

Taiwan Mobile Co., Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2024 and 2023 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, 2024 and 2023, and the related 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 material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, 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 the 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 14, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China (ROC) and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally 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, 2024		December 31, 2023		March 31, 2023		LIABILITIES AND EQUITY	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash and cash equivalents (Notes 6 and 29)	\$ 13,959,181	6	\$ 13,244,266	5	\$ 14,260,578	8	Short-term borrowings (Note 17)	\$ 17,100,000	7	\$ 18,460,000	8	\$ 15,410,000	8
Financial assets at fair value through profit or loss	7,919	-	11,283	-	-	-	Short-term notes and bills payable (Note 17)	7,485,114	3	12,876,257	5	6,188,139	3
Financial assets at fair value through other comprehensive income (Note 7)	274,050	-	261,445	-	260,610	-	Contract liabilities (Note 22)	2,572,569	1	2,608,499	1	1,800,512	1
Financial assets at amortized cost	158,090	-	151,144	-	-	-	Notes payable	188,840	-	232,394	-	23,066	-
Contract assets (Note 22)	6,226,677	3	6,100,164	3	5,227,475	3	Accounts payable	13,294,234	6	13,245,827	5	12,264,317	6
Notes and accounts receivable, net (Note 8)	8,946,568	4	9,128,414	4	7,636,970	4	Notes and accounts payable due to related parties (Note 29)	195,568	-	131,492	-	196,509	-
Notes and accounts receivable due from related parties (Note 29)	538,261	-	589,232	-	591,163	-	Other payables (Note 29)	9,656,994	4	11,943,612	5	8,043,174	4
Other receivables (Note 29)	4,057,517	2	4,464,950	2	2,910,491	2	Current tax liabilities	3,061,900	1	2,274,634	1	3,357,705	2
Inventories (Note 9)	6,516,323	3	8,193,068	4	7,893,711	4	Provisions (Note 19)	427,592	-	461,400	-	81,282	-
Prepayments (Note 29)	1,317,309	-	1,030,527	-	784,820	-	Lease liabilities (Notes 13, 26 and 29)	5,084,619	2	5,785,690	2	3,662,719	2
Disposal groups held for sale	-	-	3,082	-	-	-	Advance receipts	122,776	-	94,817	-	104,173	-
Other financial assets (Notes 29 and 30)	811,445	-	786,371	-	676,575	-	Long-term liabilities, current portion (Notes 17 and 18)	9,216,967	4	3,713,406	2	9,770,763	5
Other current assets	166,720	-	194,218	-	188,943	-	Other current liabilities (Note 29)	3,913,604	2	3,900,314	2	3,335,985	2
Total current assets	42,980,060	18	44,158,164	18	40,431,336	21	Total current liabilities	72,320,777	30	75,728,342	31	64,238,344	33
NON-CURRENT ASSETS							NON-CURRENT LIABILITIES						
Financial assets at fair value through profit or loss	1,892,099	1	1,821,715	1	1,205,815	-	Contract liabilities (Note 22)	150,475	-	409,315	-	92,790	-
Financial assets at fair value through other comprehensive income (Note 7)	5,583,549	2	5,530,350	2	4,875,928	3	Bonds payable (Note 18)	32,982,907	14	37,980,333	16	31,483,137	16
Financial assets at amortized cost	247,574	-	236,697	-	-	-	Long-term borrowings (Note 17)	21,579,978	9	20,118,833	8	6,729,740	4
Contract assets (Note 22)	6,126,187	3	5,811,221	2	5,372,476	3	Provisions (Note 19)	1,527,773	1	1,486,571	1	1,457,614	1
Investments accounted for using equity method (Note 10)	1,814,942	1	1,793,865	1	1,744,956	1	Deferred tax liabilities	1,419,603	-	1,393,052	-	1,296,999	1
Property, plant and equipment (Note 12)	49,909,994	21	50,676,171	21	44,034,066	23	Lease liabilities (Notes 13, 26 and 29)	7,786,601	3	7,978,053	3	6,079,030	3
Right-of-use assets (Note 13)	12,819,016	5	13,746,288	6	9,755,593	5	Net defined benefit liabilities	47,096	-	58,013	-	95,898	-
Investment properties (Note 14)	2,184,248	1	2,182,504	1	2,729,657	2	Guarantee deposits	1,422,342	1	1,425,121	1	1,318,562	1
Concessions (Notes 15 and 30)	70,765,317	30	72,238,167	30	55,099,296	29	Other non-current liabilities	2,789,208	1	3,002,574	1	2,543,366	1
Goodwill (Note 15)	33,228,022	14	33,228,022	14	15,819,108	8	Total non-current liabilities	69,705,983	29	73,851,865	30	51,097,136	27
Other intangible assets (Note 15)	5,794,032	2	5,947,084	2	4,817,272	3	Total liabilities	142,026,760	59	149,580,207	61	115,335,480	60
Deferred tax assets	729,969	-	730,251	-	579,190	-	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 21)						
Incremental costs of obtaining a contract (Note 22)	2,492,353	1	2,492,742	1	1,943,182	1	Common stock	37,232,618	16	37,232,618	15	35,192,336	18
Other financial assets (Notes 29 and 30)	437,273	-	427,014	-	397,186	-	Capital surplus	31,330,553	13	31,302,785	13	15,372,217	8
Other non-current assets (Notes 16 and 29)	2,017,936	1	1,944,106	1	2,658,644	1	Retained earnings						
Total non-current assets	196,042,511	82	198,806,197	82	151,032,369	79	Legal reserve	33,498,727	14	33,498,727	14	32,603,345	17
							Special reserve	-	-	-	-	1,823,415	1
							Unappropriated earnings	15,150,566	6	12,182,646	5	11,571,260	6
							Other equity interests	341,271	-	324,116	-	430,277	-
							Treasury stock	(29,717,344)	(12)	(29,717,344)	(12)	(29,717,344)	(15)
							Total equity attributable to owners of the Corporation	87,836,391	37	84,823,548	35	67,275,506	35
							NON-CONTROLLING INTERESTS						
								9,159,420	4	8,560,606	4	8,852,719	5
							Total equity	96,995,811	41	93,384,154	39	76,128,225	40
TOTAL	\$ 239,022,571	100	\$ 242,964,361	100	\$ 191,463,705	100	TOTAL	\$ 239,022,571	100	\$ 242,964,361	100	\$ 191,463,705	100

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)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 22, 29 and 36)	\$ 48,276,631	100	\$ 43,015,338	100
OPERATING COSTS (Notes 9, 29, 33 and 36)	38,961,855	81	34,610,143	80
GROSS PROFIT FROM OPERATIONS	9,314,776	19	8,405,195	20
OPERATING EXPENSES (Notes 29, 33 and 36)				
Marketing	2,904,785	6	2,634,852	6
Administrative	1,747,269	4	1,497,657	4
Research and development	159,582	-	116,284	-
Expected credit loss	89,163	-	61,714	-
Total operating expenses	4,900,799	10	4,310,507	10
OTHER INCOME AND EXPENSES, NET (Note 29)	241,322	1	194,905	-
OPERATING INCOME (Note 36)	4,655,299	10	4,289,593	10
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 29)	51,951	-	42,409	-
Other income	9,790	-	2,278	-
Other gains and losses, net (Note 23)	(25,251)	-	(41,151)	-
Finance costs (Note 23)	(336,503)	(1)	(230,929)	(1)
Share of loss of associates accounted for using equity method	(33,483)	-	(1,517)	-
Total non-operating income and expenses	(333,496)	(1)	(228,910)	(1)
PROFIT BEFORE TAX	4,321,803	9	4,060,683	9
INCOME TAX EXPENSE (Note 24)	839,270	2	843,316	2
NET PROFIT	3,482,533	7	3,217,367	7
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 21 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	78,805	-	109,630	-
Share of other comprehensive income (loss) of associates accounted for using equity method	9,995	-	(53,831)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation	13,349	-	3,941	-
Share of other comprehensive loss of associates accounted for using equity method	(793)	-	(3,532)	-
Other comprehensive income (after tax)	101,356	-	56,208	-
TOTAL COMPREHENSIVE INCOME	\$ 3,583,889	7	\$ 3,273,575	7
NET PROFIT ATTRIBUTABLE TO:				
Owners of the parent	\$ 2,967,920	6	\$ 2,714,714	6
Non-controlling interests	514,613	1	502,653	1
	\$ 3,482,533	7	\$ 3,217,367	7
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent	\$ 2,985,075	6	\$ 2,760,229	6
Non-controlling interests	598,814	1	513,346	1
	\$ 3,583,889	7	\$ 3,273,575	7
EARNINGS PER SHARE (Note 25)				
Basic earnings per share	\$ 0.98		\$ 0.96	
Diluted earnings per share	\$ 0.98		\$ 0.96	

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)

	Equity Attributable to Owners of the Parent										
	Common Stock	Capital Surplus	Retained Earnings			Other Equity Interests		Treasury Stock	Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
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)	(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	\$ 35,192,336	\$ 15,372,217	\$ 32,603,345	\$ 1,823,415	\$ 11,571,260	\$ (28,433)	\$ 458,710	\$ (29,717,344)	\$ 67,275,506	\$ 8,852,719	\$ 76,128,225
BALANCE, JANUARY 1, 2024	\$ 37,232,618	\$ 31,302,785	\$ 33,498,727	\$ -	\$ 12,182,646	\$ (38,219)	\$ 362,335	\$ (29,717,344)	\$ 84,823,548	\$ 8,560,606	\$ 93,384,154
Profit for the three months ended March 31, 2024	-	-	-	-	2,967,920	-	-	-	2,967,920	514,613	3,482,533
Other comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	5,989	11,166	-	17,155	84,201	101,356
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	2,967,920	5,989	11,166	-	2,985,075	598,814	3,583,889
Changes in equity of associates accounted for using equity method	-	27,768	-	-	-	-	-	-	27,768	-	27,768
BALANCE, MARCH 31, 2024	\$ 37,232,618	\$ 31,330,553	\$ 33,498,727	\$ -	\$ 15,150,566	\$ (32,230)	\$ 373,501	\$ (29,717,344)	\$ 87,836,391	\$ 9,159,420	\$ 96,995,811

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)

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 4,321,803	\$ 4,060,683
Adjustments for:		
Depreciation expense	4,245,513	3,203,207
Amortization expense	1,686,667	1,189,615
Amortization of incremental costs of obtaining a contract	472,617	332,146
Loss on disposal and retirement of property, plant and equipment, net	114,350	28,442
Gain on disposal of property, plant and equipment held for sale	(258)	-
Gain on disposal of intangible assets, net	(30)	-
Expected credit loss	89,163	61,714
Other income and expenses	(196,682)	(137,339)
Finance costs	336,503	230,929
Interest income	(51,951)	(42,409)
Dividend income	(8,805)	-
Valuation loss (gain) on financial assets at fair value through profit or loss	(44,340)	13,676
Share of loss of associates accounted for using equity method	33,483	1,517
Others	(17,900)	(1,372)
Changes in operating assets and liabilities		
Contract assets	(445,985)	(110,321)
Notes and accounts receivable	162,581	82,538
Notes and accounts receivable due from related parties	50,971	(14,403)
Other receivables	432,568	450,361
Inventories	1,676,745	207,629
Prepayments	(284,994)	(784,684)
Other current assets	25,998	6,008
Other financial assets	(16,218)	(1,874)
Incremental costs of obtaining a contract	(472,228)	(361,573)
Contract liabilities	(294,770)	(284,542)
Notes payable	(43,554)	(497,703)
Accounts payable	65,124	(1,062,621)
Notes and accounts payable due to related parties	64,076	63,359
Other payables	(1,599,015)	(1,835,755)
Provisions	(7,790)	2,676
Advance receipts	28,000	(60,312)
Other current liabilities	13,290	93,685
Net defined benefit liabilities	(10,917)	(12,733)
Cash inflows generated from operating activities	10,324,015	4,820,544
Interest received	3,176	2,105
Interest paid	(473)	(455)
Income taxes paid	(10,342)	(14,131)
Net cash generated from operating activities	<u>10,316,376</u>	<u>4,808,063</u>

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TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	\$(2,625,525)	\$(2,348,884)
Acquisition of right-of-use assets	(15,678)	(11,081)
Acquisition of intangible assets	(112,289)	(96,976)
Increase in prepayments for equipment	(77,584)	(25,473)
Proceeds from disposal of property, plant and equipment	2,009	8,852
Proceeds from disposal of property, plant and equipment held for sale	3,340	-
Increase (decrease) in advance receipts from asset disposals	(41)	11
Proceeds from disposal of intangible assets	137	-
Acquisition of financial assets at fair value through profit or loss	(39,879)	(38,522)
Disposal of financial assets at fair value through other comprehensive income	-	16,199
Proceeds from capital reduction of financial assets at fair value through profit or loss	17,194	-
Increase in prepayments for investment	(63,986)	(169,972)
Acquisition of investments accounted for using equity method	(6,000)	-
Other investing activities	49,634	97,469
Increase in refundable deposits	(111,042)	(84,829)
Decrease in refundable deposits	102,141	69,318
Increase in other financial assets	(25,419)	(53,567)
Decrease in other financial assets	7,740	1,256
Interest received	33,870	29,258
Other dividends received	8,805	-
Net cash used in investing activities	<u>(2,852,573)</u>	<u>(2,606,941)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(1,360,000)	(5,140,000)
Increase (decrease) in short-term notes and bills payable	(5,379,466)	3,093,557
Proceeds from long-term borrowings	1,998,595	504,040
Repayment of long-term borrowings	(38,629)	(51,000)
Repayment of the principal portion of lease liabilities	(1,543,017)	(1,114,971)
Increase in guarantee deposits received	41,961	30,726
Decrease in guarantee deposits received	(48,111)	(23,539)
Interest paid	(421,979)	(323,091)
Acquisition of ownership interests in subsidiaries	-	(2,541)
Other financing activities	-	151,000
Net cash used in financing activities	<u>(6,750,646)</u>	<u>(2,875,819)</u>

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TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2024	2023
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	\$ 1,758	\$ 535
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	714,915	(674,162)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	13,244,266	14,934,740
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>\$ 13,959,181</u>	<u>\$ 14,260,578</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, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 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 2024.

To expand the business scale and boost the operating performance and competitiveness, TWM merged with Taiwan Star Telecom Corporation Limited (TST). The merger was completed on December 1, 2023, and TST was the dissolved company. Since that date, TWM has acquired the licensed spectrum in the 900MHz, 2100MHz, 2600MHz, and 3500MHz frequency bands.

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 14, 2024.

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 "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

- b. The IFRS Accounting Standards in issue by International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by the FSC.

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note2)

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

IFRS 18 “Presentation and Disclosures in Financial Statements”

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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, 2023.

a. 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 Accounting Standards endorsed and issued into effect by the FSC.

b. Basis of Consolidation

1) 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, 2023.

2) The subsidiaries included in the consolidated financial statements were as follows:

Investor	Subsidiary	Main Business and Products	Percentage of Ownership			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
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%	-
	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%	100.00%	-
	TWM Power Co., Ltd. (TPC)	Information software services	100.00%	100.00%	-	Note 1
	FullSynergy New Retail Co., Ltd. (FSNR)	Branding agency and retail sales	100.00%	100.00%	-	Note 2
	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 3
	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%	-

Investor	Subsidiary	Main Business and Products	Percentage of Ownership			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
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, retail, and retail sale no storefront	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 3
TWM Holding	TWM Communications (Beijing) Co., Ltd. (TWMC)	Data communication application development	100.00%	100.00%	100.00%	Note 4
TCCI	TCCI Investment and Development Co., Ltd. (TID)	Investment	100.00%	100.00%	100.00%	Note 3
TWMFM	Taiwan Stampede Franchise Film Co., Ltd. (SFF)	Film production	100.00%	100.00%	100.00%	-
TFNM	Taiwan Kuro Times Co., Ltd. (TKT)	Digital music services	-	-	100.00%	Note 5
	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 6
	Phoenix Cable TV Co., Ltd. (PCTV)	Cable TV service provider	100.00%	100.00%	100.00%	-
	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%	Note 7
	Fuli Insurance Agent Co., Ltd. (FI)	Comprehensive insurance agent	100.00%	100.00%	100.00%	Note 7
	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	93.73%	93.73%	90.26%	Note 8

Investor	Subsidiary	Main Business and Products	Percentage of Ownership			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
	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%	Note 9

Note 1: Became a subsidiary in September 2023.

Note 2: Became a subsidiary in November 2023.

Note 3: TCCI, TUI and TID collectively owned 698,752 thousand shares of TWM, representing 18.77% of total outstanding shares as of March 31, 2024.

Note 4: The liquidation process was still in progress.

Note 5: Disposed of in December 2023.

Note 6: The other 70.47% of shares were held under trustee accounts.

Note 7: In November 2023, FI merged with FLI.

Note 8: During 2023, momo bought back minority interest of Bebe Poshe, resulting in the increase in its ownership.

Note 9: In October 2023, the Board of Directors resolved to liquidate the company. The legal procedures for cancellation were completed in April 2024, and the liquidation refund was still in progress.

3) Subsidiaries excluded from the consolidated financial statements: None.

c. Classification of Current and Non-current Assets and Liabilities

The Group classifies an asset as current when any one of the following requirements is met. Assets that are not classified as current are non-current assets.

- 1) It holds the asset primarily for the purpose of trading;
- 2) It expects to realize the asset within twelve months after the end of the reporting period (reporting date); or
- 3) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

The Group classifies a liability as current when any one of the following requirements is met. Liabilities that are not classified as current are non-current liabilities.

- 1) It holds the liability primarily for the purpose of trading;
- 2) The liability is due to be settled within twelve months after the reporting date; or
- 3) It does not have substantive rights to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

d. 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.

e. 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. MATERIAL 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, 2023.

6. CASH AND CASH EQUIVALENTS

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash on hand and revolving funds	\$ 106,826	\$ 114,972	\$ 66,053
Cash in banks	5,481,511	5,950,870	5,136,896
Time deposits	5,931,210	5,278,986	6,877,350
Government bonds with repurchase rights	<u>2,439,634</u>	<u>1,899,438</u>	<u>2,180,279</u>
	<u>\$ 13,959,181</u>	<u>\$ 13,244,266</u>	<u>\$ 14,260,578</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Investments in equity instruments-current</u>			
Domestic investments			
Listed stocks	\$ 273,863	\$ 260,822	\$ 259,735
Foreign investments			
Listed stocks	<u>187</u>	<u>623</u>	<u>875</u>
	<u>\$ 274,050</u>	<u>\$ 261,445</u>	<u>\$ 260,610</u>
<u>Investments in equity instruments - non-current</u>			
Domestic investments			
Listed stocks	\$ 482,321	\$ 262,500	\$ 272,500
Unlisted stocks	1,234,406	1,342,512	1,212,133
Foreign investments			
Unlisted stocks	2,323,977	2,351,983	2,169,106
Limited partnerships	<u>1,542,845</u>	<u>1,573,355</u>	<u>1,222,189</u>
	<u>\$ 5,583,549</u>	<u>\$ 5,530,350</u>	<u>\$ 4,875,928</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.

8. NOTES AND ACCOUNTS RECEIVABLE, NET

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes receivable	\$ 19,623	\$ 14,171	\$ 15,820
Accounts receivable	9,360,615	9,532,621	8,013,317
Less: Allowance for impairment loss	(433,670)	(418,378)	(392,167)
	<u>\$ 8,946,568</u>	<u>\$ 9,128,414</u>	<u>\$ 7,636,970</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 expected credit losses (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, 2024

	<u>Not Past Due</u>	<u>Overdue</u>			<u>Total</u>
	<u>1 to 120 Days</u>	<u>121 to 365 Days</u>	<u>Over 365 Days</u>		<u>Total</u>
Gross carrying amount	\$ 8,425,749	\$ 726,532	\$ 227,507	\$ 450	\$ 9,380,238
Loss allowance (Lifetime ECLs)	(63,262)	(156,812)	(213,592)	(4)	(433,670)
Amortized cost	<u>\$ 8,362,487</u>	<u>\$ 569,720</u>	<u>\$ 13,915</u>	<u>\$ 446</u>	<u>\$ 8,946,568</u>

December 31, 2023

	<u>Not Past Due</u>	<u>Overdue</u>			<u>Total</u>
		<u>1 to 120 Days</u>	<u>121 to 365 Days</u>	<u>Over 365 Days</u>	
Gross carrying amount	\$ 8,587,417	\$ 741,403	\$ 216,760	\$ 1,212	\$ 9,546,792
Loss allowance (Lifetime ECLs)	(63,938)	(150,351)	(203,530)	(559)	(418,378)
Amortized cost	<u>\$ 8,523,479</u>	<u>\$ 591,052</u>	<u>\$ 13,230</u>	<u>\$ 653</u>	<u>\$ 9,128,414</u>

March 31, 2023

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

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

	<u>Not Past Due and Past Due within 120 Days</u>	<u>Past Due Over 120 Days</u>
Telecommunications services	0.02%~85.22%	65.5%~100%

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

	<u>For the Three Months Ended March 31</u>	
	<u>2024</u>	<u>2023</u>
	Beginning balance	\$ 418,378
Add: Provision	84,337	60,356
Recovery	12,818	12,010
Less: Write-off	(81,863)	(67,837)
Ending balance	<u>\$ 433,670</u>	<u>\$ 392,167</u>

9. INVENTORIES

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Merchandise	\$ 6,504,544	\$ 8,182,624	\$ 7,885,955
Materials for maintenance	11,779	10,444	7,756
	<u>\$ 6,516,323</u>	<u>\$ 8,193,068</u>	<u>\$ 7,893,711</u>

For the three months ended March 31, 2024 and 2023, the cost of goods sold related to inventories amounted to \$28,737,410 thousand and \$26,183,720 thousand, respectively, which included the inventory write-down totaling \$16,703 thousand, and \$22,074 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, 2024		December 31, 2023		March 31, 2023	
	Amount	% of Ownership	Amount	% of Ownership	Amount	% of Ownership
AppWorks Ventures Co., Ltd. (AppWorks)	\$ 245,026	51.00	\$ 244,983	51.00	\$ 260,451	51.00
AppWorks Fund III Co., Ltd. (AppWorks Fund III)	571,114	20.14	565,991	20.14	558,277	20.14
Global Home Shopping Co., Ltd. (GHS)	402,804	20.00	391,900	20.00	483,810	20.00
AppWorks Fund IV L.P. (AppWorks Fund IV)	219,192	21.01	227,530	21.01	95,657	32.86
Uspace Tech Co., Ltd. (Uspace)	180,192	31.81	164,588	32.90	189,095	32.90
NADA Holdings Corp. (NADA)	98,551	31.90	108,088	31.90	59,233	31.38
kbro Media Co., Ltd. (kbro Media)	60,576	33.58	60,032	33.58	65,327	33.58
Mistake Entertainment Co., Ltd. (M.E.)	31,487	11.33	30,753	11.33	33,106	11.33
SK Biomedical INC. (SK Biomedical)	6,000	20.00	-	-	-	-
	<u>\$ 1,814,942</u>		<u>\$ 1,793,865</u>		<u>\$ 1,744,956</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.

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. AppWorks Fund IV

From December 2022 to May 2023, 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 were executed by general partner, TVC had no control over AppWorks

Fund IV but retained significant influence. TVC's percentage of ownership interest in AppWorks Fund IV decreased to 21.01% due to non-proportionate subscription to AppWorks Fund IV's issuance of new capital stock in October 2023, and TVC was no longer the single largest limited partner.

e. 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. TVC's percentage of ownership interest in Uspace decreased to 31.81% due to non-proportionate subscription to Uspace's issuance of new capital stock in March 2024.

f. NADA

In December 2021, TVC acquired 37.93% equity interest of NADA, and TVC's percentage of ownership interest in NADA decreased to 22.97% due to non-proportionate subscription to NADA's issuance of new capital stock during 2023. In October 2023, TWM acquired 8.93% equity interest of NADA by participating in NADA's capital increase. Along with TVC's percentage of ownership interest, the Group's ownership became 31.9%. Although the Group was the single largest stockholder of NADA, 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, the Group has no control over NADA but retains significant influence.

g. 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.

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. As a result of organizational restructuring, TKT transferred the shares of the M.E. to TFNM in September 2023.

11. SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Subsidiary	Proportion of Non-controlling Interests' Ownership and Voting Rights		
	March 31, 2024	December 31, 2023	March 31, 2023
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:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current assets	\$ 14,122,333	\$ 14,652,939	\$ 14,228,552
Non-current assets	21,470,887	21,142,086	18,118,370
Current liabilities	(13,686,720)	(14,878,533)	(12,826,861)
Non-current liabilities	(3,190,138)	(3,263,057)	(1,308,424)
Equity	<u>\$ 18,716,362</u>	<u>\$ 17,653,435</u>	<u>\$ 18,211,637</u>
Equity attributable to:			
Owners of the parent	\$ 11,572,028	\$ 11,093,941	\$ 11,344,512
Non-controlling interests of momo	7,057,083	6,473,107	6,779,176
Non-controlling interests of momo's subsidiaries	<u>87,251</u>	<u>86,387</u>	<u>87,949</u>
	<u>\$ 18,716,362</u>	<u>\$ 17,653,435</u>	<u>\$ 18,211,637</u>

	For the Three Months Ended March 31	
	<u>2024</u>	<u>2023</u>
Operating revenue	\$ <u>26,877,869</u>	\$ <u>25,120,040</u>
Profit	\$ 909,805	\$ 888,658
Other comprehensive income	<u>153,122</u>	<u>19,438</u>
Comprehensive income	<u>\$ 1,062,927</u>	<u>\$ 908,096</u>

Profit attributable to:		
Owners of the parent	\$ 409,165	\$ 399,931
Non-controlling interests of momo	499,790	488,510
Non-controlling interests of momo's subsidiaries	<u>850</u>	<u>217</u>
	<u>\$ 909,805</u>	<u>\$ 888,658</u>

Comprehensive income attributable to:		
Owners of the parent	\$ 478,087	\$ 408,675
Non-controlling interests of momo	583,976	499,191
Non-controlling interests of momo's subsidiaries	<u>864</u>	<u>230</u>
	<u>\$ 1,062,927</u>	<u>\$ 908,096</u>

	For the Three Months Ended March 31	
	<u>2024</u>	<u>2023</u>
Net cash generated from (used in) operating activities	\$ 1,289,364	\$(96,626)
Net cash used in investing activities	(412,289)	(246,879)
Net cash used in financing activities	(229,220)	(192,333)
Effect of exchange rate changes	<u>61</u>	<u>42</u>
Net increase (decrease) in cash	<u>\$ 647,916</u>	<u>\$(535,796)</u>

12. PROPERTY, PLANT AND EQUIPMENT

	<u>Land</u>	<u>Buildings</u>	<u>Telecommuni- cations Equipment and Machinery</u>	<u>Others</u>	<u>Construction in Progress and Equipment to be Inspected</u>	<u>Total</u>
<u>Cost</u>						
Balance, January 1, 2024	\$ 11,304,617	\$ 6,153,739	\$ 117,569,844	\$ 9,780,914	\$ 5,187,436	\$ 149,996,550
Additions	-	8,476	173,344	85,492	1,747,738	2,015,050
Disposals and retirements	-	-	(517,065)	(45,575)	-	(562,640)
Reclassification	(4,468)	(1,232)	1,881,157	83,546	(1,962,399)	(3,396)
Balance, March 31, 2024	<u>\$ 11,300,149</u>	<u>\$ 6,160,983</u>	<u>\$ 119,107,280</u>	<u>\$ 9,904,377</u>	<u>\$ 4,972,775</u>	<u>\$ 151,445,564</u>
<u>Accumulated depreciation and impairment</u>						
Balance, January 1, 2024	\$ -	\$ 2,475,489	\$ 88,343,895	\$ 8,500,995	\$ -	\$ 99,320,379
Depreciation	-	35,865	2,438,178	172,447	-	2,646,490
Disposals and retirements	-	-	(386,384)	(44,911)	-	(431,295)
Reclassification	-	(4)	-	-	-	(4)
Balance, March 31, 2024	<u>\$ -</u>	<u>\$ 2,511,350</u>	<u>\$ 90,395,689</u>	<u>\$ 8,628,531</u>	<u>\$ -</u>	<u>\$ 101,535,570</u>
Carrying amount, January 1, 2024	<u>\$ 11,304,617</u>	<u>\$ 3,678,250</u>	<u>\$ 29,225,949</u>	<u>\$ 1,279,919</u>	<u>\$ 5,187,436</u>	<u>\$ 50,676,171</u>
Carrying amount, March 31, 2024	<u>\$ 11,300,149</u>	<u>\$ 3,649,633</u>	<u>\$ 28,711,591</u>	<u>\$ 1,275,846</u>	<u>\$ 4,972,775</u>	<u>\$ 49,909,994</u>
<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, 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>

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Carrying amount</u>			
Land	\$ 687,864	\$ 740,287	\$ 633,781
Buildings	11,892,288	12,739,097	8,761,617
Telecommunications equipment and machinery	154,527	187,213	266,925
Others	84,337	79,691	93,270
	<u>\$ 12,819,016</u>	<u>\$ 13,746,288</u>	<u>\$ 9,755,593</u>

	<u>For the Three Months Ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Additions to right-of-use assets	<u>\$ 948,779</u>	<u>\$ 1,102,685</u>
Depreciation charge for right-of-use assets		
Land	\$ 87,590	\$ 60,575
Buildings	1,457,992	938,768
Telecommunications equipment and machinery	33,710	37,050
Others	15,778	13,772
	<u>\$ 1,595,070</u>	<u>\$ 1,050,165</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, 2024 and 2023.

b. Lease liabilities

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Carrying amount</u>			
Current	<u>\$ 5,084,619</u>	<u>\$ 5,785,690</u>	<u>\$ 3,662,719</u>
Non-current	<u>\$ 7,786,601</u>	<u>\$ 7,978,053</u>	<u>\$ 6,079,030</u>

Range of discount rates for lease liabilities was as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Land	0.61%~1.44%	0.61%~1.4%	0.61%~1.02%
Buildings	0.61%~1.44%	0.61%~1.4%	0.61%~1.2%
Telecommunications equipment and machinery	0.64%~4.38%	0.61%~4.38%	0.61%~4.38%
Others	0.61%~1.44%	0.61%~1.4%	0.61%~1.02%

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	
	2024	2023
Expenses related to short-term leases	\$ <u>10,472</u>	\$ <u>8,970</u>
Expenses related to low-value asset leases	\$ <u>22,101</u>	\$ <u>25,638</u>
Expenses related to variable lease payments and not included in the measurement of lease liabilities	\$ <u>10,427</u>	\$ <u>6,979</u>
Total cash outflow for leases	\$ <u>1,636,576</u>	\$ <u>1,187,700</u>

14. 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, 2024, December 31, 2023 and March 31, 2023, the fair values of investment properties were \$5,365,428 thousand, \$5,360,328 thousand and \$6,877,264 thousand, respectively, and the capitalization rates for the aforementioned financial reporting periods were both ranging from 1.47%~5.23%.

The amounts of depreciation recognized for the three months ended March 31, 2024 and 2023 were \$3,953 thousand and \$4,772 thousand, respectively.

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

	March 31, 2024	December 31, 2023	March 31, 2023
Year 1	\$ 86,895	\$ 78,165	\$ 57,475
Year 2	80,298	71,659	33,245
Year 3	70,245	67,498	29,161
Year 4	55,730	50,147	20,164
Year 5	32,855	36,876	8,181
Year 6 and thereafter	25,308	27,074	32,371
	\$ <u>351,331</u>	\$ <u>331,419</u>	\$ <u>180,597</u>

15. INTANGIBLE ASSETS

	Concessions			Other Intangible Assets				Total
	Concession Licenses	Service Concessions	Goodwill	Customer Relationships	Operating Rights	Trademarks	Computer Software and Others	
Cost								
Balance, January 1, 2024	\$ 92,206,064	\$ 8,180,078	\$ 33,281,509	\$ 3,599,602	\$ 1,382,000	\$ 2,495,200	\$ 4,284,623	\$ 145,429,076
Additions	-	-	-	-	-	18	59,324	59,342
Disposals and retirements	-	-	-	-	-	(97)	(10,277)	(10,374)
Reclassification	-	-	-	-	-	-	1,530	1,530
Balance, March 31, 2024	<u>\$ 92,206,064</u>	<u>\$ 8,180,078</u>	<u>\$ 33,281,509</u>	<u>\$ 3,599,602</u>	<u>\$ 1,382,000</u>	<u>\$ 2,495,121</u>	<u>\$ 4,335,200</u>	<u>\$ 145,479,574</u>
Accumulated amortization and impairment								
Balance, January 1, 2024	\$ 26,223,074	\$ 1,924,901	\$ 53,487	\$ 2,187,062	\$ -	\$ 820	\$ 3,626,459	\$ 34,015,803
Amortization	1,428,170	44,680	-	48,087	-	15	165,715	1,686,667
Disposals and retirements	-	-	-	-	-	(97)	(10,170)	(10,267)
Balance, March 31, 2024	<u>\$ 27,651,244</u>	<u>\$ 1,969,581</u>	<u>\$ 53,487</u>	<u>\$ 2,235,149</u>	<u>\$ -</u>	<u>\$ 738</u>	<u>\$ 3,782,004</u>	<u>\$ 35,692,203</u>
Carrying amount, January 1, 2024	<u>\$ 65,982,990</u>	<u>\$ 6,255,177</u>	<u>\$ 33,228,022</u>	<u>\$ 1,412,540</u>	<u>\$ 1,382,000</u>	<u>\$ 2,494,380</u>	<u>\$ 658,164</u>	<u>\$ 111,413,273</u>
Carrying amount, March 31, 2024	<u>\$ 64,554,820</u>	<u>\$ 6,210,497</u>	<u>\$ 33,228,022</u>	<u>\$ 1,364,453</u>	<u>\$ 1,382,000</u>	<u>\$ 2,494,383</u>	<u>\$ 553,196</u>	<u>\$ 109,787,371</u>
Cost								
Balance, January 1, 2023	\$ 71,699,375	\$ 8,180,078	\$ 15,872,595	\$ 2,643,826	\$ 1,382,000	\$ 2,517,164	\$ 3,832,774	\$ 106,127,812
Additions	-	-	-	-	-	-	35,188	35,188
Disposals and retirements	-	-	-	-	-	-	(19,323)	(19,323)
Reclassification	-	-	-	-	-	-	18,738	18,738
Balance, March 31, 2023	<u>\$ 71,699,375</u>	<u>\$ 8,180,078</u>	<u>\$ 15,872,595</u>	<u>\$ 2,643,826</u>	<u>\$ 1,382,000</u>	<u>\$ 2,517,164</u>	<u>\$ 3,867,377</u>	<u>\$ 106,162,415</u>
Accumulated amortization and impairment								
Balance, January 1, 2023	\$ 21,955,149	\$ 1,746,182	\$ 53,487	\$ 2,046,000	\$ -	\$ 741	\$ 3,454,888	\$ 29,256,447
Amortization	1,034,146	44,680	-	34,100	-	30	76,659	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>\$ 2,080,100</u>	<u>\$ -</u>	<u>\$ 771</u>	<u>\$ 3,512,224</u>	<u>\$ 30,426,739</u>
Carrying amount, March 31, 2023	<u>\$ 48,710,080</u>	<u>\$ 6,389,216</u>	<u>\$ 15,819,108</u>	<u>\$ 563,726</u>	<u>\$ 1,382,000</u>	<u>\$ 2,516,393</u>	<u>\$ 355,153</u>	<u>\$ 75,735,676</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
Customer relationships	17-20 years
Trademarks	10 years
Computer software	1-10 years
Other intangible assets	
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 were identified as major intangible assets.
- 2) On July 13, 2011, WMT, one of TWM's wholly-owned subsidiaries, acquired control over momo. In the assessment of momo's retail business, based on the analysis results, trademarks were identified as major intangible assets.
- 3) On December 1, 2023, TWM completed the absorption merger with TST. In the assessment of TST's mobile communication services, based on the analysis results, customer relationship was identified and separately disclosed.

c. Goodwill

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Mobile communication services	\$ 24,620,850	\$ 24,620,850	\$ 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>\$ 33,228,022</u>	<u>\$ 33,228,022</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, 2023 for the related information on impairment of assets. There was no significant evidence indicating impairment of intangible assets as of March 31, 2024.

16. OTHER NON-CURRENT ASSETS

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Long-term accounts receivable	\$ 154,526	\$ 218,805	\$ 224,239
Refundable deposits	941,711	931,812	871,422
Other prepayments	394,623	329,709	929,180
Prepayments for investment	63,661	-	170,018
Others	<u>463,415</u>	<u>463,780</u>	<u>463,785</u>
	<u>\$ 2,017,936</u>	<u>\$ 1,944,106</u>	<u>\$ 2,658,644</u>

17. BORROWINGS

a. Short-term borrowings

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Unsecured loans	\$ 17,100,000	\$ 18,460,000	\$ 15,410,000
Annual interest rates	1.55%~1.785%	1.55%~1.79%	1.32%~1.775%

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

b. Short-term notes and bills payable

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Short-term notes and bills payable	\$ 7,500,000	\$ 12,900,000	\$ 6,200,000
Less: Discounts on short-term notes and bills payable	(14,886)	(23,743)	(11,861)
	<u>\$ 7,485,114</u>	<u>\$ 12,876,257</u>	<u>\$ 6,188,139</u>
Annual interest rates	1.508%~1.538%	1.548%~1.608%	1.338%~1.368%

c. Long-term borrowings

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Unsecured loans	\$ 15,000,000	\$ 15,000,000	\$ -
Secured loans	1,822,845	1,851,000	2,008,276
Commercial papers payable	9,000,000	7,000,000	8,500,000
Less: Unamortized expenses on unsecured loans	(11,138)	(11,851)	-
Less: Discounts on commercial papers payable	(13,757)	(6,910)	(7,709)
Less: Current portion	(4,217,972)	(3,713,406)	(3,770,827)
	<u>\$ 21,579,978</u>	<u>\$ 20,118,833</u>	<u>\$ 6,729,740</u>
Annual interest rates:			
Unsecured loans	1.7895%	1.7895%	-
Secured loans	2.22%~2.3526%	2.095%~2.2211%	2.2211%
Commercial papers payable	1.535%~2.1372%	1.535%~2.138%	0.688%~2.1017%

1) Unsecured loans

To repay existing loans from financial institutions and enhance mid-term working capital, TWM entered into a syndicated loan with a joint credit agreement with six banks, including Bank of Taiwan and Mega International Commercial Bank on November 16, 2023. The credit limit was set at \$15,000,000 thousand, with a credit period of 5 years. From December 13, 2023, the first installment would be due after 12 months, followed by subsequent installments every 6 months, totaling 9 repayment periods. The agreement stipulates the specific financial covenants, such as maintaining a certain net debt ratio, interest coverage ratio, operating EBITDA etc. throughout the loan term.

2) 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. The credit agreement originally signed in 2017 had been terminated in advance. In 2023, TNH signed another credit agreement with Bank of Taiwan for a credit amount and a guarantee amount totaling \$2,558,000 thousand with interest payments made on a regular basis. The maturity date of the main agreement is in November, 2030. Certain loan agreements allow for revolving utilization within the financing limit, and the maturity date is disclosed based on the expiration date of the revolving utilization agreement. 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 loan term. For property under the BOT contract and its superficies that have been pledged as collateral, see Note 30.

3) Commercial papers payable

TWM's commercial papers payable are treated as revolving credit facilities under the contracts. The last repayment date of the commercial papers payable is in January 2027.

18. BONDS PAYABLE

	March 31, 2024	December 31, 2023	March 31, 2023
5th domestic unsecured straight corporate bonds	\$ 8,998,610	\$ 8,998,281	\$ 14,997,220
6th domestic unsecured straight corporate bonds	19,991,542	19,990,793	19,988,521
7th domestic unsecured straight corporate bonds	2,497,838	2,497,712	2,497,332
1st domestic unsecured straight corporate bonds in 2023	6,493,912	6,493,547	-
Less: Current portion	(4,998,995)	-	(5,999,936)
	<u>\$ 32,982,907</u>	<u>\$ 37,980,333</u>	<u>\$ 31,483,137</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, 2024, the amount of unamortized bond issue cost was \$1,390 thousand. The trustee of bond holders is Bank of Taiwan.

The above-mentioned five-year bond was due and the repayment had been made in April 2023.

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

Year	Amount
2025	<u>\$ 9,000,000</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, 2024, the amount of unamortized bond issue cost was \$8,458 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	5,000,000
	<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, 2024, the amount of unamortized bond issue cost was \$2,162 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>

d. 1st domestic unsecured straight corporate bonds in 2023

On May 22, 2023, TWM issued the 1st domestic unsecured straight corporate bonds in 2023 and obtained Social Bond accreditation. The bond was five-year bond, with the principal amount of \$6,500,000 thousand, having a face value of \$10,000 thousand, and coupon rate of 1.537% per annum, with simple interest due annually. Repayment will be made in full at maturity. As of March 31, 2024, the amount of unamortized bond issue cost was \$6,088 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>\$ 6,500,000</u>

19. PROVISIONS

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Restoration	\$ 1,358,659	\$ 1,368,089	\$ 1,000,837
Replacement	578,612	562,791	521,336
Warranties	<u>18,094</u>	<u>17,091</u>	<u>16,723</u>
	<u>\$ 1,955,365</u>	<u>\$ 1,947,971</u>	<u>\$ 1,538,896</u>
Current	\$ 427,592	\$ 461,400	\$ 81,282
Non-current	<u>1,527,773</u>	<u>1,486,571</u>	<u>1,457,614</u>
	<u>\$ 1,955,365</u>	<u>\$ 1,947,971</u>	<u>\$ 1,538,896</u>

	<u>Restoration</u>	<u>Replacement</u>	<u>Warranties</u>	<u>Total</u>
Balance, January 1, 2024	\$ 1,368,089	\$ 562,791	\$ 17,091	\$ 1,947,971
Provision	10,568	14,278	7,859	32,705
Payment/Reversal	(20,641)	(2,437)	(6,856)	(29,934)
Unwinding of discount	<u>643</u>	<u>3,980</u>	<u>-</u>	<u>4,623</u>
Balance, March 31, 2024	<u>\$ 1,358,659</u>	<u>\$ 578,612</u>	<u>\$ 18,094</u>	<u>\$ 1,955,365</u>
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>

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 \$106,758 thousand and \$96,338 thousand for the three months ended March 31, 2024 and 2023, respectively.

b. Defined benefit plans

The Group recognized pension amounts of \$449 thousand and \$616 thousand for the three months ended March 31, 2024 and 2023, respectively, by using the actuarially determined pension cost rate.

21. EQUITY

a. Common stock

As of March 31, 2024, December 31, 2023 and March 31, 2023, TWM's authorized capital was \$60,000,000 thousand and capital issued and outstanding were \$37,232,618 thousand, \$37,232,618 thousand and \$35,192,336 thousand, respectively, divided into 3,723,262 thousand shares, 3,723,262 thousand shares and 3,519,234 thousand shares, respectively, at a par value of \$10 each.

On December 1, 2023, TWM issued 204,028 thousand shares of common stock to merge with TST. The issuance of new shares has been approved by the Securities and Futures Bureau on November 24, 2023, and the registration procedures have been completed.

b. Capital surplus

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
From business combinations	\$ 18,190,446	\$ 18,190,446	\$ -
Additional paid-in capital from convertible corporate bonds	7,309,970	7,309,970	9,570,398
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	41,094	13,326	15,015
Expired share options	13,269	13,269	13,269
Others	28,890	28,890	26,651
	<u>\$ 31,330,553</u>	<u>\$ 31,302,785</u>	<u>\$ 15,372,217</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 business combinations or 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 2023 and 2022, which have been proposed by the Board of Directors on February 21, 2024 and resolved in the AGM on June 13, 2023, respectively, were as follows:

	For Fiscal Year 2023	For Fiscal Year 2022
Legal reserve	\$ 1,218,244	\$ 895,382
Special reserve	-	(1,823,415)
Cash dividends	10,964,152	9,881,841
Cash dividends per share (NT\$)	3.6251	3.5036

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 \$2,041,242 thousand and \$2,246,232 thousand and representing \$0.6749 and \$0.7964 per share, were proposed by the Board of Directors and resolved in the AGM; thus, total distributions were \$4.3 per share, respectively, for 2023 and 2022.

The appropriation of earnings and cash distributions arising from capital surplus for 2023 will be resolved in the AGM to be held on June 21, 2024.

d. Other equity interests

	Exchange Differences on Translation	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Total
Balance, January 1, 2024	\$(38,219)	\$ 362,335	\$ 324,116
Exchange differences on translation	6,935	-	6,935
Changes in fair value of financial assets at FVTOCI	-	(12,112)	(12,112)
Changes in other comprehensive income (loss) of associates accounted for using equity method	(946)	9,995	9,049
Income tax effect	-	13,283	13,283
Balance, March 31, 2024	<u>\$(32,230)</u>	<u>\$ 373,501</u>	<u>\$ 341,271</u>
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	-	(14,746)	(14,746)
Balance, March 31, 2023	<u>\$(28,433)</u>	<u>\$ 458,710</u>	<u>\$ 430,277</u>

e. Treasury stock

As of March 31, 2024, December 31, 2023 and March 31, 2023, 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 \$71,971,415 thousand, \$68,896,908 thousand and \$70,573,912 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	
	2024	2023
Revenue from contracts with customers		
Telecommunications and value-added services	\$ 15,041,984	\$ 12,052,601
Sales revenue	31,627,227	29,239,537
Cable TV and broadband services	1,374,225	1,472,177
Others	206,211	211,391
Other operating revenue	<u>26,984</u>	<u>39,632</u>
	<u>\$ 48,276,631</u>	<u>\$ 43,015,338</u>

a. Contract information

Refer to Note 36 and to Note 4 to the consolidated financial statements for the year ended December 31, 2023.

b. Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Contract assets				
Bundle sales	\$ 12,442,734	\$ 11,996,749	\$ 10,690,705	\$ 10,580,384
Less: Allowance for impairment loss	<u>(89,870)</u>	<u>(85,364)</u>	<u>(90,754)</u>	<u>(89,820)</u>
	<u>\$ 12,352,864</u>	<u>\$ 11,911,385</u>	<u>\$ 10,599,951</u>	<u>\$ 10,490,564</u>
Current	\$ 6,226,677	\$ 6,100,164	\$ 5,227,475	\$ 5,092,822
Non-current	<u>6,126,187</u>	<u>5,811,221</u>	<u>5,372,476</u>	<u>5,397,742</u>
	<u>\$ 12,352,864</u>	<u>\$ 11,911,385</u>	<u>\$ 10,599,951</u>	<u>\$ 10,490,564</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.

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>	<u>January 1, 2023</u>
Contract liabilities				
Telecommunications and value-added services	\$ 1,769,621	\$ 2,018,224	\$ 1,137,759	\$ 1,289,461
Sales of goods	341,171	422,087	106,829	255,349
Cable TV and broadband services	604,956	573,442	643,389	628,941
Others	<u>7,296</u>	<u>4,061</u>	<u>5,325</u>	<u>4,093</u>
	<u>\$ 2,723,044</u>	<u>\$ 3,017,814</u>	<u>\$ 1,893,302</u>	<u>\$ 2,177,844</u>
Current	\$ 2,572,569	\$ 2,608,499	\$ 1,800,512	\$ 2,079,999
Non-current	<u>150,475</u>	<u>409,315</u>	<u>92,790</u>	<u>97,845</u>
	<u>\$ 2,723,044</u>	<u>\$ 3,017,814</u>	<u>\$ 1,893,302</u>	<u>\$ 2,177,844</u>

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Incremental costs of obtaining a contract - non-current	<u>\$ 2,492,353</u>	<u>\$ 2,492,742</u>	<u>\$ 1,943,182</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, 2024 and 2023 were \$472,617 thousand and \$332,146 thousand, respectively.

23. NON-OPERATING INCOME AND EXPENSES

a. Other gains and losses, net

	<u>For the Three Months Ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Loss on disposal and retirement of property, plant and equipment, net	\$(114,350)	\$(28,442)
Gain on disposal of property, plant and equipment held for sale	258	-
Gain on disposal of intangible assets, net	30	-
Net gain (loss) on financial assets at fair value through profit and loss (FVTPL)	44,340	(13,676)
Gain on foreign exchange, net	44,636	1,124
Others	<u>(165)</u>	<u>(157)</u>
	<u>\$(25,251)</u>	<u>\$(41,151)</u>

b. Finance costs

	For the Three Months Ended March 31	
	2024	2023
Interest expense		
Corporate bonds	\$ 85,406	\$ 72,536
Bank loans	136,677	89,636
Commercial papers payable	75,057	42,837
Lease liabilities	32,483	19,098
Others	<u>6,880</u>	<u>6,822</u>
	<u>\$ 336,503</u>	<u>\$ 230,929</u>

24. INCOME TAX

a. Income tax recognized in profit or loss

	For the Three Months Ended March 31	
	2024	2023
Current income tax expense		
Current period	\$ 799,127	\$ 840,701
Prior years' adjustments	<u>(20)</u>	<u>8,544</u>
	<u>799,107</u>	<u>849,245</u>
Deferred income tax expense (income)		
Temporary differences	<u>40,163</u>	<u>(5,929)</u>
Income tax expense	<u>\$ 839,270</u>	<u>\$ 843,316</u>

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

	For the Three Months Ended March 31	
	2024	2023
Current income tax income		
Realized gain/loss on financial assets at FVTOCI	\$ -	\$(14,997)
Deferred income tax expense (income)		
Unrealized gain/loss on financial assets at FVTOCI	<u>(13,330)</u>	<u>21,493</u>
Income tax expense (income)	<u>\$(13,330)</u>	<u>\$ 6,496</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	2021
TST (Dissolved)	2020
TCC	2022
WMT	2022
TVC	2022
TNH	2022
FSD	2022
TFN	2022 (Exclude 2021)
TT&T	2021
TCCI	2022
TDS	2022
TPIA	2022
TFC	2022
TWMFM	2022
TUI	2022
TID	2022
SFF	2022
TFNM	2021
GFMT	2022
GWMT	2022
WTVB	2022
YJCTV	2021
MCTV	2022
PCTV	2021
UCTV	2021
GCTV	2021
momo	2021
FLI (Dissolved)	2022
FI	2022
FST	2022
Bebe Poshe	2022
FSL	2022
MFS	2021
Prosperous Living	2022

25. EARNINGS PER SHARE

For the Three Months Ended March 31, 2024			
	Amount After Income Tax	Weighted- average Number of Shares (In Thousands)	EPS (NT\$)
Basic EPS			
Profit attributable to owners of the parent	\$ 2,967,920	3,024,510	\$ <u>0.98</u>
Effect of dilutive potential common stock:			
Employees' compensation	-	3,272	
Diluted EPS			
Profit attributable to owners of the parent (adjusted for potential effect of common stock)	\$ <u>2,967,920</u>	<u>3,027,782</u>	\$ <u>0.98</u>

For the Three Months Ended March 31, 2023			
	Amount After Income Tax	Weighted- average Number of Shares (In Thousands)	EPS (NT\$)
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	-	2,795	
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>

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, 2024

	<u>Opening Balance</u>	<u>Cash Flows</u>	<u>Non-cash Changes</u>		<u>Ending Balance</u>
			<u>New Leases</u>	<u>Others</u>	
Lease liabilities (including current and non-current portions)	\$ <u>13,763,743</u>	\$ <u>(1,575,474)</u>	\$ <u>947,065</u>	\$ <u>(264,114)</u>	\$ <u>12,871,220</u>

For the Three Months Ended March 31, 2023

	<u>Opening Balance</u>	<u>Cash Flows</u>	<u>Non-cash Changes</u>		<u>Ending Balance</u>
			<u>New Leases</u>	<u>Others</u>	
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>

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Financial assets</u>			
Financial assets at FVTPL (including current and non-current portions) (Note 1)	\$ 1,900,018	\$ 1,832,998	\$ 1,205,815
Financial assets at FVTOCI (including current and non-current portions)	5,857,599	5,791,795	5,136,538
Financial assets measured at amortized cost (including current and non-current portions) (Note 2)	<u>30,252,146</u>	<u>30,178,705</u>	<u>27,568,624</u>
	<u>\$ 38,009,763</u>	<u>\$ 37,803,498</u>	<u>\$ 33,910,977</u>
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost (including current and non-current portions) (Note 3)	<u>\$ 114,268,075</u>	<u>\$ 121,357,242</u>	<u>\$ 92,347,247</u>

Note 1: Financial assets mandatorily measured at FVTPL.

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

Note 3: The balances comprised 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, 2024</u>		<u>December 31, 2023</u>		<u>March 31, 2023</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
<u>Financial liabilities</u>						
Bonds payable (including current portion)	\$ 37,981,902	\$ 37,669,873	\$ 37,980,333	\$ 37,627,421	\$ 37,483,073	\$ 37,015,274

The fair value of bonds payable is measured by Level 2 inputs, using a volume-weighted average price on the TPEx at 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:

- a) Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on the reporting date.
- b) 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).
- c) Level 3: Inputs for the assets or liabilities are not based on observable market data (unobservable inputs).

March 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic unlisted stocks	\$ -	\$ -	\$ 287,500	\$ 287,500
Domestic limited partnerships	-	-	37,887	37,887
Foreign listed stocks	7,919	-	-	7,919
Foreign unlisted stocks	-	-	136,214	136,214
Foreign limited partnerships	-	-	807,106	807,106
Foreign convertible notes	-	-	619,518	619,518
Embedded rights	-	-	3,874	3,874
	<u>\$ 7,919</u>	<u>\$ -</u>	<u>\$ 1,892,099</u>	<u>\$ 1,900,018</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTOCI</u>				
Equity instruments				
Domestic listed stocks	\$ 756,184	\$ -	\$ -	\$ 756,184
Domestic unlisted stocks	-	-	1,234,406	1,234,406
Foreign listed stocks	187	-	-	187
Foreign unlisted stocks	-	-	2,323,977	2,323,977
Foreign limited partnerships	-	-	<u>1,542,845</u>	<u>1,542,845</u>
	<u>\$ 756,371</u>	<u>\$ -</u>	<u>\$ 5,101,228</u>	<u>\$ 5,857,599</u>

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic unlisted stocks	\$ -	\$ -	\$ 287,500	\$ 287,500
Domestic limited partnerships	-	-	38,134	38,134
Foreign listed stocks	11,283	-	-	11,283
Foreign unlisted stocks	-	-	131,018	131,018
Foreign limited partnerships	-	-	736,788	736,788
Foreign convertible notes	-	-	624,694	624,694
Embedded rights	-	-	<u>3,581</u>	<u>3,581</u>
	<u>\$ 11,283</u>	<u>\$ -</u>	<u>\$ 1,821,715</u>	<u>\$ 1,832,998</u>

Financial assets at FVTOCI

Equity instruments				
Domestic listed stocks	\$ 523,322	\$ -	\$ -	\$ 523,322
Domestic unlisted stocks	-	-	1,342,512	1,342,512
Foreign listed stocks	623	-	-	623
Foreign unlisted stocks	-	-	2,351,983	2,351,983
Foreign limited partnerships	-	-	<u>1,573,355</u>	<u>1,573,355</u>
	<u>\$ 523,945</u>	<u>\$ -</u>	<u>\$ 5,267,850</u>	<u>\$ 5,791,795</u>

March 31, 2023

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTOCI</u>				
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>

There were no transfers between the fair value measurements of Levels 1 and 2 for the three months ended March 31, 2024 and 2023.

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 11.7%~32.7%, 11.7%~32.7% and 10%~37% as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively. The stock price volatilities were ranged from 43.3%~93.3%, 25.42%~98.8% and 39.05%~103.3% as of March 31, 2024, December 31, 2023 and March 31, 2023, 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 24.59%, 23.4% and 28.7% as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

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

For the Three Months Ended March 31, 2024

	<u>Financial Assets at FVTPL - Financial Instruments</u>	<u>Financial Assets at FVTOCI - Equity Instruments</u>
Balance, January 1, 2024	\$ 1,821,715	\$ 5,267,850
Additions	39,879	-
Decrease	(17,194)	-
Recognized in profit or loss (gain on financial assets at FVTPL)	47,699	-
Recognized in other comprehensive income (unrealized loss on financial assets at FVTOCI)	-	(69,807)
Transferred out of Level 3 (Note)	-	(96,815)
Balance, March 31, 2024	<u>\$ 1,892,099</u>	<u>\$ 5,101,228</u>

Note: Because a certain equity investment's quoted price (unadjusted) in active markets became available, its fair value hierarchy was transferred from Level 3 to Level 1.

For the Three Months Ended March 31, 2023

	Financial Assets at FVTPL - Financial Instruments	Financial Assets at FVTOCI - Equity Instruments
Balance, January 1, 2023	\$ 1,181,015	\$ 4,531,060
Additions	38,522	-
Decrease	-	(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)	-	89,532
Balance, March 31, 2023	<u>\$ 1,205,815</u>	<u>\$ 4,603,428</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, 2024, December 31, 2023 and March 31, 2023, the Group had unused bank facilities of \$65,984,914 thousand, \$61,155,846 thousand and \$63,375,254 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
March 31, 2024				
Unsecured loans	\$ 33,186,919	\$ 18,009,869	\$ 15,177,050	\$ -
Secured loans	2,032,656	260,797	604,672	1,167,187
Commercial papers payable	16,747,926	11,126,347	5,621,579	-
Bonds payable	39,191,775	5,337,155	28,818,620	5,036,000
Lease liabilities	13,103,476	5,179,179	7,044,516	879,781
Other non-current liabilities	292,500	73,125	219,375	-
	<u>\$ 104,555,252</u>	<u>\$ 39,986,472</u>	<u>\$ 57,485,812</u>	<u>\$ 7,082,968</u>

	<u>Contractual Cash Flows</u>	<u>Within 1 Year</u>	<u>1-5 Years</u>	<u>5-10 Years</u>
<u>December 31, 2023</u>				
Unsecured loans	\$ 34,625,679	\$ 19,385,090	\$ 15,240,589	\$ -
Secured loans	2,074,109	156,913	613,434	1,303,762
Commercial papers payable	20,093,546	16,016,630	4,076,916	-
Bonds payable	39,325,775	337,155	33,916,620	5,072,000
Lease liabilities	14,004,859	5,885,768	7,223,670	895,421
Other non-current liabilities	<u>365,625</u>	<u>73,125</u>	<u>292,500</u>	<u>-</u>
	<u>\$ 110,489,593</u>	<u>\$ 41,854,681</u>	<u>\$ 61,363,729</u>	<u>\$ 7,271,183</u>
<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>

5) Market risk

Market risk is the risk that arises 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 \$26,671 thousand and \$22,880 thousand for the three months ended March 31, 2024 and 2023, 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:

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Fair value interest rate risk			
Financial assets	\$ 10,379,116	\$ 9,270,060	\$ 10,153,364
Financial liabilities	69,876,430	79,685,007	66,313,810
Cash flow interest rate risk			
Financial assets	6,258,482	6,531,680	6,104,940
Financial liabilities	31,865,245	27,883,607	13,523,614

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 \$32,008 thousand and \$9,273 thousand for the three months ended March 31, 2024 and 2023, 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 \$95,001 thousand and \$60,291 thousand since the fair value of financial assets at FVTPL decreased for the three months ended March 31, 2024 and 2023, respectively. Other comprehensive income would have decreased by \$292,880 thousand and \$256,827 thousand since the fair value of financial assets at FVTOCI decreased for the three months ended March 31, 2024 and 2023, 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)
Tropics Entertainment Co., Ltd.	Associate (subsidiary of NADA)
Shoei Contents Corporation	Associate (subsidiary of NADA)
More Sounds Film Production Co., Ltd.	Associate (subsidiary of M.E.)
Mepay Co., Ltd.	Associate (subsidiary of M.E.)
EnVision Concept Co., Ltd.	Associate (subsidiary of M.E.)
Fansta Co., Ltd.	Associate (subsidiary of M.E.)
Fubon Life Insurance Co., Ltd.	Other related party
Fubon Insurance Co., Ltd. (Fubon Insurance)	Other related party
Fubon Asset Management Co., Ltd.	Other related party
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 (not a related party since the third quarter of 2023)
Fubon Insurance Agency Co., Ltd.	Other related party
Fubon Insurance Agency Co., Ltd.	Other related party (not a related party since the third quarter of 2023)
Fubon Financial Venture Capital Co., Ltd.	Other related party
Fubon Stadium Co., Ltd.	Other related party
Fubon AMC, Ltd.	Other related party

Related Party	Nature of Relationship
One Production Film Co., Ltd.	Other related party (not a related party since the second quarter of 2023)
Fubon Bank (Hong Kong) Limited	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 Security Service 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 Securities Co., Ltd.	Other related party (not a related party since the second quarter of 2023)
Jih Sun International Bank, Ltd.	Other related party (not a related party since the second quarter of 2023)
Jih Sun International Property Insurance Agent Co., Ltd.	Other related party (not a related party since the second quarter of 2023)
Jih Sun Life Insurance Agent Co., Ltd.	Other related party (not a related party since the second quarter of 2023)
Jih Sun Futures Co., Ltd.	Other related party (not a related party since the second quarter of 2023)
Jih Sun Securities Investment Consulting Co., Ltd.	Other related party (not a related party since the second quarter of 2023)
Chung Hsing Constructions Co., Ltd.	Other related party
Ming Dong Co., Ltd.	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
Immanuel Investment Ltd.	Other related party
Dai-Ka Ltd.	Other related party
AppWorks Fund III Co., Ltd.	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. (kbro)	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

<u>Related Party</u>	<u>Nature of Relationship</u>
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
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
Fubon Life Art Museum 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.

c. Significant transactions with related parties

1) Operating revenue

	For the Three Months Ended March 31	
	2024	2023
Associates	\$ 5,735	\$ 433
Other related parties	<u>382,444</u>	<u>377,289</u>
	<u>\$ 388,179</u>	<u>\$ 377,722</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	
	2024	2023
Associates	\$ 72	\$ 199
Other related parties	<u>197,380</u>	<u>183,842</u>
	<u>\$ 197,452</u>	<u>\$ 184,041</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

<u>Account</u>	<u>Related Party Categories</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes and accounts receivable	Associates	\$ 1,365	\$ 1,274	\$ 1
Notes and accounts receivable	Other related parties	<u>536,896</u>	<u>587,958</u>	<u>591,162</u>
		<u>\$ 538,261</u>	<u>\$ 589,232</u>	<u>\$ 591,163</u>
Other receivables	Other related parties			
	TFCB	\$ 476,436	\$ 480,025	\$ 168,431
	Others	<u>27,092</u>	<u>80,225</u>	<u>37,644</u>
		<u>\$ 503,528</u>	<u>\$ 560,250</u>	<u>\$ 206,075</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

<u>Account</u>	<u>Related Party Categories</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes and accounts payable	Associates	\$ 67	\$ 72	\$ 5
Notes and accounts payable	Other related parties	<u>195,501</u>	<u>131,420</u>	<u>196,504</u>
		<u>\$ 195,568</u>	<u>\$ 131,492</u>	<u>\$ 196,509</u>
Other payables	Other related parties	<u>\$ 100,785</u>	<u>\$ 72,919</u>	<u>\$ 56,703</u>

5) Prepayments

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Other related parties	<u>\$ 92,912</u>	<u>\$ 14,819</u>	<u>\$ 69,186</u>

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Other related parties			
TFCB	<u>\$ 5,047,523</u>	<u>\$ 5,651,090</u>	<u>\$ 2,594,205</u>

7) Others

a) Refundable deposits

	March 31, 2024	December 31, 2023	March 31, 2024
Other related parties	\$ <u>80,679</u>	\$ <u>80,479</u>	\$ <u>66,293</u>

b) Other current liabilities - receipts under custody

	March 31, 2024	December 31, 2023	March 31, 2024
Other related parties	\$ <u>179,127</u>	\$ <u>178,790</u>	\$ <u>170,703</u>

c) Operating expenses

	For the Three Months Ended March 31	
	2024	2023
Other related parties		
TMF	\$ 6,000	\$ 3,750
TNHF	3,000	3,000
TFCB	266,339	222,033
Others	<u>24,396</u>	<u>11,007</u>
	\$ <u>299,735</u>	\$ <u>239,790</u>

d) Other income

	For the Three Months Ended March 31	
	2024	2023
Other related parties	\$ <u>12,066</u>	\$ <u>14,720</u>

e) Interest income

	For the Three Months Ended March 31	
	2024	2023
Other related parties		
TFCB	\$ <u>12,113</u>	\$ <u>3,302</u>

f) mo-coin transactions

Subsidiary momo sold mo-coins to related parties amounting to \$329,616 thousand for the three months ended March 31, 2024, mainly to provide rewards to users (consumers).

8) Lease arrangements

Lease liabilities (including current and non-current portions)

	March 31, 2024	December 31, 2023	March 31, 2023
Other related parties	\$ <u>867,623</u>	\$ <u>934,188</u>	\$ <u>342,020</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	
	2024	2023
Short-term employee benefits	\$ 96,018	\$ 88,046
Termination and post-employment benefits	1,017	8,677
	<u>\$ 97,035</u>	<u>\$ 96,723</u>

30. ASSETS PLEDGED

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

	March 31, 2024	December 31, 2023	March 31, 2023
Other current financial assets	\$ 146,930	\$ 147,415	\$ 163,711
Service concessions	6,210,497	6,255,177	6,389,216
Other non-current financial assets	437,273	427,014	397,186
	<u>\$ 6,794,700</u>	<u>\$ 6,829,606</u>	<u>\$ 6,950,113</u>

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. Unrecognized commitments

	March 31, 2024	December 31, 2023	March 31, 2023
Purchases of property, plant and equipment	\$ 14,085,177	\$ 9,424,213	\$ 7,535,339
Purchases of inventories and sales commitments	\$ 5,855,440	\$ 6,032,088	\$ 6,123,393

As of March 31, 2024, December 31, 2023 and March 31, 2023, the amounts of lease commitments commencing after the balance sheet dates were \$299,449 thousand, \$640,307 thousand and \$2,188,622 thousand, respectively.

b. As of March 31, 2024, December 31, 2023 and March 31, 2023, the amounts of endorsements and guarantees provided to entities in the Group were \$24,900,000 thousand, \$24,700,000 thousand and \$24,750,000 thousand, respectively.

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, 2024, \$1,044,062 thousand (tax included) of the concession had been paid.

3) Performance guarantee:

As of March 31, 2024, 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, Far Eastone Telecommunications Co., Ltd. (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 the 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. In June 2023, the Supreme Court dismissed the first retrial of the High Court and remanded the case to the High Court. The case is now in process at the second retrial of the High Court.
- e. Regarding to the merger between 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. 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. In October 2023, the Intellectual Property and Commercial Court ruled the price to be \$7.95 per share. TWM has filed an interlocutory appeal. The Supreme Court reversed the original ruling, and remanded the case to the Intellectual Property and Commercial Court in March 2024.

32. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

In April 2024, TVC's Directors resolved to participate in the capital increase of Fubon Green Power Co., Ltd., with a total investment amount capped at \$1,100,000 thousand.

33. OTHERS

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

	For the Three Months Ended March 31					
	2024			2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefits						
Salary	\$ 796,535	\$ 1,687,007	\$ 2,483,542	\$ 736,909	\$ 1,464,735	\$ 2,201,644
Insurance expenses	77,058	154,016	231,074	71,185	134,582	205,767
Pension	36,272	70,935	107,207	33,892	63,062	96,954
Others	38,860	78,651	117,511	35,800	69,640	105,440
Depreciation	4,000,349	245,164	4,245,513	2,973,336	229,871	3,203,207
Amortization	1,631,874	527,410	2,159,284	1,158,477	363,284	1,521,761

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 \$99,343 thousand and \$92,329 thousand, and remuneration to directors were \$9,934 thousand and \$9,233 thousand, which were calculated by applying the aforementioned rates, for the three months ended March 31, 2024 and 2023, respectively.

The employees' compensation and remuneration of directors of 2023 and 2022 shown below were approved by the Board of Directors on February 21, 2024 and February 24, 2023, respectively. There was no difference between the approved amounts and the amounts recognized.

	For the Year Ended December 31			
	2023		2022	
	Employees' Compensation Paid in Cash	Remuneration of Directors	Employees' Compensation Paid in Cash	Remuneration of Directors
Amounts approved by the Board of Directors	\$ <u>405,977</u>	\$ <u>40,598</u>	\$ <u>305,936</u>	\$ <u>30,594</u>
Amounts recognized in the consolidated financial statements	\$ <u>405,977</u>	\$ <u>40,598</u>	\$ <u>305,936</u>	\$ <u>30,594</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, 2024		
				Foreign		New Taiwan
				Currencies	Exchange Rate	Dollars
<u>Foreign currency assets</u>						
Monetary items						
USD	\$	73,548		31.99	\$	2,352,805
EUR		400		34.56		13,840
RMB		20,986		4.408		92,506
HKD		311		4.088		1,270
Non-monetary items						
USD		169,738		31.99		5,429,931
RMB		91,380		4.408		402,804
SGD		334		23.72		7,919
HKD		46		4.088		187
JPY		300,000		0.211		63,390
<u>Foreign currency liabilities</u>						
Monetary items						
USD		60,089		31.99		1,922,239
EUR		54		34.56		1,861
HKD		428		4.088		1,748
JPY		5,477		0.211		1,157
				December 31, 2023		
				Foreign		New Taiwan
				Currencies	Exchange Rate	Dollars
<u>Foreign currency assets</u>						
Monetary items						
USD	\$	89,410		30.705	\$	2,745,333
EUR		330		34.14		11,251
RMB		20,934		4.319		90,412
Non-monetary items						
USD		176,448		30.705		5,417,838
RMB		90,739		4.319		391,900
SGD		484		23.33		11,283
HKD		159		3.929		623

				December 31, 2023		
				Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Foreign currency liabilities</u>						
Monetary items						
	USD	\$	57,174	30.705	\$	1,755,517
	EUR		34	34.14		1,169
	HKD		660	3.929		2,593
	JPY		7,397	0.218		1,614
				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

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, 2024 and 2023. 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, fixed-line services, etc.

Retail: providing E-commerce shopping, multimedia shopping, etc.

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

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

For the Three Months Ended March 31, 2024	Telecommuni- cations	Retail	Cable Television and Broadband	Others	Adjustments and Eliminations	Total
Operating revenue	\$ 20,720,887	\$ 26,877,869	\$ 1,468,737	\$ 149,266	\$(940,128)	\$ 48,276,631
Operating costs and expenses	18,047,317	25,790,533	888,761	99,129	(963,086)	43,862,654
Operating income	2,895,088	1,117,404	582,312	50,137	10,358	4,655,299

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

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	
	2024	2023
Taiwan, ROC	\$ 47,515,350	\$ 42,389,319
Overseas	761,281	626,019
	<u>\$ 48,276,631</u>	<u>\$ 43,015,338</u>

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

FINANCING EXTENDED TO OTHER PARTIES
FOR THE THREE MONTHS ENDED MARCH 31, 2024

(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	Other receivables	Yes	\$ 500,000	\$ 500,000	\$ 302,000	1.83378%~1.83500%	Short-term financing	\$ -	Operation requirements	\$ -	-	\$ -	\$ 34,317,952	\$ 34,317,952	Note 2
		TFC	Other receivables	Yes	300,000	300,000	71,000	1.83500%	Short-term financing	-	Operation requirements	-	-	-	34,317,952	34,317,952	Note 2
2	WMT	TWM	Other receivables	Yes	4,700,000	4,700,000	4,430,000	1.83500%~1.96000%	Short-term financing	-	Operation requirements	-	-	-	9,860,131	9,860,131	Note 2
		TFNM	Other receivables	Yes	2,000,000	1,800,000	-	1.83378%~1.83433%	Short-term financing	-	Operation requirements	-	-	-	9,860,131	9,860,131	Note 2
		WTVB	Other receivables	Yes	1,000,000	1,000,000	250,000	1.83378%	Short-term financing	-	Operation requirements	-	-	-	9,860,131	9,860,131	Note 2
3	TFN	TWM	Other receivables	Yes	11,000,000	11,000,000	10,233,000	1.83378%~1.83500%	Short-term financing	-	Operation requirements	-	-	-	22,395,636	22,395,636	Note 2
4	PCTV	TFNM	Other receivables	Yes	450,000	450,000	450,000	1.83500%	Transactions	473,786	-	-	-	-	473,786	473,786	Note 3 and 4
5	GCTV	TFNM	Other receivables	Yes	250,000	250,000	250,000	1.83500%	Short-term financing	-	Repayment of financing	-	-	-	280,536	280,536	Note 3
6	YJCTV	TFNM	Other receivables	Yes	100,000	100,000	100,000	1.83500%	Short-term financing	-	Repayment of financing	-	-	-	125,668	125,668	Note 3
7	UCTV	UCTV	Other receivables	Yes	400,000	400,000	300,000	1.83500%	Short-term financing	-	Repayment of financing	-	-	-	742,840	742,840	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, 2024

(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	\$ -	24.48	\$ 87,836,391	Y	N	N	Note 3
		TVC	Note 2	9,950,000	3,200,000	3,200,000	1,960,000	-	3.64	87,836,391	Y	N	N	Note 3
		FSNR	Note 2	200,000	200,000	200,000	-	-	0.23	87,836,391	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.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)
MARCH 31, 2024

(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	\$ 273,863	0.028	\$ 273,863	
	<u>Unlisted Stocks</u>							
	LINE Bank Taiwan Limited	-	Non-current financial assets at FVTOCI	75,000	602,552	5	602,552	
	Bridge Mobile Pte Ltd.	-	Non-current financial assets at FVTOCI	800	30,653	10	30,653	
	KKCompany Technologies Inc.	-	Non-current financial assets at FVTOCI	4,547	400,835	2.77	400,835	
	Taiwan Mobile Communication Inc.	-	Non-current financial assets at FVTOCI	400	2,402	0.99	2,402	
	<u>Limited Partnerships</u>							
Grand Academy Investment, L.P.	-	Non-current financial assets at FVTOCI	-	1,486,255	21.67	1,486,255	Note 1	
Starview Heights Investment, L.P.	-	Non-current financial assets at FVTOCI	-	56,590	21.67	56,590	Note 1	
TCC	<u>Unlisted Stocks</u>							
	Arcoa Communication Co., Ltd.	-	Non-current financial assets at FVTOCI	6,998	120,158	5.21	120,158	
WMT	<u>Limited Partnerships</u>							
	The Last Thieves, L.P.	-	Current financial assets at FVTPL	-	-	7.14	-	Note 1
TVC	<u>Listed Stocks</u>							
	17LIVE Group Limited	-	Current financial assets at FVTPL	312	7,919	0.18	7,919	Note 2
	91APP, Inc.	-	Non-current financial assets at FVTOCI	2,500	236,750	2.12	236,750	
	<u>Unlisted Stocks</u>							
	Jayawijaya Finance Limited	-	Non-current financial assets at FVTPL	5	136,214	6.24	136,214	
	FIGMENT INC.	-	Non-current financial assets at FVTOCI	269	4,597	0.11	4,597	
	Stampede Entertainment, Inc.	-	Non-current financial assets at FVTOCI	1,664	567,854	9.43	567,854	
	TIKI GLOBAL PTE. LTD.	-	Non-current financial assets at FVTOCI	760	163,085	2.39	163,085	
	CARSOME GROUP INC.	-	Non-current financial assets at FVTOCI	733	27,032	0.36	27,032	
	Cloud Mile Inc.	-	Non-current financial assets at FVTOCI	5,396	722,206	18.2	722,206	
	BAM Management US Holdings Inc.	-	Non-current financial assets at FVTOCI	246	46,833	0.11	46,833	

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	LINE MAN CORPORATION PTE. LTD.	-	Non-current financial assets at FVTOCI	1,100	\$ 286,151	0.94	\$ 286,151		
	Swift Navigation, Inc.	-	Non-current financial assets at FVTOCI	214	20,979	0.3	20,979		
	Swift Navigation, Inc.	-	Non-current financial assets at FVTOCI	364	35,664	0.5	35,664		
	Partipost Pte. Ltd.	-	Non-current financial assets at FVTOCI	899	18,088	2.53	18,088		
	Taiwan Web Service Corporation	-	Non-current financial assets at FVTOCI	3,000	7,908	4.48	7,908		
	SoundOn Inc.	-	Non-current financial assets at FVTOCI	2,623	164,091	12.79	164,091	Note 3	
	<u>Limited Partnerships</u>								
	AUM CREATIVE FUND II	-	Non-current financial assets at FVTPL	-	20,530	16.38	20,530	Note 1	
	Linse Capital Fund I, L.P.	-	Non-current financial assets at FVTPL	-	89,111	0.89	89,111	Note 1	
	LINSE CAPITAL SKY II LLC	-	Non-current financial assets at FVTPL	-	96,171	2.67	96,171	Note 1	
	Northstar Equity Partners V Limited	-	Non-current financial assets at FVTPL	-	230,846	1.72	230,846	Note 1	
	Northstar Ventures I, L.P.	-	Non-current financial assets at FVTPL	-	23,638	3.62	23,638	Note 1	
	Pantera Blockchain Offshore Fund L.P.	-	Non-current financial assets at FVTPL	-	124,501	0.32	124,501	Note 1	
	Pioneer Fund II L.P.	-	Non-current financial assets at FVTPL	-	140,747	13.58	140,747	Note 1	
	Soma Capital Fund III, L.P.	-	Non-current financial assets at FVTPL	-	81,562	1.21	81,562	Note 1	
	TOMORROW TOGETHER FUND	-	Non-current financial assets at FVTPL	-	37,887	16	37,887	Note 1	
	<u>Convertible Notes</u>								
	CARSOME GROUP INC.	-	Non-current financial assets at FVTPL	-	134,198	-	134,198		
	Manuscript Inc.	-	Non-current financial assets at FVTPL	-	485,320	-	485,320		
	TCCI	<u>Listed Stocks</u>							
TWM		TWM	Non-current financial assets at FVTOCI	200,497	20,651,167	5.38	20,651,167		
TUI	<u>Unlisted Stocks</u>								
	Great Taipei Broadband Co., Ltd.	-	Non-current financial assets at FVTOCI	10,000	36,019	6.67	36,019		
TUI	<u>Listed Stocks</u>								
	TWM	TWM	Non-current financial assets at FVTOCI	410,665	42,298,524	11.03	42,298,524		
TID	<u>Listed Stocks</u>								
	TWM	TWM	Non-current financial assets at FVTOCI	87,590	9,021,724	2.36	9,021,724		
momo	<u>Listed Stocks</u>								
	eSun Holdings Limited	-	Current financial assets at FVTOCI	728	187	0.04	187	Note 2	
	We Can Medicines Co., Ltd.	-	Non-current financial assets at FVTOCI	3,073	245,571	6.94	245,571		
	<u>Unlisted Stocks</u>								
	Gaius Automotive Inc.	-	Non-current financial assets at FVTPL	5,750	287,500	7.61	287,500		
	LINE Bank Taiwan Limited	-	Non-current financial assets at FVTOCI	37,500	301,276	2.5	301,276		

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

Note 2: Foreign listed stock.

Note 3: The investment agreement included a guarantee clause, accounting for financial assets at FVTPL amounted to \$3,874 thousand.

Note 4: For the information on investments in subsidiaries and associates, see Table 6 and Table 8 for details.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2024

(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	Subsidiary	Purchase	\$ 1,306,815	9	Based on contract terms	-	-	\$(471,987)	Note 2	Note 3
	momo	Subsidiary	Sale	625,162	3	Based on contract terms	-	-	236,004	3	
TFN	kbro	Other related party	Sale	104,523	4	Based on contract terms	-	-	67,885	6	
TT&T	TWM	Ultimate parent	Sale	280,070	92	Based on contract terms	-	-	90,864	92	
TFNM	PCTV	Subsidiary	Channel leasing fee	118,958	13	Based on contract terms	Note 1	Note 1	-	-	
momo	FSL	Subsidiary	Purchase	297,812	1	Based on contract terms	-	-	(214,503)	2	

Note 1: The companies authorized a related party to deal with the copyright fees for cable television. As the said account item was the only one, there was 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, 2024

(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	Notes and accounts receivable	\$ 236,004	9.31	\$ -	-	\$ 233,862	\$ -
			Other receivables	99,406		-	-	52,871	-
TCC	TWM	Parent	Other receivables	302,516		-	-	-	-
WMT	TWM	Parent	Other receivables	4,437,332		-	-	200,273	-
	WTVB	Subsidiary	Other receivables	252,085		-	-	252,085	-
TFN	TWM	Ultimate parent	Notes and accounts receivable	479,720	10.84	-	-	424,324	-
			Other receivables	10,289,195		-	-	30,830	-
TPIA	Fubon Insurance	Other related party	Notes and accounts receivable	114,937	3.34	-	-	30,734	-
YJCTV	TFNM	Parent	Notes and accounts receivable	9,851	5.28	-	-	2,696	-
			Other receivables	100,577		-	-	1	-
PCTV	TFNM	Parent	Notes and accounts receivable	11,009	5.28	-	-	2,679	-
			Other receivables	452,089		-	-	35	-
UCTV	TFNM	Parent	Notes and accounts receivable	6,919	5.28	-	-	1,842	-
			Other receivables	302,412		-	-	1	-
GCTV	TFNM	Parent	Notes and accounts receivable	4,425	5.14	-	-	1,118	-
			Other receivables	251,143		-	-	1	-
momo	TWM	Ultimate parent	Notes and accounts receivable	94,445	12.49	-	-	83,011	-
			Other receivables	45,222		-	-	41,306	-
	TFCB	Other related party	Notes and accounts receivable	208,778	Note 1	-	-	208,777	-
			Other receivables	450,199		-	-	450,199	-
FSL	momo	Parent	Notes and accounts receivable	215,116	4.83	-	-	113,650	-

Note 1: 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, 2024

(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, 2024	March 31, 2023	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
TWM	TCC	Taiwan	Investment	\$ 40,397,288	\$ 40,397,288	502,970	100	\$ 21,190,970	\$ 943,639	\$ 943,712	Note 1
	WMT	Taiwan	Investment	16,871,894	16,871,894	42,065	100	24,648,554	884,701	884,581	Note 1
	TVC	Taiwan	Investment	4,975,000	4,975,000	512,260	100	5,170,201	14,963	14,963	
	TNH	Taiwan	Building and operating Songsshan Cultural and Creative Park BOT project	1,918,655	1,918,655	191,866	49.9	2,001,879	27,830	13,987	Note 1
	FSD	Taiwan	Information services	30,000	30,000	3,000	100	1,730	(2,830)	(3,424)	Note 1
	TPC	Taiwan	Information software service	100,000	100,000	10,000	100	94,597	(4,507)	(4,507)	
	FSNR	Taiwan	Branding agency and retail sales	100,000	100,000	10,000	100	92,826	(4,652)	(7,027)	Note 1
	AppWorks	Taiwan	Venture capital, investment consulting, and management consulting	235,000	235,000	2,168	51	245,026	(6,586)	(3,574)	Note 1
	NADA	Taiwan	Animation production	50,000	50,000	1,667	8.93	20,737	(11,925)	(1,806)	Note 1
TCC	TFN	Taiwan	Fixed line service provider	21,000,000	21,000,000	2,100,000	100	55,990,052	848,450	-	Note 2
	TT&T	Taiwan	Call center service and telephone marketing	56,210	56,210	2,484	100	126,991	14,268	-	Note 2
	TWM Holding	British Virgin Islands	Investment	347,951	347,951	-	100	257,944	8,893	-	Note 2 and 3
	TCCI	Taiwan	Investment	17,285,441	17,285,441	154,721	100	28,235,256	551	-	Note 2
	TDS	Taiwan	Commissioned maintenance services	25,000	25,000	2,500	100	109,198	2,762	-	Note 2
	TPIA	Taiwan	Property insurance agent	5,000	5,000	500	100	144,509	28,895	-	Note 2
	TFC	Taiwan	Cloud and information services	200,000	200,000	24,000	100	277,537	12,463	-	Note 2
WMT	TFNM	Taiwan	Type II telecommunications business	5,210,443	5,210,443	230,921	100	7,923,984	491,653	-	Note 2
	GFMT	Taiwan	Investment	16,984	16,984	1,500	100	17,336	(25)	-	Note 2
	GWMT	Taiwan	Investment	92,189	92,189	8,945	100	97,277	193	-	Note 2
	WTVB	Taiwan	TV program provider	222,417	222,417	18,177	100	322,726	764	-	Note 2
	momo	Taiwan	Wholesale, retail, and retail sale no storefront	8,129,394	8,129,394	108,189	45.01	11,572,028	908,955	-	Note 2 and 4
TVC	TWMFM	Taiwan	Film production	11,300	11,300	1,130	100	11,424	(59)	-	Note 2
	AppWorks Fund III	Taiwan	Venture capital	583,292	583,292	57,877	20.14	571,114	(7,887)	-	Note 2
	NADA	Taiwan	Animation production	60,000	60,000	4,286	22.97	77,814	(11,925)	-	Note 2
	AppWorks Fund IV	Taiwan	Venture capital	249,200	249,200	-	21.01	219,192	3,457	-	Note 2 and 5
	Uspace	Taiwan	Information software service	200,030	200,030	5,969	31.81	180,192	(22,665)	-	Note 2
TFN	TUI	Taiwan	Investment	22,314,609	22,314,609	400	100	36,947,038	(165)	-	Note 2
TCCI	TID	Taiwan	Investment	3,603,149	3,603,149	104,712	100	7,885,839	497	-	Note 2
TWMFM	SFF	Taiwan	Film production	300	300	30	100	533	(35)	-	Note 2
TFNM	YJCTV	Taiwan	Cable TV service provider	2,355,998	2,355,998	33,940	100	1,718,537	729	-	Note 2
	MCTV	Taiwan	Cable TV service provider	510,724	510,724	6,248	29.53	632,646	7,002	-	Note 2 and 6
	PCTV	Taiwan	Cable TV service provider	3,261,073	3,261,073	68,090	100	3,476,929	22,874	-	Note 2

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, 2024	March 31, 2023	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
TFNM	UCTV	Taiwan	Cable TV service provider	\$ 1,986,250	\$ 1,986,250	169,141	99.22	\$ 2,045,879	\$ 5,104	\$ -	Note 2
	GCTV	Taiwan	Cable TV service provider	1,221,002	1,221,002	51,733	92.38	1,270,423	3,840	-	Note 2
	kbro Media	Taiwan	Film distribution, arts and literature services, and entertainment	341,250	341,250	14,103	33.58	60,576	(853)	-	Note 2
	M.E.	Taiwan	Livestreaming artists management services and digital media production	30,628	30,628	537	11.33	31,487	6,482	-	Note 2
GFMT	UCTV	Taiwan	Cable TV service provider	16,218	16,218	1,300	0.76	15,728	5,104	-	Note 2
GWMT	GCTV	Taiwan	Cable TV service provider	91,910	91,910	3,825	6.83	95,916	3,840	-	Note 2
momo	Asian Crown (BVI)	British Virgin Islands	Investment	885,285	885,285	9,735	81.99	13,311	408	-	Note 2
	Honest Development	Samoa	Investment	670,448	670,448	21,778	100	478,450	784	-	Note 2
	FI	Taiwan	Comprehensive insurance agent	3,000	3,000	500	100	10,249	422	-	Note 2
	FST	Taiwan	Travel agent	6,000	6,000	3,000	100	45,833	3,098	-	Note 2
	Bebe Poshe	Taiwan	Wholesale of cosmetics	98,965	98,965	9,373	93.73	30,610	1,100	-	Note 2
	FSL	Taiwan	Logistics and transport	250,000	250,000	25,000	100	297,884	20,586	-	Note 2
	MFS	Taiwan	Wholesaling	100,000	100,000	10,000	100	105,837	4,407	-	Note 2
	Prosperous Living	Taiwan	Wholesale and retail sales	220,850	220,850	22,085	73.62	229,031	2,680	-	Note 2
	SK Biomedical	Taiwan	Wholesale and retail sales	6,000	-	600	20	6,000	(133)	-	Note 2 and 7
	Asian Crown (BVI)	Fortune Kingdom	Samoa	Investment	1,132,789	1,132,789	11,594	100	11,672	299	-
Fortune Kingdom	HK Fubon Multimedia	Hong Kong	Investment	1,132,789	1,132,789	11,594	100	11,672	299	-	Note 2
Honest Development	HK Yue Numerous	Hong Kong	Investment	670,448	670,448	16,600	100	478,450	784	-	Note 2

Note 1: Downstream transactions, upstream transactions, and consolidated unrealized gain or loss, etc., 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: Acquired by momo in March 2024.

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2024

(In Thousands of New Taiwan Dollars)

Number	Company Name	Counterparty	Nature of Relationship (Note 1)	Transaction Details			
				Account	Amount	Transaction Terms (Note 2)	Percentage of Consolidated Total Operating Revenue or Total Assets
0	TWM	TFN	1	Notes and accounts receivable	\$ 22,027	-	-
		TPIA	1	Notes and accounts receivable	87,799	-	-
		momo	1	Notes and accounts receivable	236,004	-	-
		TFN	1	Other receivables	34,896	-	-
		TFNM	1	Other receivables	12,847	-	-
		momo	1	Other receivables	99,406	-	-
		TNH	1	Other non-current assets	19,968	-	-
		TFNM	1	Other non-current assets	24,078	-	-
		TCC	1	Short-term borrowings	302,000	-	-
		WMT	1	Short-term borrowings	4,430,000	-	2%
		TFN	1	Short-term borrowings	10,233,000	-	4%
		TFN	1	Notes and accounts payable	81,582	-	-
		TFNM	1	Notes and accounts payable	47,962	-	-
		momo	1	Notes and accounts payable	23,295	-	-
		TFN	1	Other payables	428,040	-	-
		TT&T	1	Other payables	93,479	-	-
		TDS	1	Other payables	18,487	-	-
		momo	1	Other payables	87,042	-	-
		TNH	1	Lease liabilities (current and non-current)	440,323	-	-
		TFN	1	Lease liabilities (current and non-current)	57,377	-	-
		YJCTV	1	Lease liabilities (current and non-current)	17,825	-	-
		TFN	1	Other current liabilities	25,809	-	-
		momo	1	Other current liabilities	43,912	-	-
		TFN	1	Operating revenue	33,637	-	-
		TPIA	1	Operating revenue	57,023	-	-
		momo	1	Operating revenue	625,162	-	1%
		TFN	1	Operating costs	1,306,815	-	3%
		TDS	1	Operating costs	16,508	-	-

Number	Company Name	Counterparty	Nature of Relationship (Note 1)	Transaction Details					
				Account	Amount	Transaction Terms (Note 2)	Percentage of Consolidated Total Operating Revenue or Total Assets		
0	TWM	TFNM	1	Operating costs	\$ 56,012	-	-		
		momo	1	Operating costs	68,630	-	-		
		TT&T	1	Operating expenses	279,663	-	1%		
		TFN	1	Other income and expenses, net	10,938	-	-		
		WMT	1	Finance costs	18,983	-	-		
		TFN	1	Finance costs	46,892	-	-		
1	TCC	TFC	1	Other receivables	71,535	-	-		
2	WMT	WTVB	1	Other receivables	252,085	-	-		
3	TNH	TWM	2	Operating revenue	35,160	-	-		
4	TFN	TFC	3	Notes and accounts receivable	25,667	-	-		
		TFNM	3	Notes and accounts receivable	33,357	-	-		
		TWM	2	Lease liabilities (current and non-current)	31,446	-	-		
		TFC	3	Operating revenue	37,369	-	-		
		TFNM	3	Operating revenue	52,700	-	-		
		momo	3	Operating revenue	10,338	-	-		
		TT&T	3	Operating expenses	24,958	-	-		
		5	TFNM	momo	3	Notes and accounts receivable	10,011	-	-
				YJCTV	1	Other receivables	45,209	-	-
				MCTV	1	Other receivables	20,542	-	-
				PCTV	1	Other receivables	66,255	-	-
				UCTV	1	Other receivables	35,389	-	-
				GCTV	1	Other receivables	23,122	-	-
				YJCTV	1	Short-term borrowings	100,000	-	-
PCTV	1			Short-term borrowings	450,000	-	-		
6	WTVB	UCTV	1	Short-term borrowings	300,000	-	-		
		GCTV	1	Short-term borrowings	250,000	-	-		
		WTVB	3	Notes and accounts payable	10,004	-	-		
		PCTV	1	Notes and accounts payable	10,696	-	-		
		TFN	3	Lease liabilities (current and non-current)	99,882	-	-		
		YJCTV	1	Operating revenue	99,504	-	-		
		PCTV	1	Operating revenue	128,886	-	-		
		UCTV	1	Operating revenue	53,764	-	-		
		GCTV	1	Operating revenue	46,917	-	-		
		momo	3	Operating revenue	10,009	-	-		
7	YJCTV	PCTV	1	Operating costs	10,483	-	-		
		TFN	3	Lease liabilities (current and non-current)	28,519	-	-		
8	momo	TFNM	2	Operating revenue	10,310	-	-		
		FSL	1	Notes and accounts payable	214,503	-	-		
		MFS	1	Notes and accounts payable	17,661	-	-		
		FSL	1	Operating costs	297,812	-	1%		

Number	Company Name	Counterparty	Nature of Relationship (Note 1)	Transaction Details			
				Account	Amount	Transaction Terms (Note 2)	Percentage of Consolidated Total Operating Revenue or Total Assets
8	momo	MFS	1	Operating costs	\$ 41,655	-	-
9	Bebe Poshe	momo	2	Operating revenue	10,574	-	-

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 adjusted and eliminated in full upon consolidation.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2024

(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	\$ 95,970 (USD 3,000)	b	\$ 155,852 (USD 4,872)	\$ -	\$ -	\$ 155,852 (USD 4,872)	\$ 103	100	\$ 103	\$ 84,108	\$ -	Note 2
FGE	Wholesaling	341,618 (RMB 77,500)	b	841,347 (USD 14,000) (RMB 89,267)	-	-	841,347 (USD 14,000) (RMB 89,267)	2	76.7	1	2,339	-	Note 3
Haobo	Investment	48,488 (RMB 11,000)	b	-	-	-	-	24	100	24	406,311	-	
GHS	Wholesaling	220,399 (RMB 50,000)	b	-	-	-	-	(2,138)	20	(965)	402,804	-	

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 4)
TWM and subsidiaries	\$ 1,686,186 (USD18,872, RMB89,267 and HKD168,539)	\$ 1,686,186 (USD18,872, RMB89,267 and HKD168,539)	\$ 58,197,487

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 liquidation process was still in progress.

Note 3: In October 2023, the Board of Directors resolved to liquidate the company. The legal procedures for cancellation were completed in April 2024, and the liquidation refund was still in progress.

Note 4: The upper limit on investment in mainland China is calculated by 60% of the consolidated net worth.

TABLE 9

TAIWAN MOBILE CO., LTD.
INFORMATION OF MAJOR STOCKHOLDERS
MARCH 31, 2024

Name of Major Stockholder	Shares	
	Number of Shares	Percentage of Ownership (%)
TUI	410,665,284	11.03
TCCI	200,496,761	5.38

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 (including treasury stocks) that have completed the dematerialized registration and delivery on the last business day of the quarter.