses the potential risks that the Group may face and uses this information as a reference for determining its annual audit plan. The Internal Audit Office reports the results and findings of performing such procedures, and follows up the discrepancies, if any, for actions.

3) Credit risk

Credit risk refers to the risk that a counterparty would default on its contractual obligations, resulting in a financial loss to the Group. The maximum credit exposure of the aforementioned financial instruments is equal to their carrying amounts recognized in the consolidated balance sheets as of the balance sheet date. The Group has large trade receivables outstanding with its customers. A substantial majority of the Group's outstanding trade receivables are not covered by collateral or credit insurance. The Group has implemented ongoing measures including enhancing credit assessments and strengthening overall risk management to reduce its credit risk. While the Group has procedures to monitor and limit exposure to credit risk on trade receivables, there can be no assurance such procedures will effectively limit its credit risk and avoid losses. This risk is heightened during periods when economic conditions worsen.

As the Group serves a large number of unrelated consumers, the concentration of credit risk was limited.

4) Liquidity risk

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

The Group manages and maintains a sufficient level of capital to ensure the requirements of paying estimated operating expenditures, including financial obligations on each contract. The Group also monitors its bank credit facilities to ensure that the Group fully complies with the provisions and financial covenants of loan contracts. As of March 31, 2023, December 31, 2022 and March 31, 2022, the Group had unused bank facilities of \$63,375,254 thousand, \$57,999,357 thousand and \$58,493,636 thousand, respectively.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments, but not including the financial liabilities whose carrying amounts approximate contractual cash flows:

	Contractual Cash Flows	Within 1 Year	1-5 Years	5-10 Years
<u>March 31, 2023</u>				
Unsecured loans	\$ 15,433,115	\$ 15,433,115	\$ -	\$ -
Secured loans	2,083,886	316,420	1,767,466	-
Commercial papers payable	14,882,212	9,805,279	5,076,933	-
Bonds payable	38,480,380	6,288,130	24,607,000	7,585,250
Lease liabilities	9,862,068	3,719,829	6,010,533	131,706
Other non-current liabilities	<u>365,625</u>	<u>73,125</u>	<u>292,500</u>	<u>-</u>
	<u>\$ 81,107,286</u>	<u>\$ 35,635,898</u>	<u>\$ 37,754,432</u>	<u>\$ 7,716,956</u>
<u>December 31, 2022</u>				
Unsecured loans	\$ 20,647,424	\$ 20,647,424	\$ -	\$ -
Secured loans	2,148,727	321,034	1,827,693	-
Commercial papers payable	11,279,084	6,697,116	4,581,968	-
Bonds payable	38,614,380	6,288,130	24,705,000	7,621,250
Lease liabilities	9,972,657	3,755,413	6,077,746	139,498
Other non-current liabilities	<u>438,750</u>	<u>73,125</u>	<u>292,500</u>	<u>73,125</u>
	<u>\$ 83,101,022</u>	<u>\$ 37,782,242</u>	<u>\$ 37,484,907</u>	<u>\$ 7,833,873</u>
<u>March 31, 2022</u>				
Unsecured loans	\$ 15,981,213	\$ 15,981,213	\$ -	\$ -
Secured loans	2,388,127	312,731	2,075,396	-
Commercial papers payable	12,675,846	6,142,725	6,533,121	-
Bonds payable	38,768,510	288,130	30,845,880	7,634,500
Lease liabilities	9,434,286	3,686,674	5,579,197	168,415
Other non-current liabilities	<u>438,750</u>	<u>73,125</u>	<u>292,500</u>	<u>73,125</u>
	<u>\$ 79,686,732</u>	<u>\$ 26,484,598</u>	<u>\$ 45,326,094</u>	<u>\$ 7,876,040</u>

5) Market risk

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

The Group carefully evaluates each financial instrument transaction involving any risk such as exchange rate risk, interest rate risk, and market price risk in order to decrease potential influences caused by market uncertainty.

a) Exchange rate risk

The Group mainly operates in Taiwan, except for international roaming services. Most of the operating revenue and expenses are measured in NTD. A small portion of the expenses is paid in USD, EUR, etc.; thus, the Group purchases currency at the spot rate based on the conservative principle in order to hedge exchange rate risk.

Refer to Note 34 for the information of the Group's foreign currency assets and liabilities exposed to significant exchange rate risk.

Sensitivity analysis

The Group's exchange rate risk comes mainly from conversion gains and losses of accounts denominated in monetary items of foreign currencies. If there had been an unfavorable 5% movement in the levels of foreign exchanges against NTD at the end of the reporting period (with other factors remaining constant at the end of the reporting period and with analyses of the two periods on the same basis), profit would have decreased by \$22,880 thousand and \$58,498 thousand for the three months ended March 31, 2023 and 2022, respectively.

b) Interest rate risk

The entities within the Group were funded using both fixed and floating interest rates, resulting in exposure to interest rate risk. To mitigate the impact of interest rate fluctuations, the Group maintains a balanced mix of fixed and floating interest rates borrowings.

The carrying amounts of the Group's financial assets and financial liabilities exposed to interest rate risk were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Fair value interest rate risk			
Financial assets	\$ 10,153,364	\$ 8,626,386	\$ 6,103,771
Financial liabilities	66,313,810	67,289,430	75,928,143
Cash flow interest rate risk			
Financial assets	6,104,940	8,275,250	10,584,567
Financial liabilities	13,523,614	14,408,584	2,281,754

Sensitivity analysis

The following sensitivity analysis is based on the exposure to interest rate risk of derivative and non-derivative instruments at the end of the reporting period. For floating-rate assets and liabilities, the analysis assumes that the balances of outstanding assets and liabilities at the end of the reporting period have been outstanding for the whole period and that the changes in interest rates are reasonable. If the interest rate had increased by 50 basis points (with other factors remaining constant at the end of the reporting period and with analyses of the two periods on the same basis), profit would have decreased by \$9,273 thousand and increased by \$10,379 thousand for the three months ended March 31, 2023 and 2022, respectively.

c) Other market price risk

The exposure to financial instrument price risk is mainly due to holding of stocks. The Group manages the risk by maintaining portfolios of investments with different risks and by continuously monitoring the future developments and market trends of investment targets.

Sensitivity analysis

If the prices of financial instruments had decreased by 5% (with other factors remaining constant and with the analyses of the two periods on the same basis), net income would have decreased by \$60,291 thousand and \$28,556 thousand since the fair value of financial assets at FVTPL decreased for the three months ended March 31, 2023 and 2022, respectively. Other comprehensive income would have decreased by \$256,827 thousand and \$207,094 thousand since the fair value of financial assets at FVTOCI decreased for the three months ended March 31, 2023 and 2022, respectively.

29. RELATED-PARTY TRANSACTIONS

a. Parent company and ultimate controlling party

TWM is the ultimate controlling party of the Group.

b. Related party name and nature of relationship

<u>Related Party</u>	<u>Nature of Relationship</u>
AppWorks	Associate
AppWorks Fund III	Associate
GHS	Associate
Uspace	Associate
AppWorks Fund IV	Associate
kbro Media	Associate
NADA	Associate
M.E.	Associate
AppWorks School Co., Ltd.	Associate (subsidiary of AppWorks)
Beijing Global JiuSha Media Technology Co., Ltd.	Associate (subsidiary of GHS)
Good Image Co., Ltd.	Associate (subsidiary of kbro Media)
Brilliant Creative Co., Ltd.	Associate (subsidiary of kbro Media)
More Sounds Film Production Co., Ltd.	Associate (subsidiary of M.E.)
Fubon Life Insurance Co., Ltd. (Fubon Life)	Other related party
Fubon Insurance Co., Ltd. (Fubon Insurance)	Other related party
Fubon Securities Investment Trust Co., Ltd.	Other related party

(Continued)

Related Party	Nature of Relationship
Fubon Sports & Entertainment Co., Ltd.	Other related party
Taipei Fubon Commercial Bank Co., Ltd. (TFCB)	Other related party
Fubon Financial Holding Co., Ltd.	Other related party
Fubon Life Insurance (HK) Ltd.	Other related party
Fubon Securities Co., Ltd.	Other related party
Fubon Futures Co., Ltd.	Other related party
Fubon Investment Services Co., Ltd.	Other related party
Fubon Marketing Co., Ltd.	Other related party
Fu-Sheng Insurance Agency Co., Ltd.	Other related party
Fubon Insurance Agency Co., Ltd.	Other related party
Fubon Financial Venture Capital Co., Ltd.	Other related party
Fubon Gymnasium Co., Ltd.	Other related party
Fubon Asset Management Co., Ltd.	Other related party
One Production Film Co., Ltd.	Other related party
Fubon Bank (China) Co., Ltd.	Other related party
Fubon Land Development Co., Ltd.	Other related party
Fubon Property Management Co., Ltd.	Other related party
Fubon Real Estate Management Co., Ltd.	Other related party
Fubon Hospitality Management Co., Ltd.	Other related party
Fubon Private Equity Co., Ltd.	Other related party
TFB Capital Co., Ltd.	Other related party
P. League+ Co., Ltd.	Other related party
Jih Sun Financial Holding Co., Ltd.	Associate (not a related party since the first quarter of 2023)
Jih Sun Securities Co., Ltd.	Other related party
Jih Sun International Bank, Ltd.	Other related party
Jih Sun International Property Insurance Agent Co., Ltd.	Other related party
Jih Sun Life Insurance Agent Co., Ltd.	Other related party
Jih Sun Futures Co., Ltd.	Other related party
Jih Sun Securities Investment Consulting Co., Ltd.	Other related party
Chung Hsing Constructions Co., Ltd.	Other related party
Ming Dong Co., Ltd. (Ming Dong)	Other related party
Fu Yi Health Management Co., Ltd.	Other related party
Fubon Xinji Investment Co., Ltd.	Other related party
Hung Fu Investment Co., Ltd.	Other related party
Dai-Ka Ltd.	Other related party
AppWorks Ventures II Limited	Other related party
Chen Feng Investment Ltd.	Other related party
Chen Yun Co., Ltd.	Other related party
Cho Pharma Inc.	Other related party
kbro Co., Ltd.	Other related party
Daanwenshan CATV Co., Ltd.	Other related party
North Taoyuan CATV Co., Ltd.	Other related party
Yangmingshan CATV Co., Ltd.	Other related party
Hsin Taipei CATV Co., Ltd.	Other related party
Chinpingtao CATV Co., Ltd.	Other related party
Hsintangcheng CATV Co., Ltd.	Other related party
Chuanlien CATV Co., Ltd.	Other related party
Chen Tao Cable TV Co., Ltd.	Other related party
Fengmeng Cable TV Co., Ltd.	Other related party
Hsinpingtao CATV Co., Ltd.	Other related party

(Continued)

Related Party	Nature of Relationship
Kuansheng CATV Co., Ltd.	Other related party
Nantien CATV Co., Ltd.	Other related party
Taiwan Win TV Media Co., Ltd.	Other related party
Taiwan Mobile Foundation (TMF)	Other related party
Taipei New Horizon Foundation (TNHF)	Other related party
Fubon Cultural & Educational Foundation	Other related party
Fubon Charity Foundation	Other related party
Fubon Art Foundation	Other related party
Taipei Fubon Bank Charity Foundation	Other related party
Taipei New Horizon Management Agency	Other related party
Key management	Chairman, director, president, vice president, etc.

(Concluded)

c. Significant transactions with related parties

1) Operating revenue

	For the Three Months Ended March 31	
	2023	2022
Associates	\$ 433	\$ 919
Other related parties	<u>375,457</u>	<u>360,807</u>
	<u>\$ 375,890</u>	<u>\$ 361,726</u>

The Group renders telecommunications, sales, maintenance, lease services, etc., to the related parties. The transaction terms with related parties were not significantly different from those with third parties.

2) Purchases

	For the Three Months Ended March 31	
	2023	2022
Associates	\$ 199	\$ 193
Other related parties	<u>174,377</u>	<u>165,455</u>
	<u>\$ 174,576</u>	<u>\$ 165,648</u>

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

3) Receivables due from related parties

Account	Related Party Categories	March 31, 2023	December 31, 2022	March 31, 2022
Notes and accounts receivable	Associates	\$ 1	\$ 9	\$ 343
Notes and accounts receivable	Other related parties	<u>591,162</u>	<u>576,751</u>	<u>484,109</u>
		<u>\$ 591,163</u>	<u>\$ 576,760</u>	<u>\$ 484,452</u>
Other receivables	Other related parties	<u>\$ 206,075</u>	<u>\$ 310,173</u>	<u>\$ 184,417</u>

Receivables from related parties mentioned above were not secured with collateral, and no provisions for impairment loss were accrued.

4) Payables due to related parties

Account	Related Party Categories	March 31, 2023	December 31, 2022	March 31, 2022
Notes and accounts payable	Associates	\$ 5	\$ -	\$ 76
Notes and accounts payable	Other related parties	<u>196,504</u>	<u>133,150</u>	<u>266,956</u>
		<u>\$ 196,509</u>	<u>\$ 133,150</u>	<u>\$ 267,032</u>
Other payables	Other related parties	<u>\$ 56,703</u>	<u>\$ 69,298</u>	<u>\$ 51,608</u>

5) Prepayments

	March 31, 2023	December 31, 2022	March 31, 2022
Other related parties	<u>\$ 69,186</u>	<u>\$ 14,058</u>	<u>\$ 82,935</u>

6) Bank deposits, time deposits and other financial assets (including current and non-current portions)

	March 31, 2023	December 31, 2022	March 31, 2022
Other related parties			
TFCB	\$ 2,594,205	\$ 2,295,866	\$ 3,041,870
Others	<u>4,754</u>	<u>8,177</u>	<u>10,762</u>
	<u>\$ 2,598,959</u>	<u>\$ 2,304,043</u>	<u>\$ 3,052,632</u>

7) Others

	March 31, 2023	December 31, 2022	March 31, 2022
Refundable deposits			
Other related parties	<u>\$ 66,293</u>	<u>\$ 66,147</u>	<u>\$ 67,394</u>
Other current liabilities - receipts under custody			
Other related parties	<u>\$ 170,703</u>	<u>\$ 167,264</u>	<u>\$ 163,545</u>
		For the Three Months Ended March 31	
		2023	2022
Operating expenses			
Other related parties			
TMF		\$ 3,750	\$ 4,575
TNHF		3,000	3,000
TFCB		222,033	183,886
Others		<u>11,007</u>	<u>18,386</u>
		<u>\$ 239,790</u>	<u>\$ 209,847</u>
Other income			
Other related parties		<u>\$ 14,720</u>	<u>\$ 13,006</u>

8) Lease arrangements

Acquisition of right-of-use assets

	For the Three Months Ended March 31	
	2023	2022
Other related parties	<u>\$ 2,296</u>	<u>\$ 47,585</u>

Lease liabilities (including current and non-current portions)

	March 31, 2023	December 31, 2022	March 31, 2022
Other related parties	<u>\$ 356,998</u>	<u>\$ 424,777</u>	<u>\$ 606,507</u>

The leases are conducted by referring to general market prices, and all the terms and conditions conform to normal business practices.

d. Key management compensation

The amounts of remuneration of directors and key executives were as follows:

	For the Three Months Ended March 31	
	2023	2022
Short-term employee benefits	\$ 88,046	\$ 88,719
Termination and post-employment benefits	<u>8,677</u>	<u>1,066</u>
	<u>\$ 96,723</u>	<u>\$ 89,785</u>

30. ASSETS PLEDGED

The assets pledged as collateral for bank loans, purchases, performance bonds and lawsuits were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Other current financial assets	\$ 163,711	\$ 161,837	\$ 159,563
Service concessions	6,389,216	6,433,896	6,567,935
Other non-current financial assets	<u>397,186</u>	<u>373,125</u>	<u>387,468</u>
	<u>\$ 6,950,113</u>	<u>\$ 6,968,858</u>	<u>\$ 7,114,966</u>

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. Unrecognized commitments

	March 31, 2023	December 31, 2022	March 31, 2022
Purchases of property, plant and equipment	<u>\$ 7,535,339</u>	<u>\$ 8,392,457</u>	<u>\$ 10,020,813</u>
Purchases of inventories and sales commitments	<u>\$ 6,123,393</u>	<u>\$ 9,775,862</u>	<u>\$ 7,184,656</u>

As of March 31, 2023, December 31, 2022 and March 31, 2022, the amounts of lease commitments commencing after the balance sheet dates were \$2,188,622 thousand, \$2,285,339 thousand and \$2,155,408 thousand, respectively.

b. As of March 31, 2023, December 31, 2022 and March 31, 2022, the amounts of endorsements and guarantees provided to entities in the Group were \$24,750,000 thousand.

c. On January 15, 2009, TNH signed the BOT contract with the Department of Cultural Affairs of Taipei City Government. The primary terms of the contract are summarized as follows:

1) Construction and operating period:

The construction and operating period are 50 years from the day following the signing of the contract.

2) Development concession:

The total initial amount of concession was \$1,238,095 thousand (tax excluded). According to the supplemental agreement signed in November 2014, the concession would be paid with additional business tax from the signing date of the supplemental agreement; thus, the concession was increased by \$48,750 thousand. The rest of the concession will be paid over 14 years from fiscal year 2015. As of March 31, 2023, \$967,281 thousand (tax included) of the concession had been paid.

3) Performance guarantee:

As of March 31, 2023, TNH had provided a \$32,500 thousand performance guarantee regarding the BOT contract.

4) Rental of land:

During the construction period, TNH should pay land value tax (1% of the announced land value) and other expenses.

During the operating period, TNH should pay 60% of 5% of the announced land value, that is, 3% of the announced land value. According to the supplemental agreement signed in November 2014, the concession will be paid with additional business tax from the date of agreement signing.

- d. In August 2015, FET filed a statement of civil complaint with the Taipei District Court, in which FET claimed that (i) TWM shall apply for the return of the C4 spectrum block; (ii) TWM shall not use the C4 spectrum block; (iii) TWM shall not use the C1 spectrum block until TWM's application for the return of the C4 spectrum block is approved by the NCC; and (iv) TWM shall provide \$1,005,800 thousand to FET as compensation. In May 2016, the Court decided in favor of FET regarding claims (i), (ii), and (iii) of the lawsuit, and against FET regarding claim (iv) of the lawsuit. TWM and FET appealed with the High Court the reversal of the aforementioned sentences. The High Court dismissed the appeal of TWM regarding claims (i), (ii), and (iii), and regarding claim (iv) of FET, TWM shall pay FET \$765,779 thousand, of which \$152,584 thousand of the above amount, TWM shall make 5% annual interest payment for the period starting from September 5, 2015 to the payment date. TWM and FET appealed the reversal of the aforementioned sentences. In May 2019, the Supreme Court dismissed the portion of High Court's original judgment on other appeal of FET regarding, and dismissed TWM's payment obligation, and the Supreme Court remanded the case to the High Court. Under the first retrial of the High Court, TWM filed a counterclaim requesting that FET pay \$14,482 thousand, as well as a 5% annual interest payment for the period starting from the date following the service of the counterclaim until the settlement date. In August 2020, the High Court first retrial results were as follows: for the dismissed claim (iv) stated above, TWM shall pay FET \$242,154 thousand of which \$142,685 thousand shall have 5% annual interest for the period starting from September 30, 2016 to the payment date, and \$99,469 thousand shall have 5% annual interest for the period starting from July 21, 2017 to the payment date. TWM's counterclaim was denied. TWM and FET appealed the aforementioned sentences which were not favorable to them. The case is now in process at the Supreme Court.
- e. On December 30, 2021, TWM's Board of Directors resolved and signed the merger agreement with Taiwan Star Telecom Corporation Limited (TST). The NCC announced the approval of TWM's merger with TST with incidental provisions on January 18, 2023. On February 24, 2023, TWM's Board of Directors resolved the share exchange ratio of one TST share for 0.0326 TWM shares. The merger still requires regulatory approval from the Fair Trade Commission.

32. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

In April 2023, momo and TFNM resolved to sign the office lease agreement with Fubon Life, with lease terms of 5 years from August and September 2023. The anticipated amount of acquired right-of-use assets would be \$772,201 thousand.

33. OTHERS

Employee benefits, depreciation, and amortization are summarized as follows:

	For the Three Months Ended March 31					
	2023			2022		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefits						
Salary	\$ 736,909	\$ 1,464,735	\$ 2,201,644	\$ 710,925	\$ 1,372,773	\$ 2,083,698
Insurance expenses	71,185	134,582	205,767	66,084	127,358	193,442
Pension	33,892	63,062	96,954	31,948	60,213	92,161
Others	35,800	69,640	105,440	33,916	65,708	99,624
Depreciation	2,973,336	229,871	3,203,207	2,914,542	244,771	3,159,313
Amortization	1,158,477	363,284	1,521,761	1,159,471	368,870	1,528,341

Information of employees' compensation and remuneration of directors

According to the Company's Articles of Incorporation, the estimated employees' compensation and remuneration of directors are set at the rates of 1% to 3% and no higher than 0.3%, respectively, of profit before income tax, employees' compensation, remuneration of directors, and amounts reserved in advance. Estimations for employees' compensation were \$92,329 thousand and \$91,828 thousand, and remuneration to directors were \$9,233 thousand and \$9,183 thousand, which were calculated by applying the aforementioned rates, for the three months ended March 31, 2023 and 2022, respectively.

The employees' compensation and remuneration of directors of 2022 and 2021 shown below were approved by the Board of Directors on February 24, 2023 and February 22, 2022, respectively. There were no difference between the approved amounts and the amounts recognized.

	For the Year Ended December 31			
	2022		2021	
	Employees' Compensation Paid in Cash	Remuneration of Directors	Employees' Compensation Paid in Cash	Remuneration of Directors
Amounts approved by the Board of Directors	\$ <u>305,936</u>	\$ <u>30,594</u>	\$ <u>362,061</u>	\$ <u>36,206</u>
Amounts recognized in the consolidated financial statements	\$ <u>305,936</u>	\$ <u>30,594</u>	\$ <u>362,061</u>	\$ <u>36,206</u>

If there is a change in the approved amounts after the annual consolidated financial statements are authorized for issue, the difference is recorded as a change in accounting estimate in the next year.

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

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant assets and liabilities denominated in foreign currencies were as follows:

	March 31, 2023		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 56,588	30.455	\$ 1,723,395
EUR	181	33.06	5,992
RMB	20,126	4.427	89,098
HKD	1,320	3.879	5,122
Non-monetary items			
USD	142,793	30.455	4,348,773
RMB	109,286	4.427	483,810
HKD	226	3.879	875
<u>Foreign currency liabilities</u>			
Monetary items			
USD	44,547	30.455	1,356,680
EUR	9	33.06	303
RMB	235	4.427	1,039
HKD	1,357	3.879	5,262
JPY	11,839	0.23	2,723
	December 31, 2022		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 60,413	30.725	\$ 1,856,196
EUR	143	32.65	4,675
RMB	19,685	4.401	86,633
Non-monetary items			
USD	137,567	30.725	4,226,738
RMB	110,431	4.401	486,008
HKD	1,070	3.942	4,217
<u>Foreign currency liabilities</u>			
Monetary items			
USD	10,727	30.725	329,573
EUR	79	32.65	2,579
RMB	375	4.401	1,650
HKD	1,707	3.942	6,728
JPY	13,183	0.23	3,028

	March 31, 2022		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 52,614	28.56	\$ 1,502,662
EUR	1,301	31.79	41,373
RMB	28,057	4.489	125,948
Non-monetary items			
USD	96,842	28.56	2,765,808
RMB	132,916	4.489	596,658
HKD	2,878	3.648	10,498
THB	113,226	0.865	97,952
<u>Foreign currency liabilities</u>			
Monetary items			
USD	16,957	28.56	484,300
EUR	47	31.79	1,491
HKD	2,656	3.648	9,691
JPY	19,335	0.234	4,532

Refer to Note 23(a) for the information related to the Group's realized and unrealized foreign exchange gains (losses) for the three months ended March 31, 2023 and 2022. Due to the variety of foreign currency transactions and functional currencies, the Group could not disclose the foreign exchange gains (losses) for each foreign currency with significant influence.

35. ADDITIONAL DISCLOSURES

a. Information on significant transactions and b. Information on investees:

- 1) Financing extended to other parties: Table 1 (attached)
- 2) Endorsements/guarantees provided to other parties: Table 2 (attached)
- 3) Marketable securities held (excluding investments in subsidiaries and associates): Table 3 (attached)
- 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: None
- 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 of at least NT\$100 million or 20% of the paid-in capital: Table 4 (attached)
- 8) Receivables from related parties of at least NT\$100 million or 20% of the paid-in capital: Table 5 (attached)

- 9) Names, locations and related information of investees on which TWM exercised significant influence (excluding information on investments in mainland China): Table 6 (attached)
- 10) Trading in derivative instruments: None
- 11) Business relationships between the parent and the subsidiaries and significant intercompany transactions: Table 7 (attached)
- c. Information on investments in mainland China:
- 1) The names of investees in mainland China, the main businesses and products, issued capital, method of investment, information on inflow or outflow of capital, ownership, net income or loss and recognized investment gain or loss, ending balance, amount received as earnings distributions from the investment, and limitation on investment: Table 8 (attached)
 - 2) Significant direct or indirect transactions with the investee companies, the prices and terms of payment, unrealized gain or loss, and other related information, which is helpful to understand the impact of investment in mainland China on financial reports: None
- d. Information of major stockholders, the name, the number of stocks owned, and percentage of ownership of each stockholder with ownership of 5% or greater: Table 9 (attached)

36. SEGMENT INFORMATION

a. Segment revenue and operating results

The Group divides its business into four reportable segments with different market attributes and operation modes. The four segments are described as follows.

Telecommunications: providing mobile communication services, mobile phone sales and fixed-line services.

Retail: providing online shopping, TV shopping and catalog shopping services.

Cable television and broadband: providing pay TV and cable broadband services.

Others: business other than telecommunications, retail, and cable television and broadband.

For the Three Months Ended March 31, 2023	Telecommuni- cations	Retail	Cable Television and Broadband	Others	Adjustments and Eliminations	Total
Operating revenue	\$ 17,229,364	\$ 25,120,040	\$ 1,558,968	\$ 146,539	\$ (1,039,573)	\$ 43,015,338
Operating costs and expenses	14,803,396	24,081,236	1,011,031	96,337	(1,071,350)	38,920,650
Operating income	2,578,278	1,092,071	550,287	50,202	18,755	4,289,593

For the Three Months Ended March 31, 2022	Telecommuni- cations	Retail	Cable Television and Broadband	Others	Adjustments and Eliminations	Total
Operating revenue	\$ 15,952,615	\$ 22,937,441	\$ 1,550,205	\$ 143,176	\$ (795,644)	\$ 39,787,793
Operating costs and expenses	13,635,126	21,954,765	1,006,291	95,296	(836,064)	35,855,414
Operating income	2,441,634	1,038,867	545,426	47,880	27,907	4,101,714

b. Geographical information

The Group's revenue is generated mostly from domestic business. Overseas revenue is primarily generated from international calls and data services.

Consolidated geographic information for revenue was as follows:

	For the Three Months Ended March 31	
	2023	2022
Taiwan, ROC	\$ 42,389,319	\$ 38,969,864
Overseas	<u>626,019</u>	<u>817,929</u>
	<u>\$ 43,015,338</u>	<u>\$ 39,787,793</u>

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

FINANCING EXTENDED TO OTHER PARTIES
FOR THE THREE MONTHS ENDED MARCH 31, 2023

(In Thousands of New Taiwan Dollars)

No.	Lending Company	Borrowing Company	Financial Statement Account	Related Parties	Maximum Balance for the Period (Note 1)	Ending Balance (Note 1)	Drawdown Amounts	Interest Rate	Nature of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Lending Limit for Each Borrowing Company	Lending Company's Lending Amount Limits	Note
													Item	Value			
1	TCC	TWM TFC	Other receivables	Yes	\$ 500,000	\$ 500,000	\$ 413,000	1.12000%	Short-term financing	\$ -	Operation requirements	\$ -	-	\$ -	\$ 33,648,814	\$ 33,648,814	Note 2
			Other receivables	Yes	700,000	700,000	291,000	1.82000%	Short-term financing	-	Operation requirements	-	-	-	33,648,814	33,648,814	Note 2
2	WMT	TWM TKT TFNM WTVB	Other receivables	Yes	3,800,000	3,800,000	3,455,000	0.87000%-1.83378%	Short-term financing	-	Operation requirements	-	-	-	9,333,904	9,333,904	Note 2
			Other receivables	Yes	100,000	100,000	-	-	Short-term financing	-	Operation requirements	-	-	-	9,333,904	9,333,904	Note 2
			Other receivables	Yes	2,000,000	2,000,000	450,000	1.12000%	Short-term financing	-	Operation requirements	-	-	-	9,333,904	9,333,904	Note 2
			Other receivables	Yes	800,000	800,000	380,000	1.11978%-1.70378%	Short-term financing	-	Operation requirements	-	-	-	9,333,904	9,333,904	Note 2
3	TFN	TWM TCC	Other receivables	Yes	11,000,000	11,000,000	10,233,000	1.12000%-1.83378%	Short-term financing	-	Operation requirements	-	-	-	21,943,247	21,943,247	Note 2
			Other receivables	Yes	700,000	700,000	291,000	1.52000%	Short-term financing	-	Operation requirements	-	-	-	21,943,247	21,943,247	Note 2
4	PCTV	TFNM	Other receivables	Yes	520,000	520,000	520,000	1.49733%	Transactions	522,075	-	-	-	-	522,075	522,075	Notes 3 and 4
5	GCTV	TFNM	Other receivables	Yes	250,000	250,000	250,000	1.49733%	Short-term financing	-	Operation requirements	-	-	-	286,463	286,463	Note 3

Note 1: The maximum balance for the period and the ending balance represent quotas, not actual drawdown.

Note 2: Where funds are loaned for reasons of business dealings and short-term financing needs, the amount of loaned funds shall be limited to 40% of the lending company's net worth. For short-term financing needs, the aggregate amount of loaned funds shall not exceed 40% of the lending company's net worth. The individual loan funds shall be limited to the lowest amount of the following items: 1) 40% of the lending company's net worth; 2) The amount that the lending company invests in the borrowing entities; or 3) An amount equal to (the share portion of the borrowing entities that the lending company invests in) * (the total loaning amounts of the borrowing company). In the event that a lending company directly and indirectly owns 100% of the borrowing company, or the borrowing company directly and indirectly owns 100% of the lending company, the individual lending amount and the aggregate amount of loaned funds shall not exceed 40% of the lending company's net worth.

Note 3: Where funds are loaned for reasons of business dealings and short-term financing needs, the amount of loaned funds shall be limited to the total amount of business dealings and 40% of the lending company's net worth. 1) For reasons of business dealings: The individual lending amount and the aggregate amount of loaned funds shall not exceed the amount of business dealings and the total amount of business dealings, respectively. 2) For short-term financing needs: The individual lending amount and the aggregate amount of loaned funds shall not exceed 40% of the lending company's net worth.

Note 4: Where funds are loaned for reasons of business dealings, the aggregate amount of loans and the maximum amount permitted to a single borrower shall be prescribed within the aggregate amount of business transactions.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED TO OTHER PARTIES
FOR THE THREE MONTHS ENDED MARCH 31, 2023

(In Thousands of New Taiwan Dollars)

No.	Company Providing Endorsements/ Guarantees	Receiving Party		Limits on Endorsements/ Guarantees Amount Provided to Each Entity	Maximum Balance for the Period (Note 1)	Ending Balance (Note 1)	Drawdown Amounts (Note 1)	Amount of Endorsements/ Guarantees Collateralized by Property	Ratio of Accumulated Endorsements/ Guarantees to Net Worth of the Guarantor (Note 1)	Maximum Endorsements/ Guarantees Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by a Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship											
0	TWM	TFN	Note 2	\$ 42,000,000	\$ 21,500,000	\$ 21,500,000	\$ 7,000,000	\$ -	31.96	\$ 67,275,506	Y	N	N	Note 3
		TKT	Note 2	313,800	50,000	50,000	50,000	-	0.07	67,275,506	Y	N	N	Note 3
		TVC	Note 2	8,550,000	3,200,000	3,200,000	1,913,500	-	4.76	67,275,506	Y	N	N	Note 3

Note 1: The maximum endorsement/guarantee balance for the period, the ending balance, and the drawdown amounts represent quotas, not actual drawdown.

Note 2: Direct/indirect subsidiary.

Note 3: For 100% directly/indirectly owned subsidiaries, the aggregate endorsement/guarantee amount provided shall not exceed the net worth of TWM, and the upper limit for each subsidiary shall be double the investment amount.

TABLE 3

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)
MARCH 31, 2023

(In Thousands of New Taiwan Dollars)

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	At the End of the Period				Note
				Units/Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
TWM	<u>Listed Stocks</u> Chunghwa Telecom Co., Ltd.	-	Current financial assets at FVTOCI	2,174	\$ 259,735	0.028	\$ 259,735	
	<u>Unlisted Stocks</u> LINE Bank Taiwan Limited	-	Non-current financial assets at FVTOCI	75,000	658,367	5	658,367	
	Bridge Mobile Pte Ltd.	-	Non-current financial assets at FVTOCI	800	30,284	10	30,284	
	<u>Limited Partnerships</u> Grand Academy Investment, L.P.	-	Non-current financial assets at FVTOCI	-	1,136,824	21.67	1,136,824	Note 1
	Starview Heights Investment, L.P.	-	Non-current financial assets at FVTOCI	-	85,365	21.67	85,365	Note 1
TCC	<u>Unlisted Stocks</u> Arcoa Communication Co., Ltd.	-	Non-current financial assets at FVTOCI	6,998	96,504	5.21	96,504	
WMT	<u>Limited Partnerships</u> The Last Thieves, L.P.	-	Current financial assets at FVTPL	-	-	7.14	-	Note 1
TVC	<u>Listed Stocks</u> 91APP, Inc.	-	Non-current financial assets at FVTOCI	2,500	272,500	2.12	272,500	
	<u>Unlisted Stocks</u> 17LIVE INC.	-	Non-current financial assets at FVTPL	525	22,919	0.2	22,919	
	Jayawijaya Finance Limited	-	Non-current financial assets at FVTPL	5	149,396	6.24	149,396	
	FIGMENT INC.	-	Non-current financial assets at FVTOCI	269	5,127	0.11	5,127	
	Stampede Entertainment, Inc.	-	Non-current financial assets at FVTOCI	1,333	394,118	7.86	394,118	
	TIKI GLOBAL PTE. LTD.	-	Non-current financial assets at FVTOCI	760	516,060	2.39	516,060	
	CARSOME GROUP INC.	-	Non-current financial assets at FVTOCI	733	38,708	0.37	38,708	
	Cloud Mile Inc.	-	Non-current financial assets at FVTOCI	5,396	673,177	18.2	673,177	
	BAM Management US Holdings Inc.	-	Non-current financial assets at FVTOCI	246	131,196	0.12	131,196	
	LINE MAN CORPORATION PTE. LTD.	-	Non-current financial assets at FVTOCI	1,100	287,404	0.95	287,404	
	Swift Navigation, Inc.	-	Non-current financial assets at FVTOCI	214	24,342	0.3	24,342	
	Swift Navigation, Inc.	-	Non-current financial assets at FVTOCI	364	41,381	0.5	41,381	
	Partipost Pte. Ltd.	-	Non-current financial assets at FVTOCI	899	27,309	2.53	27,309	
Taiwan Web Service Corporation	-	Non-current financial assets at FVTOCI	3,000	14,035	4.48	14,035		

(Continued)

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	At the End of the Period				Note
				Units/Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
TVC	<u>Limited Partnerships</u>							
	AUM CREATIVE FUND II	-	Non-current financial assets at FVTPL	-	\$ 17,438	16.05	\$ 17,438	Note 1
	Linse Capital Fund I, L.P.	-	Non-current financial assets at FVTPL	-	85,488	0.89	85,488	Note 1
	LINSE CAPITAL SKY II LLC	-	Non-current financial assets at FVTPL	-	91,126	2.67	91,126	Note 1
	Northstar Equity Partners V Limited	-	Non-current financial assets at FVTPL	-	209,635	1.72	209,635	Note 1
	Pantera Blockchain Offshore Fund L.P.	-	Non-current financial assets at FVTPL	-	75,698	0.32	75,698	Note 1
	Pioneer Fund II L.P.	-	Non-current financial assets at FVTPL	-	101,261	13.58	101,261	Note 1
	Soma Capital Fund III, L.P.	-	Non-current financial assets at FVTPL	-	66,057	1.21	66,057	Note 1
	TOMORROW TOGETHER FUND	-	Non-current financial assets at FVTPL	-	18,825	16	18,825	Note 1
		<u>Convertible Notes</u>						
	CARSOME GROUP INC.	-	Non-current financial assets at FVTPL	-	126,662	-	126,662	
TCCI	<u>Listed Stocks</u>							
	TWM	TWM	Non-current financial assets at FVTOCI	200,497	20,250,173	5.7	20,250,173	
	<u>Unlisted Stocks</u>							
	Great Taipei Broadband Co., Ltd.	-	Non-current financial assets at FVTOCI	10,000	37,821	6.67	37,821	
TUI	<u>Listed Stocks</u>							
	TWM	TWM	Non-current financial assets at FVTOCI	410,665	41,477,194	11.67	41,477,194	
TID	<u>Listed Stocks</u>							
	TWM	TWM	Non-current financial assets at FVTOCI	87,590	8,846,545	2.49	8,846,545	
momo	<u>Listed Stocks</u>							
	eSun Holdings Limited	-	Current financial assets at FVTOCI	728	875	0.04	875	Note 2
		<u>Unlisted Stocks</u>						
	Gaius Automotive Inc.	-	Non-current financial assets at FVTPL	5,750	241,310	8.02	241,310	
	We Can Medicines Co., Ltd.	-	Non-current financial assets at FVTOCI	3,073	76,222	7.68	76,222	
	LINE Bank Taiwan Limited	-	Non-current financial assets at FVTOCI	37,500	329,184	2.5	329,184	

Note 1: Percentage of ownership is the percentage of capital contribution.

Note 2: Foreign listed stock.

Note 3: For the information on investments in subsidiaries and associates, see Table 6 and Table 8 for details.

(Concluded)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2023

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
TWM	TFN momo	Subsidiary Subsidiary	Purchase	\$ 1,269,974	11	Based on contract terms	-	-	\$ (443,556)	Note 2	Note 3
			Sale	798,965	5	Based on contract terms	-	-	225,760	4	
TT&T	TWM	Ultimate parent	Sale	238,898	91	Based on contract terms	-	-	80,064	90	
TFNM	PCTV	Subsidiary	Channel leasing fee	121,004	13	Based on contract terms	Note 1	Note 1	-	-	
momo	FSL	Subsidiary	Purchase	249,577	1	Based on contract terms	-	-	(171,534)	2	

Note 1: The companies authorized a related party to deal with the copyright fees for cable television. As the said account item is the only one, there is no comparable transaction.

Note 2: Including accounts payable and other payables.

Note 3: Accounts receivable (payable) was the net amount after being offset.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2023

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance		Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
						Amount	Action Taken		
TWM	momo	Subsidiary	Accounts receivable	\$ 225,760	10.86	\$ -	-	\$ 221,971	\$ -
			Other receivables	163,332		-	-	75,809	-
TCC	TWM	Parent	Other receivables	414,872	-	-	1,740	-	
	TFC	Subsidiary	Other receivables	293,148	-	-	2,148	-	
WMT	TWM	Parent	Other receivables	3,466,960	-	-	581,327	-	
	TFNM	Subsidiary	Other receivables	451,698	-	-	451,698	-	
	WTVB	Subsidiary	Other receivables	381,912	-	-	381,912	-	
TFN	TWM	Ultimate parent	Accounts receivable	449,032	10.84	-	-	398,991	-
			Other receivables	10,331,455		-	-	50,715	-
	TCC	Parent	Other receivables	292,794	-	-	1,794	-	
TPIA	Fubon Insurance	Other related party	Accounts receivable	105,411	3.32	-	-	28,816	-
TFNM	YJCTV	Subsidiary	Accounts receivable	68,074	11.93	-	-	-	-
			Other receivables	86,867		-	-	-	-
PCTV	TFNM	Parent	Accounts receivable	8,644	5.97	-	-	2,647	-
			Other receivables	521,956		-	-	35	-
GCTV	TFNM	Parent	Accounts receivable	3,414	6	-	-	1,051	-
			Other receivables	250,925		-	-	1	-
momo	TFCB	Other related party	Accounts receivable	258,642	Note	-	-	129,647	-
			Other receivables	167,229		-	-	167,229	-
FSL	momo	Parent	Accounts receivable	172,148	4.71	-	-	85,476	-

Note: Not applicable due to the transaction partners and the nature of transactions.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEEES ON WHICH TWM EXERCISED SIGNIFICANT INFLUENCE
(EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE THREE MONTHS ENDED MARCH 31, 2023

(In Thousands of New Taiwan Dollars)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance at the End of the Period			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				March 31, 2023	December 31, 2022	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
TWM	TCC	Taiwan	Investment	\$ 40,397,288	\$ 40,397,288	502,970	100	\$ 20,831,419	\$ 956,384	\$ 956,521	Note 1
	WMT	Taiwan	Investment	16,871,894	16,871,894	42,065	100	23,333,755	824,507	824,301	Note 1
	TVC	Taiwan	Investment	4,275,000	4,275,000	433,051	100	4,622,610	(28,938)	(28,938)	
	TNH	Taiwan	Building and operating Songshan Cultural and Creative Park BOT project	1,918,655	1,918,655	191,866	49.9	1,974,085	27,683	13,333	Note 1
	FSD	Taiwan	Information services	30,000	30,000	3,000	100	18,553	(2,948)	(4,868)	Note 1
	AppWorks	Taiwan	Venture capital, investment consulting, and management consulting	235,000	235,000	2,168	51	260,451	37,973	19,151	Note 1
TCC	TFN	Taiwan	Fixed line service provider	21,000,000	21,000,000	2,100,000	100	54,859,079	887,492	-	Note 2
	TT&T	Taiwan	Call center service and telephone marketing	56,210	56,210	2,484	100	167,293	12,281	-	Note 2
	TWM Holding	British Virgin Islands	Investment	347,951	347,951	-	100	242,789	401	-	Notes 2 and 3
	TCCI	Taiwan	Investment	17,285,441	17,285,441	154,721	100	27,694,286	477	-	Note 2
	TDS	Taiwan	Commissioned maintenance services	25,000	25,000	2,500	100	105,857	2,814	-	Note 2
	TPIA	Taiwan	Property insurance agent	5,000	5,000	500	100	136,288	25,717	-	Note 2
	TFC	Taiwan	Cloud and information services	200,000	200,000	20,000	100	245,496	(1,106)	-	Note 2
WMT	TFNM	Taiwan	Type II telecommunications business	5,210,443	5,210,443	230,921	100	7,153,431	431,001	-	Note 2
	GFMT	Taiwan	Investment	16,984	16,984	1,500	100	17,422	(1)	-	Note 2
	GWMT	Taiwan	Investment	92,189	92,189	8,945	100	98,297	412	-	Note 2
	WTVB	Taiwan	TV program provider	222,417	222,417	18,177	100	410,833	14,638	-	Note 2
	momo	Taiwan	Wholesale and retail sales	8,129,394	8,129,394	98,354	45.01	11,344,512	888,441	-	Notes 2 and 4
TVC	TWMFM	Taiwan	Film production	11,300	11,300	1,130	100	10,974	(81)	-	Note 2
	AppWorks Fund III	Taiwan	Venture capital	583,292	583,292	57,877	20.14	558,277	(23,352)	-	Note 2
	NADA	Taiwan	Animation production	60,000	60,000	4,286	31.38	59,233	497	-	Note 2
	AppWorks Fund IV	Taiwan	Venture capital	105,000	105,000	-	32.86	95,657	(10,263)	-	Notes 2 and 5
	Uspace	Taiwan	Information software service	200,030	200,030	5,969	32.9	189,095	(11,223)	-	Note 2
TFN	TUI	Taiwan	Investment	22,314,609	22,314,609	400	100	36,175,060	(165)	-	Note 2
TCCI	TID	Taiwan	Investment	3,603,149	3,603,149	104,712	100	7,720,648	(135)	-	Note 2
TWMFM	SFF	Taiwan	Film production	300	300	30	100	219	(35)	-	Note 2
TFNM	TKT	Taiwan	Digital music services	156,900	156,900	14,700	100	342,890	8,521	-	Note 2
	YJCTV	Taiwan	Cable TV service provider	2,061,522	2,061,522	33,940	100	1,436,032	(13,259)	-	Note 2
	MCTV	Taiwan	Cable TV service provider	510,724	510,724	6,248	29.53	632,599	3,973	-	Notes 2 and 6
	PCTV	Taiwan	Cable TV service provider	3,261,073	3,261,073	68,090	100	3,491,749	26,564	-	Note 2
	UCTV	Taiwan	Cable TV service provider	1,986,250	1,986,250	169,141	99.22	2,059,879	8,040	-	Note 2
	GCTV	Taiwan	Cable TV service provider	1,221,002	1,221,002	51,733	92.38	1,284,111	7,039	-	Note 2
	kbro Media	Taiwan	Film distribution, arts and literature services, and entertainment	341,250	341,250	21,994	33.58	65,327	(3,205)	-	Note 2

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance at the End of the Period			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				March 31, 2023	December 31, 2022	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
TKT	M.E.	Taiwan	Livestreaming artists management services and digital media production	\$ 30,628	\$ 30,628	537	11.33	\$ 33,106	\$ (190)	\$ -	Note 2
GFMT	UCTV	Taiwan	Cable TV service provider	16,218	16,218	1,300	0.76	15,836	8,040	-	Note 2
GWMT	GCTV	Taiwan	Cable TV service provider	91,910	91,910	3,825	6.83	96,928	7,039	-	Note 2
momo	Asian Crown (BVI)	British Virgin Islands	Investment	885,285	885,285	9,735	81.99	16,542	(1,230)	-	Note 2
	Honest Development	Samoa	Investment	670,448	670,448	21,778	100	559,007	(3,212)	-	Note 2
	FLI	Taiwan	Life insurance agent	3,000	3,000	500	100	2,374	(548)	-	Note 2
	FI	Taiwan	Comprehensive insurance agent	3,000	3,000	500	100	12,386	(598)	-	Notes 2 and 7
	FST	Taiwan	Travel agent	6,000	6,000	3,000	100	49,414	2,802	-	Note 2
	Bebe Poshe	Taiwan	Wholesale of cosmetics	93,421	90,880	9,026	90.26	28,560	117	-	Note 2
	FSL	Taiwan	Logistics and transport	250,000	250,000	25,000	100	392,812	18,345	-	Note 2
	MFS	Taiwan	Wholesaling	100,000	100,000	10,000	100	101,293	2,894	-	Note 2
	Prosperous Living	Taiwan	Wholesale and retail sales	220,850	220,850	22,085	73.62	225,226	1,892	-	Note 2
Asian Crown (BVI)	Fortune Kingdom	Samoa	Investment	1,132,789	1,132,789	11,594	100	15,748	(1,218)	-	Note 2
Fortune Kingdom	HK Fubon Multimedia	Hong Kong	Investment	1,132,789	1,132,789	11,594	100	15,748	(1,218)	-	Note 2
Honest Development	HK Yue Numerous	Hong Kong	Investment	670,448	670,448	16,600	100	559,007	(3,212)	-	Note 2

Note 1: Downstream transactions, upstream transactions, and consolidated unrealized gain or loss are included.

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

Note 3: Held 1 share as of period end.

Note 4: Material non-controlling interests.

Note 5: Percentage of ownership is the percentage of capital contribution.

Note 6: 70.47% of stocks are held under trustee accounts.

Note 7: Formerly known as Fuli Property Insurance Agent Co., Ltd. Renamed and changed its main business in February 2023.

Note 8: For information on investments in mainland China, see Table 8 for the details.

(Concluded)

TABLE 7

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2023

(In Thousands of New Taiwan Dollars)

Number	Company Name	Counterparty	Nature of Relationship (Note 1)	Transaction Details			Percentage of Consolidated Total Operating Revenue or Total Assets
				Account	Amount	Transaction Terms (Note 2)	
0	TWM	TFN	1	Notes and accounts receivable, net	\$ 23,477	-	-
		TPIA	1	Notes and accounts receivable, net	78,102	-	-
		momo	1	Notes and accounts receivable, net	225,760	-	-
		TFN	1	Other receivables	38,785	-	-
		TFNM	1	Other receivables	73,758	-	-
		momo	1	Other receivables	163,332	-	-
		TFNM	1	Other non-current assets	22,408	-	-
		TNH	1	Other non-current assets	18,710	-	-
		TFN	1	Short-term borrowings	10,233,000	-	5%
		WMT	1	Short-term borrowings	3,455,000	-	2%
		TCC	1	Short-term borrowings	413,000	-	-
		TFN	1	Notes and accounts payable	70,590	-	-
		TKT	1	Notes and accounts payable	38,695	-	-
		TFNM	1	Notes and accounts payable	42,599	-	-
		momo	1	Notes and accounts payable	20,768	-	-
		TFN	1	Other payables	444,531	-	-
		WMT	1	Other payables	11,960	-	-
		TT&T	1	Other payables	80,064	-	-
		TDS	1	Other payables	18,835	-	-
		momo	1	Other payables	67,510	-	-
		TFN	1	Lease liabilities (current and non-current)	97,057	-	-
		TNH	1	Lease liabilities (current and non-current)	96,486	-	-
		YJCTV	1	Lease liabilities (current and non-current)	22,863	-	-
		GCTV	1	Lease liabilities (current and non-current)	13,600	-	-
		TFN	1	Other current liabilities	31,935	-	-
		momo	1	Other current liabilities	30,189	-	-
		momo	1	Transferring of business	71,400	-	-
		TFN	1	Operating revenue	39,681	-	-
		TPIA	1	Operating revenue	50,848	-	-
		momo	1	Operating revenue	798,965	-	2%
TFN	1	Operating costs	1,269,974	-	3%		
TKT	1	Operating costs	43,922	-	-		

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note 1)	Transaction Details			Percentage of Consolidated Total Operating Revenue or Total Assets
				Account	Amount	Transaction Terms (Note 2)	
0	TWM	TDS	1	Operating costs	\$ 14,718	-	-
		TFNM	1	Operating costs	49,956	-	-
		momo	1	Operating costs	57,582	-	-
		TT&T	1	Operating expenses	238,492	-	1%
		TFN	1	Other income and expenses, net	11,166	-	-
		WMT	1	Finance costs	12,898	-	-
		TFN	1	Finance costs	28,388	-	-
1	TCC	TFC	1	Other receivables	293,148	-	-
		TFN	1	Short-term borrowings	291,000	-	-
2	WMT	TFNM	1	Other receivables	451,698	-	-
		WTVB	1	Other receivables	381,912	-	-
3	TNH	TWM	2	Operating revenue	32,350	-	-
4	TFN	TFC	3	Notes and accounts receivable, net	25,453	-	-
		TFNM	3	Notes and accounts receivable, net	32,985	-	-
		TWM	2	Lease liabilities (current and non-current)	31,748	-	-
		TFC	3	Operating revenue	36,296	-	-
		TFNM	3	Operating revenue	51,191	-	-
		momo	3	Operating revenue	10,338	-	-
		TT&T	3	Operating expenses	24,444	-	-
5	TFNM	YJCTV	1	Notes and accounts receivable, net	68,074	-	-
		momo	3	Notes and accounts receivable, net	10,849	-	-
		YJCTV	1	Other receivables	86,867	-	-
		MCTV	1	Other receivables	20,232	-	-
		PCTV	1	Other receivables	65,704	-	-
		UCTV	1	Other receivables	34,182	-	-
		GCTV	1	Other receivables	24,538	-	-
		PCTV	1	Short-term borrowings	520,000	-	-
		GCTV	1	Short-term borrowings	250,000	-	-
		WTVB	3	Notes and accounts payable	18,892	-	-
		TFN	3	Lease liabilities (current and non-current)	59,585	-	-
		YJCTV	1	Operating revenue	101,488	-	-
		PCTV	1	Operating revenue	130,932	-	-
		UCTV	1	Operating revenue	53,897	-	-
		GCTV	1	Operating revenue	47,321	-	-
		momo	3	Operating revenue	10,846	-	-
		PCTV	1	Operating costs	10,128	-	-
WTVB	3	Operating costs	18,535	-	-		

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note 1)	Transaction Details			Percentage of Consolidated Total Operating Revenue or Total Assets
				Account	Amount	Transaction Terms (Note 2)	
6	momo	FSL	1	Notes and accounts payable	\$ 171,534	-	-
		MFS	1	Notes and accounts payable	17,102	-	-
		FSL	1	Operating costs	249,577	-	1%
		MFS	1	Operating costs	33,299	-	-
		Prosperous Living	1	Operating costs	10,114	-	-

Note 1: 1. Parent to subsidiary.
2. Subsidiary to parent.
3. Between subsidiaries.

Note 2: The terms of transaction are determined in accordance with mutual agreements or general business practices.

Note 3: All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

(Concluded)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2023

(In Thousands of New Taiwan Dollars and Foreign Currencies)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (Note 1)	Accumulated Outflow of Investment from Taiwan at the Beginning of the Period	Investment Flows		Accumulated Outflow of Investment from Taiwan at the End of the Period	Net Income (Loss) of Investee	% Ownership through Direct or Indirect Investment	Investment Income (Loss)	Carrying Value at the End of the Period	Accumulated Inward Remittance of Earnings at the End of the Period	Note
					Outflow	Inflow							
TWMC	Data communication application development	\$ 91,365 (USD 3,000)	b	\$ 148,374 (USD 4,872)	\$ -	\$ -	\$ 148,374 (USD 4,872)	\$ 244	100	\$ 244	\$ 84,137	\$ -	
FGE	Wholesaling	343,091 (RMB 77,500)	b	821,553 (USD 14,000) (RMB 89,267)	-	-	821,553 (USD 14,000) (RMB 89,267)	(1,148)	76.7	(880)	6,139	-	
Haobo	Investment	48,697 (RMB 11,000)	b	-	-	-	-	(3,443)	100	(3,443)	530,152	-	
GHS	Wholesaling	221,349 (RMB 50,000)	b	-	-	-	-	(13,278)	20	(3,914)	483,810	-	

Company	Accumulated Investment in Mainland China at the End of the Period	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA (Note 2)
TWM and subsidiaries	\$1,623,691 (USD18,872, RMB89,267 and HKD168,539)	\$1,623,691 (USD18,872, RMB89,267 and HKD168,539)	\$45,676,935

Note 1: The investment types are as follows:

- a. Direct investment in mainland China.
- b. Indirect investments in mainland China through subsidiaries, invested by TCC and momo, in third regions.
- c. Others.

Note 2: The upper limit on investment in mainland China is calculated by 60% of the consolidated net worth.

TAIWAN MOBILE CO., LTD
INFORMATION OF MAJOR STOCKHOLDERS
MARCH 31, 2023

Name of Major Stockholder	Shares	
	Number of Shares	Percentage of Ownership (%)
TUI	410,665,284	11.67
Shin Kong Life Insurance Co., Ltd.	249,952,000	7.10
TCCI	200,496,761	5.70
Cathay Life Insurance Co., Ltd.	186,743,900	5.31
Ming Dong	184,736,452	5.25

Note: The table discloses the information of major stockholders whose stockholding percentages are more than 5%. The Taiwan Depository & Clearing Corporation calculates the total number of common stocks and preferred stocks (including treasury stocks) that have completed the dematerialized registration and delivery on the last business day of the quarter.