



Taiwan Mobile Co., Ltd.

2024 Annual General Shareholders' Meeting

Meeting Minutes (Translation)

June 21, 2024

Note to Readers:

If there is any discrepancy between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.

2024 AGM Meeting Minutes

- **Time:** 9:00 a.m., Friday, June 21, 2024
- **Place:** 6F, No. 88, Yanchang Rd., Xinyi Dist., Taipei City
(Taipei New Horizon Building)
- **Method of Convening the Meeting:** Hybrid (in-person and video conference)
Virtual Meeting URL: <https://stockservices.tdcc.com.tw>
- **Total outstanding shares of Taiwan Mobile** (excluding the shares with no voting rights stipulated in Article 179 of the Company Act): **3,024,510,210 shares**
- **Total shares represented by shareholders present** (including 2,641,395,729 shares represented by shareholders executing voting rights through e-voting): **2,657,401,305 shares**
- **Percentage of shares held by shareholders present: 87.86%**
- **Chairman: Daniel M. Tsai / Recorder: Annie Wu**
- **Directors present:** Daniel M. Tsai, Chairman of the Board of Directors
Richard M. Tsai*, Director
Frank Lin, Director
Jamie Lin, Director
Hsueh-Jen Sung, Independent Director
Char-Dir Chung, Independent Director
Hsi-Peng Lu, Independent Director
Tong Hai Tan, Independent Director
Drina Yue, Independent Director
(* Attended virtually)
- **Attendees:** Che-Hung Chen, Attorney, Chen and Lin Attorneys-at-Law
Pei-De Chen, CPA, Deloitte & Touche

The aggregate shareholding of the shareholders present constituted a quorum. The Chairman called the meeting to order.

- **Chairman's Address (omitted)**
- **Report Items**

1. The 2023 Business Report

The 2023 Business Report is attached hereto as Attachment I.

2. The 2023 Audit Committee Reports

The 2023 Audit Committee Report is attached hereto as Attachment II.

The Communication Between the Audit Committee and Internal Audit Chief Officer is attached hereto as Attachment III.

3. The Distribution of 2023 Employees' and Directors' Compensations

(1) Article 30-1 of the Company's Articles of Incorporation promulgate that if the Company has profits in a fiscal year, it shall set aside 1% to 3% of the profits as employee bonuses

and not more than 0.3% of the profits as director compensation.

- (2) The 2023 employees' and directors' compensations are NT\$405,977,365 and NT\$40,597,736 respectively, which were approved by the Board and the total amounts will be distributed in cash.

4. The Issuance of the Unsecured Corporate Straight Bond in 2023

- (1) To repay bank borrowings, support socially responsible investing plan and strengthen the Company's financial structure, the board resolved to issue the unsecured straight corporate bond of NT\$6.5bn. The issuance of the aforementioned straight bond was approved by the Taipei Exchange on May 15, 2023, with Authorization No. 11200038381. The straight bond has been listed on the Taipei Exchange since May 22, 2023.
- (2) The terms and the use of proceed from the bond issuance are attached hereto as Attachment IV.

5. The Report on the Merger with Taiwan Star Telecom Co., Ltd.

- (1) The board approved the merger with Taiwan Star Telecom Co., Ltd. (Taiwan Star) on December 30, 2021. The merger was approved by the National Communication Commission (NCC) on January 18, 2023, with Authorization No. 11100079040. The Fair Trade Commission (FTC) approved the merger under its No. 1670 committee on October 11, 2023. Approval was also granted by the Taiwan Stock Exchange on November 24, 2023, with Authorization No. 1121805629.
- (2) The merger's effective date is December 1, 2023. Taiwan Mobile is the surviving entity, while Taiwan Star is the dissolved entity. Approval for the amendment of corporate registration was granted by the Ministry of Economic Affairs with Authorization No. 11230242060 on December 29, 2023.

6. The Report on Related Party Transactions in 2023

Please refer to Attachment V for the report on related party transactions.

7. The Report on Sustainable Development

- (1) The Company adhered to our Net Zero 2050 strategy. Please refer to Attachment VI for details on our renewable energy usage and SBTi validation.
- (2) The Company advocated for biodiversity conservation and environmental harmony. Please refer to Attachment VI for the Taskforce on Nature-related Financial Disclosures Report.

● Proposed Resolutions

1. To approve the 2023 Business Report and Financial Statements

Taiwan Mobile's (The Company) financial statements were audited by certified public accountants, Pei-De Chen and Te-Chen Cheng, of Deloitte & Touche. The 2023 Business Report, CPA's audit report, and financial statements are attached hereto as Attachments I, VII, and VIII.

RESOLVED, the above proposal was accepted as submitted.

Voting Results:

| Number of shares represented at the time of voting | For | | Against | Invalid | Abstained |
|--|---------------|-------|-----------|---------|-------------|
| | Shares | % | | | |
| 2,657,401,305 | 2,548,984,532 | 95.92 | 1,158,866 | 0 | 107,257,907 |

2. To approve the proposal for the distribution of 2023 retained earnings

- (1) The Company's 2023 net income was NT\$12,274,109,034 (please see Attachment IX for the 2023 Earnings Distribution Proposal).
- (2) The cash dividend from retained earnings proposed by the Board is NT\$10,964,151,963. The Company received letters of agreement from TCC Investment Co., Ltd. (TCCI), TCCI Investment & Development Co., Ltd. (TID) and TFN Union Investment Co., Ltd. (TUI) forfeiting their share of dividends from the Company. Deducting 698,751,601 shares collectively owned by TCCI, TID and TUI from the total outstanding shares of 3,723,261,811, the share count entitled to receive dividends is 3,024,510,210, representing a cash dividend of NT\$3.6251 per share. It is proposed that the Chairman be authorized to set a record date for distribution and make relevant adjustments, if any, based on the total number of shares outstanding on the record date. Total amount of the cash dividend paid to each shareholder shall be rounded down to the nearest dollar and the remainder will be recognized as other revenue of the Company.

RESOLVED, the above proposal was accepted as submitted.

Voting Results:

| Number of shares represented at the time of voting | For | | Against | Invalid | Abstained |
|--|---------------|-------|---------|---------|-------------|
| | Shares | % | | | |
| 2,657,401,305 | 2,550,278,240 | 95.96 | 385,088 | 0 | 106,737,977 |

3. To approve the cash return from capital surplus

Cash return from capital surplus proposed by the Board is NT\$2,041,241,941. The Company received letters of agreement from TCC Investment Co., Ltd. (TCCI), TCCI Investment & Development Co., Ltd. (TID) and TFN Union Investment Co., Ltd. (TUI) forfeiting their share of cash return from the Company. Deducting 698,751,601 shares collectively owned by TCCI, TID and TUI from the total outstanding shares of 3,723,261,811, the share count entitled to receive cash return is 3,024,510,210, representing a cash distribution of NT\$0.6749 per share. It is proposed that the Chairman be authorized to set a record date for distribution and make relevant adjustments, if any, based on the total number of shares outstanding on the record date. Total amount of the cash return paid to each shareholder shall be rounded down to the nearest dollar and the remainder will be recognized as other revenue of the Company.

RESOLVED, the above proposal was accepted as submitted.

Voting Results:

| Number of shares represented at the time of voting | For | | Against | Invalid | Abstained |
|--|---------------|-------|---------|---------|-------------|
| | Shares | % | | | |
| 2,657,401,305 | 2,529,100,099 | 95.17 | 351,684 | 0 | 127,949,522 |

4. To approve revisions to the Articles of Incorporation

To meet the needs for our operation, the Company proposed revisions to Article 2 of the Articles of Incorporation. Please refer to Attachment X for articles and amendments.

RESOLVED, the above proposal was accepted as submitted.

Voting Results:

| Number of shares represented at the time of voting | For | | Against | Invalid | Abstained |
|--|---------------|-------|---------|---------|-------------|
| | Shares | % | | | |
| 2,657,401,305 | 2,529,068,718 | 95.17 | 368,156 | 0 | 127,964,431 |

5. To by-elect two board directors (including one independent director) for the tenth term

(1) The Company's tenth term of the Board of Directors, elected at the 2023 AGM, comprises a total of nine Directors, five of whom are Independent Directors. The tenure of office of the directors is three years, commencing from June 13, 2023, to June 12, 2026.

(2) In response to the resignations of independent director, Mr. Hsueh-Jen Sung, and juristic-person director of Fu-Chi Investment Co., Ltd. on June 22, 2024, two new board directors (including one independent director) who will hold office from June 22, 2024 to June 12, 2026, shall be by-elected at the 2024 AGM.

Please see the candidate list of directors below and refer to Attachment XI for the Rules for Election of the Directors.

| Director Candidates | | | | |
|---|---|---|---|-------------------------------|
| Name | Education | Experience | Current Major Position | Current Shareholding (Shares) |
| Ting An Development Co., Ltd. Representative: Frank Lin | <ul style="list-style-type: none"> - EMBA, Taiwan University and, Fudan University - Bachelor of Accounting, Soochow University | <ul style="list-style-type: none"> - Chief Secretary, Ting Hsin International Group - Chairman, Taiwan Star Telecom Co., Ltd. - Chief Financial Officer, Vice President and Executive Director, Master Kong Holdings Co., Ltd. - Finance Department Associate/Chief Accountant, General Food, Taiwan and Guangzhou - Manager, Accounting Department/ Administration Department, Taiwan Nestle Co., Ltd. - Vice Manager, Audit Department, Oriental Union Chemical Corporation - Head, Accounting Section, Dadechang Petrochemical Co., Ltd | <ul style="list-style-type: none"> - Director, Wei Chuan Foods Co., Ltd. - Director, Vigorkobo Co., Ltd. - Chairman, Hexun Investment Co., Ltd. - Chairman, HeYang Investment Co., Ltd. - Chairman, Konzen Co., Ltd. - Chairman, Kangqing Co., Ltd. - Chairman, Kangchao Co., Ltd. - Chairman, Nice Triumph Investment Ltd. - Chairman, Kangfa Investment Ltd. | 130,992,705 |

Independent Director Candidates

| Name | Education | Experience | Current Positions | Current Shareholding (Shares) |
|-----------|---|--|---|-------------------------------|
| Casey Lai | <ul style="list-style-type: none"> - MBA, National Taiwan University - Master of Laws, Graduate School of Law, SooChow University - MBA, Graduate School of Accounting, SooChow University - BA, National Taipei University | <ul style="list-style-type: none"> - Chief Executive Officer, Chairman, Reputation and Risk Leader, Financial Advisory Business Leader, Financial Industry Leader, Audit & Assurance Business Leader, Deloitte & Touche Taiwan - Adjunct Assistant Professor, National Taiwan University - Adjunct Visiting Professor, SooChow University - Adjunct Lecturer with National Chengchi University, Tamkang University, and Jin-Wen University of Science and Technology | <ul style="list-style-type: none"> - Managing Partner, LaiYuan CPA Co. - Independent Director, Ruentex Interior Design Inc. - Director, TriHealth Enterprise Co., Ltd. - Supervisor, LaiYuan Enterprise Co., Ltd. | 0 |

Election Results: two directors (including one independent directors) for the tenth term by-elected by the shareholders present are listed as follows:

| Title | Shareholder account # or ROC ID # | Name | Votes Received |
|----------------------|-----------------------------------|--|----------------|
| Director | 314068 | Fu-Chi Investment Co., Ltd. Representative: Frank Lin | 1,521,724,428 |
| Independent Director | R12106**** | Casey Lai | 1,651,024,370 |

6. To approve the removal of the non-competition restrictions on the Board of Directors

- (1) According to Article 209 of the Company Act, a Director, who acts for himself or on behalf of another person that is within the scope of the Company's business, shall clarify the essential content of his act to the Meeting of shareholders and secure its approval.
- (2) Vote on the removal of the non-competition restrictions on the Board of Directors that operate or invest in a business with the same business scope as the Company until the end of their term of office.

| Name | Current position(s) in other companies | Title |
|----------------|---|----------|
| Hsueh-Jen Sung | Director, United Integrated Services Co., Ltd | Director |
| Frank Lin | Director, Wei Chuan Foods Corp. | Director |
| Casey Lai | Director, TriHealth Enterprise Co., Ltd | Director |

- (3) According to Article 178 of the Company Act, a shareholder, who has a conflict of interest with a proposed resolution, shall recuse himself from voting or from exercising the voting rights of other shareholders in the AGM.

RESOLVED, the above proposal was accepted as submitted.

Voting Results (Number of shares represented at the time of voting excluded the shares with no voting rights due to a conflict of interest stipulated in Article 178 of the Company Act):

| Name | Number of shares represented at the time of voting | For | | Against | Invalid | Abstained |
|----------------|--|---------------|-------|-----------|---------|-------------|
| | | Shares | % | | | |
| Hsueh-Jen Sung | 2,657,401,305 | 2,335,735,793 | 87.89 | 2,136,170 | 0 | 319,529,342 |
| Frank Lin | 2,526,408,600 | 2,144,105,666 | 84.86 | 3,592,080 | 0 | 378,710,854 |
| Casey Lai | 2,657,401,305 | 2,335,588,481 | 87.88 | 2,278,383 | 0 | 319,534,441 |

● **Shareholders' inquiries and the Company's responses:**

- Shareholder's inquiry (shareholder account #325118, #314560): Questions regarding the countermeasures for the 3G network shut down, how to maintain competitive edge in the consolidated market, post-merger service quality and rate plans, personal data security and 6G viability.

The Chairman and President's response:

- Taiwan Mobile offers three ways to help our customers smoothly transition from 3G to 4G, including providing appealing rate plans for 3G customers to upgrade their phones at no expense.
 - By leveraging our three core strategies—Sustainable Growth Foundation, Telco+, and Telco+Tech—we will leverage the strengths of our telecom business to grow our other businesses.
 - After the merger, T Star users experienced better signal and faster network speed. We also honor T star users' existing contracts.
 - As a licensed business regulated by National Communications Commission (NCC) and Ministry of Digital Affairs (moda), we strictly adhere to legal regulations and do not illegally collect or disclose customers' personal information.
 - Currently, 5G remains the primary focus for the next several years, and our company will continue to watch out for the development of 6G standards.
- Shareholder's inquiry (shareholder account #67428, #137674, #293417, #314560): Questions regarding ESG-related issues such as Company's implementation of sustainability taxonomy assessment, target and achievement ratio for renewable energy usage, and challenges faced in green energy development and transitioning to net-zero.

The President's response:

- Although the sustainable taxonomy does not yet cover the telecommunications industry, our company has voluntarily disclosed relevant information since 2022 and will publish 2023 data in August 2024.
- Regarding renewable energy, our usage rate exceeded 6% in 2023, surpassing the 5% target. We aim to achieve 100% green electricity usage in our IDC centers by the end of 2024.

- (3) The primary challenge in attaining net-zero emissions lies in securing an adequate supply of green electricity. Therefore, we plan to invest in green electricity infrastructure to support our efforts in meeting this goal.
3. Shareholder's inquiry (shareholder account #130034, #225830, #293417, #314560, #325118): Questions regarding the issuance of corporate bonds, financial statements (including intangible assets, inventory, and EPS excluding one-off gains), the impact on profitability from the merger with T Star, and the possibility to increase dividend distribution.

The Chairman and CFO's response:

- (1) The issuance of corporate bonds for the year 2023 was reported to the shareholders' meeting in accordance with the Company Act.
- (2) The YoY changes in related numbers and ratios in 2023 financial statements was a result from the merger with T Star on December 1, 2023, which increased assets and equity but only included one month of profit and loss.
- (3) In our balance sheet, more than half of the inventories belong to our subsidiary, momo. Given the rapid revenue growth of momo in recent years, the increase in inventories appears reasonable.
- (4) Excluding one-off gains on the disposal of Taiwan Kuro Times Co., Ltd., EPS still increased in 2023. In the first quarter of 2024, telecom service revenue and consolidated revenue rose by 25% and 12% respectively, suggesting higher-than-expected merger synergies.
- (5) The dividend amount was a carefully considered decision by the board and the management team.

Special Motions

None

Meeting Adjourned (Time: 10:41 a.m.)

In compliance with Article 183, Paragraph 4 of the Company Act, the meeting minutes hereby summarizes the main content and pertinent voting results of the Annual General Shareholders' Meeting.

ATTACHMENTS



Business Report

Dear Shareholders,

Taiwan Mobile (“TWM”, or “the Company”) and Taiwan Star officially merged on December 1, 2023. The newly formed “5G Team Taiwan” offers its more than 10 million users a maximum bandwidth of 100MHz across the coveted 3.5GHz golden frequency band, in addition to the lower frequency band of 700MHz, delivering unparalleled internet services while introducing a variety of unique bundles to give users the most valuable choices. Environmental sustainability is one of our missions, and the integration of the two companies’ base station infrastructure has led to a tangible reduction in power consumption, contributing to carbon reduction and delivering a positive impact on society.

As the telecommunications industry moves toward a new realm of competition centered around meaningful value creation, we will accelerate the development of “Telco+Tech” businesses to propel our technology and telecom flagship forward. Concurrently, we are committed to implementing world-class corporate governance standards internally, while balancing shareholder interests and customer satisfaction externally. With sustainability at its core, the Company aspires to serve as a beacon of corporate social responsibility.

2023 operating and financial results

Propelled by solid momentum from our three growth engines – 5G, e-commerce and home broadband – our mobile business benefited from the release of the iPhone 15 series and our unique bundles. 5G postpaid penetration steadily increased, driving our smartphone postpaid ARPU and mobile service revenue to new highs.

In 2023, along with revenue contribution from Taiwan Star in December, TWM reported consolidated revenue of NT\$183.3 billion, a 6% YoY growth, EBITDA of NT\$35.8 billion, operating income of NT\$17.5 billion, a 4% YoY growth. Net income hit a four-year record-high of NT\$12.3 billion, with EPS of NT\$4.33, boosted by one-time gains on disposals of investments recorded at the end of the year.

New business roadmap and group resources integration

TWM has been expanding its 5G ecosystem and new business roadmap through strategic

investments in multiple fields. The Company continues to partner with the top e-commerce platform, momo, through its unique bundle “momobile” steadily enlarging its business ecosystem. Its “Double Play” footprint has grown to cover over 80% of households in Taiwan, allowing more users to enjoy its stable mobile and broadband services. In addition, its "OP Life" provides a one-stop shop that allows customers to enjoy state-of-the-art home theater experiences through seamlessly integrated bundles of TVs, routers, speakers, and set-top boxes, along with TWM’s unique services. Gaming is another fast-growing business. In addition to the enduring popularity of "League of Legends", TWM launched the mobile version of “Teamfight Tactics” to break platform restrictions and meet gameplay needs on different devices.

On the enterprise front, in response to businesses’ investment focus and government incentive policies, TWM, leveraging its “Telco+Tech” advantages, has developed enterprise cybersecurity services and enterprise-exclusive generative AI services. The Company has also expanded the industrial ecosystem to develop 5G, IoT, cloud and ESG solutions, working with partners to facilitate digital transformation across industries.

Innovative applications and research results

TWM has poured in a lot of resources into research and development. In 2023, our information, data research and technology units obtained 14 patents, including systems and methods for diagnosing telecom network equipment, geographical modeling of user activity, and detecting and suppressing mobile network interference. The Company has also proactively invested in efforts to combat fraud, leading its peers in developing two powerful tools – the "Anti-fraud Service" and "Number Masking Service" that connect five major stakeholders (government agencies, law enforcement units, public associations, businesses and consumers) to build a secure e-commerce ecosystem. In addition, leveraging its telecom tech expertise, TWM has created a digital transformation solutions package – “OPBiz” for small businesses and micro merchants to help accelerate small- and medium-sized enterprises’ (SME) digital transformation, enhance their competitiveness and expand their operational scale.

World-class corporate governance

Taiwan Mobile has striven to be a role model in corporate sustainability and is the first telecommunications company to promote the “Sustainability Development Committee” to the level of board of directors, enhancing the height and breadth of the Company's sustainable governance. The Company once again received numerous commendations for its efforts in the past year. Recognized by the international verification institution SGS, we were honored with the Carbon Management Award – one of the only 10 companies in Taiwan to receive this recognition; for six

consecutive years, we have been listed in the "Taiwan Sustainability Index".

Additionally, the Company was included in the Dow Jones Sustainability Indices (DJSI) Emerging Markets Index for the 12th consecutive year and in the DJSI World Index for the seventh time, ranking top three among the world's telecommunications enterprises. For nine years in a row, we have been among the top 5 percent listed companies commended for good corporate governance. Lastly, TWM was awarded a Silver Class award in S&P Global's "ESG Yearbook 2023".

Corporate social responsibility

As a leading telecom operator, it is our duty not only to continue to pursue solid operational and financial performances, but also to take into account social inclusion, environmental awareness and sustainable development. In 2023, Taiwan Mobile was the first telecom company in Asia to have its 1.5°C-aligned science-based targets to reach net zero emissions by 2050 validated by the Science-Based Targets initiative (SBTi), and to commit to 100% renewable energy use by 2040. It also published the Company's first Task Force on Climate-Related Financial Disclosures (TCFD) report. Our efforts were recognized by different organizations in Taiwan, as we earned our 2nd Global Views Monthly magazine's ESG Awards "Annual Honor Roll", and won 1st place in the Human Resources Development category and a Model Award in the Education Promotion category in 2023. We were also honored with our 16th Excellence in Corporate Social Responsibility Award from Commonwealth Magazine. The Company earned further distinction by receiving seven awards at the 2023 Taiwan Corporate Sustainability Awards (TCSA), and won "The Most Prestigious Sustainability Awards – Top 10 Sustainable Taiwanese Service Businesses Award" for the 9th time.

Valuing shareholders' interests and customer satisfaction

Industry consolidation should lead to a healthier market. An expanded user base and synergies unlocked from TWM's and Taiwan Star's merger should propel profit growth, generate stable free cash flow, increase financial flexibility and improve shareholder returns. We completed our 3G network consolidation and 4G 2100MHz capacity expansion on the day of the merger, which should enhance user experience, including a 10% jump in 4G network speed for existing users. With a multi-operator core network (MOCN) in place, we will provide integrated 5G services as we consolidate 4G base stations. Over time, we expect to provide our users with a wider coverage and higher speeds in 4G+5G networks and gradually realize the cost-saving synergies from network consolidation.

Outlook

"5G Team Taiwan" will focus on creating value as its core mission. From the perspective of the

telecommunications industry, we will connect our core expertise with sustainable thinking, addressing ESG concerns and contributing to positive social change. Environmental sustainability will always be part of our mission. With the advent of 5G, TWM will leverage and integrate the group's resources and services, including finance, telecommunications, digital and retail, while also expanding outward, laying down new milestones, and outlining a blueprint for a better future for users, employees, shareholders and all stakeholders.

Daniel M. Tsai

Chairperson

 Taiwan Mobile Co., Ltd.

Audit Committee Report

February 21, 2024

The Board of Directors of Taiwan Mobile Co., Ltd. (TWM) has submitted the Company's 2023 business report, financial statements and proposal for distribution of the 2023 earnings to the Audit Committee. The CPA firm, Deloitte & Touche, was retained by the Board to audit TWM's financial statements and has issued an audit report relating to the financial statements. The business report, financial statements and proposal have been reviewed and determined to be correct and accurate by the Audit Committee of TWM. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Taiwan Mobile Co., Ltd.



Hsueh-Jen Sung

Chairman of the Audit Committee

**Communication between the Audit Committee
and the Internal Audit Chief Officer**

■ **Regular :**

- The audit chief officer reports the audit matters to the independent directors individually every quarter.

■ **Ad hoc :**

- The committee chairman will arrange a discuss about audit matters with the audit chief officer and audit personnel.
- When instructions are given by independent directors during Audit Committee meeting, the audit chief officer must submit a report regarding actions taken afterwards.



The Issuance of the Unsecured Corporate Straight Bond

Issuance Terms:

| Issuance | | Unsecured Corporate Straight Bond |
|--|---|--|
| Issue date | | May 22, 2023 |
| Denomination | | NT\$10,000,000 |
| Issuance and listing | | Not applicable |
| Issue price | | 100% of par value |
| Total amount | | NT\$6,500,000,000 |
| Coupon | | Fixed rate at 1.537% per annum |
| Term | | 5 years, maturing on May 22, 2028 |
| Guarantor | | None |
| Trustee | | Bank of Taiwan |
| Underwriter | | KGI Securities Co., Ltd. |
| Legal counsel | | Ariel Hwang, Attorney |
| Auditor | | Pei-De Chen, CPA, Te-Chen Cheng, CPA Deloitte & Touche |
| Repayment | | 100% of the principal at maturity dates |
| Outstanding balance | | NT\$6,500,000,000 |
| Early repayment clause | | None |
| Covenants | | None |
| Credit rating agency, rating date, company credit rating | | None |
| Ancillary rights | Amount converted/exchanged into common shares, ADRs or other securities | Not applicable |
| | Rules governing issuance or conversion (exchanged or subscribed) | Not applicable |
| Dilution and other effects on shareholders' equity | | Not applicable |
| Custodian | | Not applicable |

In accordance with the Company's plan, the proceeds from the NT\$6.5bn bond issuance were used to repay borrowings disclosed in the social bond framework on May 22, 2023.



The Report on Related Party Transactions in 2023

Unit: NT\$ thousand

| Acquisition /Disposal | Subject | Counterparty | Date of announcement | Monetary Amount | Term | Purpose | Restriction/ Others |
|-----------------------|---------------------------|--|----------------------|-----------------|------------------|----------------------|---------------------|
| Acquisition | TWM Venture common shares | TWM Venture | 2023/02/24 | 3,100,000 | Cash payment | Strategic investment | None |
| Acquisition | Right-of-use Asset | Fubon Insurance Co., Ltd. | 2023/02/24 | 429 | Payable annually | Operational premise | None |
| Acquisition | Right-of-use Asset | Fubon Real Estate Management Co., Ltd. | 2023/02/24 | 1,813 | Payable annually | Operational premise | None |
| Acquisition | Right-of-use Asset | Taipei New Horizon Management Agency | 2023/02/24 | 5,753 | Payable monthly | Operational premise | None |
| Acquisition | Right-of-use Asset | Fubon Life Insurance Co., Ltd. | 2023/02/24 | 1,837 | Payable monthly | Operational premise | None |
| Acquisition | Right-of-use Asset | Union Cable TV Co., Ltd. | 2023/03/01 | 836 | Payable monthly | Operational premise | None |
| Acquisition | Right-of-use Asset | Taiwan Fixed Network Co., Ltd. | 2023/03/20 | 208 | Payable monthly | Operational premise | None |
| Acquisition | Right-of-use Asset | Taiwan Fixed Network Co., Ltd. | 2023/03/22 | 509 | Payable monthly | Operational premise | None |
| Acquisition | Right-of-use Asset | Taiwan Fixed Network Co., Ltd. | 2023/03/22 | 45 | Payable monthly | Operational premise | None |
| Acquisition | Right-of-use Asset | Fubon Life Insurance Co., Ltd. | 2023/05/03 | 104 | Payable annually | Operational premise | None |
| Acquisition | Right-of-use Asset | Taipei Fubon Commercial Bank Co., Ltd. | 2023/05/03 | 109 | Payable annually | Operational premise | None |
| Acquisition | Right-of-use Asset | Fubon Insurance Co., Ltd. | 2023/05/03 | 156 | Payable annually | Operational premise | None |
| Acquisition | Right-of-use Asset | Fubon Life Insurance Co., Ltd. | 2023/05/03 | 1,956 | Payable annually | Operational premise | None |
| Acquisition | Right-of-use Asset | Taipei New Horizon Co., Ltd. | 2023/06/01 | 18,853 | Payable monthly | Operational premise | None |
| Disposal | Right-of-use Asset | Taiwan Fixed Network Co., Ltd. | 2023/06/30 | 219 | Payable monthly | Operational premise | None |
| Acquisition | Right-of-use Asset | Taipei Fubon Commercial Bank Co., Ltd. | 2023/08/04 | 1,946 | Payable annually | Operational premise | None |
| Disposal | Right-of-use Asset | Taiwan Fixed Network Co., | 2023/08/10 | 353 | Payable | Operational | None |

| Acquisition /Disposal | Subject | Counterparty | Date of announcement | Monetary Amount | Term | Purpose | Restriction/ Others |
|-----------------------|--------------------|--------------------------------------|----------------------|-----------------|-----------------|---------------------|---------------------|
| | | Ltd. | | | monthly | premise | |
| Acquisition | Right-of-use Asset | Fubon Insurance Co., Ltd. | 2023/11/14 | 376 | Payable monthly | Operational premise | None |
| Acquisition | Right-of-use Asset | Taipei New Horizon Management Agency | 2023/11/14 | 4,247 | Payable monthly | Operational premise | None |
| Acquisition | Right-of-use Asset | Fubon Life Insurance Co., Ltd. | 2023/11/14 | 584 | Payable monthly | Operational premise | None |
| Disposal | Right-of-use Asset | Taiwan Fixed Network Co., Ltd. | 2023/11/20 | 187 | Payable monthly | Operational premise | None |
| Acquisition | Right-of-use Asset | Taipei New Horizon Co., Ltd. | 2023/12/28 | 609 | Payable monthly | Operational premise | None |

Note 1: For detailed information, please refer to the content of the announcement on the Market Observation Post System (MOPS).

Note 2: The transaction monetary amount refers to the value of the right-of-use asset.

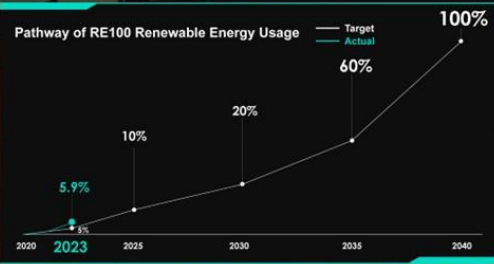
Taiwan Mobile's Achievements Towards Net Zero by 2050

RE100 2040

Commit to 100% usage of Renewable Energy

Exceeded the Renewable Energy Usage Rate Target for 2023

- The company's use of renewable energy is approximately 36 million kWh, out of a total electricity consumption of 614 million kWh.
- The proportion of renewable energy is approximately 5.9%, exceeding the target of 5%



Net Zero 2050

Commit to Net Zero Emissions

First Telco to Attain SBTi-Validated Net Zero Goals in Asia

- Scope1 & 2 : Aim for a 42% decrease in greenhouse gas emissions compared to 2022 levels by 2030.
- Scope3 : Aim for a 25% reduction in carbon emissions compared to 2020 levels by 2030.



Taiwan Mobile's Commitments to Biodiversity Conservation and Environmental Harmony

Declaration on Biodiversity Conservation and Zero Deforestation

- Pledging to achieve "Net Positive Impact" on biodiversity and "No Gross Deforestation" by 2050
- In 2023, green procurement amounted to NT\$ 23 billion, with a significant portion dedicated to sustained procurement of FSC-certified paper, reducing the impact on forests.



Release the first TNFD Report (The Taskforce on Nature-related Financial Disclosures)



Promote the "Hynobius" Conservation Program



Promote the "AI Ocean-Marine Life Database" Project (Search #AIOcean)



Taiwan Mobile Co., Ltd.

The 2023 Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Taiwan Mobile Co., Ltd. and its subsidiaries (collectively, the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China (ROC).

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the ROC. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the ROC, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The descriptions of the key audit matters of the 2023 consolidated financial statements are as follows:

Telecommunications and Value-added Services Revenue

The description of key audit matter:

One of the operating revenue sources of the Group is the telecommunications and value-added services revenue. The Group offers more different monthly-fee plans and diversifies the business by innovating value-added services since the telecommunication industry becomes more competitive nowadays. The competitive telecommunication industry and complicated calculations for revenue recognition, which highly relies on automatic and systematic connection and implementation, lead the telecommunications and value-added services revenue to be considered as one of the key audit matters.

Corresponding audit procedures:

By conducting compliance tests, we obtained an understanding of the telecommunication revenue recognition process and of the design and execution for relevant controls. We also performed major audit procedures which are as follows:

1. Review the contracts of mobile subscribers to ensure the accuracy of information in the accounting system.
2. Perform dialing tests to verify the completeness of the information in the telephone exchange system.
3. Perform system integration tests from telephone-exchange to telephone traffic.
4. Test for the accuracy of call record charge rates and billing calculations.
5. Verify the accuracy of the billing amounts generated from monthly rentals as well as airtime accounting systems and the transfer to the accounting information system.
6. Select the samples from telecommunications and value-added services revenue and agree to the contracts, bills and records of cash receipts.

Sales Revenue

The description of key audit matter:

The Group's another source of operating revenue is generated from the sales through virtual channels, including E-commerce portals, multimedia business and catalogues by momo.com Inc. (momo). Due to the nature of momo's core sales, momo offers a wide range of products and services to different customers; the trading quantity is rather high while each transaction is individually low in value and is highly automated through the website and related system. As a result of momo's business model being highly reliant on IT infrastructure and the fact that momo processes, stores and transmits large amounts of data through digital and web-based environment, the risk in revenue recognition is whether the sales amount is transmitted and recorded accurately to the IT system.

Corresponding audit procedures:

By conducting compliance tests, we obtained an understanding of the revenue recognition process and of the design and execution for relevant controls. We also performed major audit procedures which are as follows:

1. Verify the details of invoices in the system to check if the sales amount of each invoice is consistent with its shipping notice and sales order.
2. Confirm the completeness and consistency of transmission through IT system by testing the information transferred from front-end system to general ledger system, and further perform tests on whether the Daily Sales Report in the system is consistent with journal entries of revenue each day.

The Identification and Valuation of Intangible Assets from Merger with Taiwan Star Telecom Corporation Limited (TST)

The description of key audit matter:

Taiwan Mobile Co., Ltd. has completed the acquisition of TST through the issuance of new shares on December 1, 2023. The intangible assets arising from the acquisition, primarily consisting of concessions of \$20,506,689 thousand, goodwill of \$17,498,979 thousand, and customer relationships of \$955,776 thousand, were significant to the accompanying consolidated financial statements. In accordance with International Financial Reporting Standards (IFRS), the management has recognized the acquisition cost and fair value of identifiable net assets. Due to the management's involvement in making significant judgments related to consideration received during the transaction, determining the fair value of net assets and purchase price allocation, these assessments are deemed significant for 2023, leading the identification and valuation of intangible assets to be considered as one of the key audit matters.

Corresponding audit procedures:

1. We evaluated the professional competency and objectivity of the external appraisers engaged by the management in the process of identifying and valuing intangible assets.
2. We assessed the reasonableness of the management's assumptions in the process of identification and valuation of intangible assets, including the valuation model used, the factors applied, the categories of intangible assets identified, and the related economic benefit lives estimated in the valuation report.
3. We tested the accuracy of the amortization expenses recognized for those identified intangible assets and confirmed the disclosures regarding the acquisition in accordance with IFRS in the consolidated financial statements.

Other Matter

We have also audited the parent company only financial statements of Taiwan Mobile Co., Ltd. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for 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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the FSC of the ROC, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease its operations, or has no realistic alternative but to do so.

Those charged with governance (including the audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the ROC will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the ROC, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists and is related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 21, 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 Taiwan, the Republic of China (ROC) and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the ROC.

For the convenience of readers, the independent auditors' 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' report and consolidated financial statements shall prevail.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

| ASSETS | December 31, 2023 | | December 31, 2022 | | LIABILITIES AND EQUITY | December 31, 2023 | | December 31, 2022 | |
|--|-----------------------|------------|-----------------------|------------|--|-----------------------|------------|-----------------------|------------|
| | Amount | % | Amount | % | | Amount | % | Amount | % |
| CURRENT ASSETS | | | | | CURRENT LIABILITIES | | | | |
| Cash and cash equivalents (Notes 6 and 31) | \$ 13,244,266 | 5 | \$ 14,934,740 | 8 | Short-term borrowings (Note 17) | \$ 18,460,000 | 8 | \$ 20,550,000 | 11 |
| Financial assets at fair value through profit or loss | 11,283 | - | - | - | Short-term notes and bills payable (Note 17) | 12,876,257 | 5 | 3,092,395 | 2 |
| Financial assets at fair value through other comprehensive income (Note 7) | 261,445 | - | 249,824 | - | Contract liabilities (Note 22) | 2,608,499 | 1 | 2,079,999 | 1 |
| Financial assets at amortized cost | 151,144 | - | - | - | Notes payable | 232,394 | - | 520,769 | - |
| Contract assets (Note 22) | 6,100,164 | 3 | 5,092,822 | 3 | Accounts payable | 13,245,827 | 5 | 13,326,938 | 7 |
| Notes and accounts receivable, net (Note 8) | 9,128,414 | 4 | 7,711,033 | 4 | Notes and accounts payable due to related parties (Note 31) | 131,492 | - | 133,150 | - |
| Notes and accounts receivable due from related parties (Note 31) | 589,232 | - | 576,760 | - | Other payables (Note 31) | 11,943,612 | 5 | 10,373,509 | 5 |
| Other receivables (Note 31) | 4,464,950 | 2 | 3,359,268 | 2 | Current tax liabilities | 2,274,634 | 1 | 2,537,557 | 1 |
| Inventories (Note 9) | 8,193,068 | 4 | 8,101,340 | 4 | Provisions (Note 19) | 461,400 | - | 80,467 | - |
| Prepayments (Note 31) | 1,030,527 | - | 572,104 | - | Lease liabilities (Notes 13, 28 and 31) | 5,785,690 | 2 | 3,693,801 | 2 |
| Disposal groups held for sale | 3,082 | - | - | - | Advance receipts | 94,817 | - | 164,474 | - |
| Other financial assets (Notes 31 and 32) | 786,371 | - | 646,289 | - | Long-term liabilities, current portion (Notes 17 and 18) | 3,713,406 | 2 | 9,772,757 | 5 |
| Other current assets | 194,218 | - | 194,920 | - | Other current liabilities (Note 31) | 3,900,314 | 2 | 3,242,300 | 2 |
| Total current assets | 44,158,164 | 18 | 41,439,100 | 21 | Total current liabilities | 75,728,342 | 31 | 69,568,116 | 36 |
| NON-CURRENT ASSETS | | | | | NON-CURRENT LIABILITIES | | | | |
| Financial assets at fair value through profit or loss | 1,821,715 | 1 | 1,181,015 | - | Contract liabilities (Note 22) | 409,315 | - | 97,845 | - |
| Financial assets at fair value through other comprehensive income (Note 7) | 5,530,350 | 2 | 4,786,843 | 3 | Bonds payable (Note 18) | 37,980,333 | 16 | 31,481,943 | 16 |
| Financial assets at amortized cost | 236,697 | - | - | - | Long-term borrowings (Note 17) | 20,118,833 | 8 | 6,282,531 | 3 |
| Contract assets (Note 22) | 5,811,221 | 2 | 5,397,742 | 3 | Provisions (Note 19) | 1,486,571 | 1 | 1,440,590 | 1 |
| Investments accounted for using equity method (Notes 10 and 31) | 1,793,865 | 1 | 1,794,033 | 1 | Deferred tax liabilities (Note 24) | 1,393,052 | - | 1,278,223 | 1 |
| Property, plant and equipment (Notes 12 and 32) | 50,676,171 | 21 | 44,247,993 | 23 | Lease liabilities (Notes 13, 28 and 31) | 7,978,053 | 3 | 6,155,641 | 3 |
| Right-of-use assets (Notes 13 and 31) | 13,746,288 | 6 | 9,784,277 | 5 | Net defined benefit liabilities (Note 20) | 58,013 | - | 108,631 | - |
| Investment properties (Note 14) | 2,182,504 | 1 | 2,734,429 | 2 | Guarantee deposits | 1,425,121 | 1 | 1,310,619 | 1 |
| Concessions (Notes 15 and 32) | 72,238,167 | 30 | 56,178,122 | 29 | Other non-current liabilities | 3,002,574 | 1 | 2,496,747 | 1 |
| Goodwill (Note 15) | 33,228,022 | 14 | 15,819,108 | 8 | Total non-current liabilities | 73,851,865 | 30 | 50,652,770 | 26 |
| Other intangible assets (Note 15) | 5,947,084 | 2 | 4,874,135 | 3 | Total liabilities | 149,580,207 | 61 | 120,220,886 | 62 |
| Deferred tax assets (Note 24) | 730,251 | - | 575,978 | - | EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 21) | | | | |
| Incremental costs of obtaining a contract (Note 22) | 2,492,742 | 1 | 1,913,755 | 1 | Common stock | 37,232,618 | 15 | 35,192,336 | 18 |
| Other financial assets (Notes 31 and 32) | 427,014 | - | 373,125 | - | Capital surplus | 31,302,785 | 13 | 15,326,778 | 8 |
| Other non-current assets (Notes 16 and 31) | 1,944,106 | 1 | 1,972,011 | 1 | Retained earnings | | | | |
| Total non-current assets | 198,806,197 | 82 | 151,632,566 | 79 | Legal reserve | 33,498,727 | 14 | 32,603,345 | 17 |
| | | | | | Special reserve | - | - | 1,823,415 | 1 |
| | | | | | Unappropriated earnings | 12,182,646 | 5 | 8,954,012 | 5 |
| | | | | | Other equity interests | 324,116 | - | 288,214 | - |
| | | | | | Treasury stock | (29,717,344) | (12) | (29,717,344) | (15) |
| | | | | | Total equity attributable to owners of the Corporation | 84,823,548 | 35 | 64,470,756 | 34 |
| | | | | | NON-CONTROLLING INTERESTS | | | | |
| | | | | | | 8,560,606 | 4 | 8,380,024 | 4 |
| | | | | | Total equity | 93,384,154 | 39 | 72,850,780 | 38 |
| TOTAL | \$ 242,964,361 | 100 | \$ 193,071,666 | 100 | TOTAL | \$ 242,964,361 | 100 | \$ 193,071,666 | 100 |

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

| | 2023 | | 2022 | |
|--|----------------|-----|----------------|-----|
| | Amount | % | Amount | % |
| OPERATING REVENUES (Notes 22, 31 and 38) | \$ 183,347,825 | 100 | \$ 172,206,112 | 100 |
| OPERATING COSTS (Notes 9, 31, 35 and 38) | 148,585,572 | 81 | 138,980,890 | 81 |
| GROSS PROFIT FROM OPERATIONS | 34,762,253 | 19 | 33,225,222 | 19 |
| OPERATING EXPENSES (Notes 31, 35 and 38) | | | | |
| Marketing | 10,922,321 | 6 | 10,434,740 | 6 |
| Administrative | 6,382,548 | 4 | 6,059,250 | 4 |
| Research and development | 511,574 | - | 391,273 | - |
| Expected credit loss | 269,969 | - | 258,214 | - |
| Total operating expenses | 18,086,412 | 10 | 17,143,477 | 10 |
| OTHER INCOME AND EXPENSES, NET (Note 31) | 868,863 | 1 | 810,994 | 1 |
| OPERATING INCOME (Note 38) | 17,544,704 | 10 | 16,892,739 | 10 |
| NON-OPERATING INCOME AND EXPENSES | | | | |
| Interest income (Note 31) | 228,425 | - | 110,440 | - |
| Other income | 36,018 | - | 55,497 | - |
| Other gains and losses, net (Note 23) | 742,881 | - | (140,445) | - |
| Finance costs (Note 23) | (1,029,247) | - | (737,134) | - |
| Share of profit (loss) of associates accounted for using equity method (Note 10) | (51,417) | - | 10,145 | - |
| Total non-operating income and expenses | (73,340) | - | (701,497) | - |
| PROFIT BEFORE TAX | 17,471,364 | 10 | 16,191,242 | 10 |
| INCOME TAX EXPENSE (Note 24) | 3,136,360 | 2 | 3,219,830 | 2 |
| NET PROFIT | 14,335,004 | 8 | 12,971,412 | 8 |
| OTHER COMPREHENSIVE INCOME (LOSS) (Notes 10, 20, 21 and 24) | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Remeasurements of defined benefit plans | 17,496 | - | 259,364 | - |
| Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income | (3,456) | - | (229,984) | - |
| Share of other comprehensive income (loss) of associates accounted for using equity method | (47,000) | - | (24,230) | - |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Exchange differences on translation | (12,313) | - | 31,519 | - |
| Share of other comprehensive income (loss) of associates accounted for using equity method | (4,844) | - | 6,030 | - |
| Other comprehensive income (loss) (after tax) | (50,117) | - | 42,699 | - |
| TOTAL COMPREHENSIVE INCOME | \$ 14,284,887 | 8 | \$ 13,014,111 | 8 |
| NET PROFIT ATTRIBUTABLE TO: | | | | |
| Owners of the parent | \$ 12,274,109 | 7 | \$ 11,025,551 | 7 |
| Non-controlling interests | 2,060,895 | 1 | 1,945,861 | 1 |
| | \$ 14,335,004 | 8 | \$ 12,971,412 | 8 |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | | |
| Owners of the parent | \$ 12,221,272 | 7 | \$ 11,068,344 | 7 |
| Non-controlling interests | 2,063,615 | 1 | 1,945,767 | 1 |
| | \$ 14,284,887 | 8 | \$ 13,014,111 | 8 |
| EARNINGS PER SHARE (Note 25) | | | | |
| Basic earnings per share | \$ 4.33 | | \$ 3.91 | |
| Diluted earnings per share | \$ 4.32 | | \$ 3.90 | |

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

| | Equity Attributable to Owners of the Parent | | | | | | | | | | Non-controlling Interests | Total Equity | |
|---|---|------------------------------|-----------------|-------------------|-----------------|-------------------------|-------------------------------------|---|-----------------|----------------|---------------------------|---------------|-------|
| | Common Stock | Capital Collected in Advance | Capital Surplus | Retained Earnings | | | Other Equity Interests | | | Treasury Stock | | | Total |
| | | | | 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, 2022 | \$ 35,135,201 | \$ 57,135 | \$ 16,903,239 | \$ 31,500,472 | \$ 2,449,739 | \$ 11,028,726 | \$ (44,294) | \$ (1,779,121) | \$ (29,717,344) | \$ 65,533,753 | \$ 7,743,245 | \$ 73,276,998 | |
| Distribution of 2021 earnings | - | - | - | - | - | - | - | - | - | - | - | - | |
| Legal reserve | - | - | - | 1,102,873 | - | (1,102,873) | - | - | - | - | - | - | |
| Reversal of special reserve | - | - | - | - | (626,324) | 626,324 | - | - | - | - | - | - | |
| Cash dividends | - | - | - | - | - | (10,551,987) | - | - | - | (10,551,987) | - | (10,551,987) | |
| Total distribution of earnings | - | - | - | 1,102,873 | (626,324) | (11,028,536) | - | - | - | (10,551,987) | - | (10,551,987) | |
| Cash dividends from capital surplus | - | - | (1,576,086) | - | - | - | - | - | - | (1,576,086) | - | (1,576,086) | |
| Profit for the year ended December 31, 2022 | - | - | - | - | - | 11,025,551 | - | - | - | 11,025,551 | 1,945,861 | 12,971,412 | |
| Other comprehensive income (loss) for the year ended December 31, 2022 | - | - | - | - | - | 258,116 | 16,432 | (231,755) | - | 42,793 | (94) | 42,699 | |
| Total comprehensive income (loss) for the year ended December 31, 2022 | - | - | - | - | - | 11,283,667 | 16,432 | (231,755) | - | 11,068,344 | 1,945,767 | 13,014,111 | |
| Conversion of convertible bonds to common stock | 57,135 | (57,135) | - | - | - | - | - | - | - | - | - | - | |
| Disposal of investments in equity instruments designated as at fair value through other comprehensive income | - | - | - | - | - | (2,326,952) | - | 2,326,952 | - | - | - | - | |
| Difference between consideration and carrying amount of subsidiaries acquired | - | - | - | - | - | (2,140) | - | - | (2,140) | (3,740) | (5,880) | - | |
| Changes in equity of associates accounted for using equity method | - | - | - | - | - | (753) | - | - | (753) | (684) | (1,437) | - | |
| Changes in equity associated with non-current assets held for sale | - | - | (2,223) | - | - | - | - | - | (2,223) | (2,717) | (4,940) | - | |
| Other changes in capital surplus | - | - | 1,848 | - | - | - | - | - | 1,848 | - | 1,848 | - | |
| Cash dividends for non-controlling interests of subsidiaries | - | - | - | - | - | - | - | - | - | - | (1,301,847) | (1,301,847) | |
| BALANCE, DECEMBER 31, 2022 | 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 | |
| Distribution of 2022 earnings | - | - | - | - | - | - | - | - | - | - | - | - | |
| Legal reserve | - | - | - | 895,382 | - | (895,382) | - | - | - | - | - | - | |
| Reversal of special reserve | - | - | - | - | (1,823,415) | 1,823,415 | - | - | - | - | - | - | |
| Cash dividends | - | - | - | - | - | (9,881,841) | - | - | - | (9,881,841) | - | (9,881,841) | |
| Total distribution of earnings | - | - | - | 895,382 | (1,823,415) | (8,953,808) | - | - | - | (9,881,841) | - | (9,881,841) | |
| Cash dividends from capital surplus | - | - | (2,246,232) | - | - | - | - | - | - | (2,246,232) | - | (2,246,232) | |
| Profit for the year ended December 31, 2023 | - | - | - | - | - | 12,274,109 | - | - | - | 12,274,109 | 2,060,895 | 14,335,004 | |
| Other comprehensive income (loss) for the year ended December 31, 2023 | - | - | - | - | - | 17,523 | (10,357) | (60,003) | - | (52,837) | 2,720 | (50,117) | |
| Total comprehensive income (loss) for the year ended December 31, 2023 | - | - | - | - | - | 12,291,632 | (10,357) | (60,003) | - | 12,221,272 | 2,063,615 | 14,284,887 | |
| Shares issued for pursuant to acquisitions | 2,040,282 | - | 18,190,446 | - | - | - | - | - | - | 20,230,728 | - | 20,230,728 | |
| Transfer and disposal of investments in equity instruments designated as at fair value through other comprehensive income | - | - | - | - | - | (106,262) | - | 106,262 | - | - | - | - | |
| Difference between consideration and carrying amount of subsidiaries acquired | - | - | - | - | - | (2,928) | - | - | (2,928) | (5,157) | (8,085) | - | |
| Changes in equity of associates accounted for using equity method | - | - | 4,721 | - | - | - | - | - | 4,721 | - | 4,721 | - | |
| Reorganization | - | - | 24,832 | - | - | - | - | - | 24,832 | (39,028) | (14,196) | - | |
| Other changes in capital surplus | - | - | 2,240 | - | - | - | - | - | 2,240 | - | 2,240 | - | |
| Cash dividends for non-controlling interests of subsidiaries | - | - | - | - | - | - | - | - | - | - | (1,838,848) | (1,838,848) | |
| BALANCE, DECEMBER 31, 2023 | \$ 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 | |

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

| | 2023 | 2022 |
|---|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | \$ 17,471,364 | \$ 16,191,242 |
| Adjustments for: | | |
| Depreciation expense | 13,320,669 | 12,711,921 |
| Amortization expense | 4,923,357 | 4,775,736 |
| Amortization of incremental costs of obtaining a contract | 1,415,345 | 1,322,091 |
| Loss on disposal and retirement of property, plant and equipment, net | 89,201 | 214,387 |
| Gain on disposal of property, plant and equipment held for sale | - | (1,014) |
| Expected credit loss | 269,969 | 258,214 |
| Other income and expenses | (585,406) | (473,168) |
| Finance costs | 1,029,247 | 737,134 |
| Interest income | (228,425) | (110,440) |
| Dividend income | (30,723) | (20,041) |
| Valuation gain on financial assets at fair value through profit or loss | (215,886) | (2,377) |
| Share of loss (profit) of associates accounted for using equity method | 51,417 | (10,145) |
| Loss on disposal of investments accounted for using equity method | 312 | - |
| Gain on disposal of subsidiary | (707,953) | - |
| Gain on disposal of investments accounted for using equity method held for sale | - | (109,805) |
| Impairment loss on non-financial assets | 83,158 | 82,231 |
| Others | (5,277) | 2,464 |
| Changes in operating assets and liabilities | | |
| Contract assets | (816,507) | (628,820) |
| Notes and accounts receivable | (454,053) | (673,591) |
| Notes and accounts receivable due from related parties | (12,472) | (193,686) |
| Other receivables | (964,374) | (654,719) |
| Inventories | (41,458) | (1,661,224) |
| Prepayments | (457,043) | (139,885) |
| Other current assets | 9,054 | (11,995) |
| Other financial assets | (2,921) | (3,246) |
| Incremental costs of obtaining a contract | (1,513,728) | (1,407,459) |
| Contract liabilities | 28,022 | 193,536 |
| Notes payable | (532,846) | 409,213 |
| Accounts payable | (328,690) | 1,820,045 |
| Notes and accounts payable due to related parties | (1,658) | (205,410) |
| Other payables | 151,554 | (55,317) |
| Provisions | 18,270 | (4,387) |
| Advance receipts | (70,619) | 98,628 |
| Other current liabilities | 372,495 | 291,255 |
| Net defined benefit liabilities | (31,522) | (30,726) |
| Cash inflows generated from operating activities | 32,231,873 | 32,710,642 |
| Interest received | 15,638 | 13,729 |
| Interest paid | (1,716) | (933) |
| Income taxes paid | (3,188,286) | (3,146,887) |
| Net cash generated from operating activities | <u>29,057,509</u> | <u>29,576,551</u> |

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

| | 2023 | 2022 |
|--|---------------------|----------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of property, plant and equipment | \$(8,519,575) | \$(9,839,436) |
| Acquisition of right-of-use assets | (22,777) | (26,018) |
| Acquisition of intangible assets | (307,824) | (286,447) |
| Increase in prepayments for equipment | (233,075) | (335,919) |
| Proceeds from disposal of property, plant and equipment | 82,347 | 9,328 |
| Proceeds from disposal of property, plant and equipment held for sale | - | 2,715 |
| Increase in advance receipts from asset disposals | 126 | 231 |
| Proceeds from disposal of intangible assets | - | 10,000 |
| Net cash inflows from business combination | 1,742,723 | - |
| Acquisition of financial assets at fair value through profit or loss | (434,517) | (904,871) |
| Acquisition of financial assets at fair value through other comprehensive income | (799,701) | (1,911,815) |
| Transfer of financial assets at fair value through other comprehensive income | - | 671,375 |
| Disposal of financial assets at fair value through other comprehensive income | 16,199 | 2,138 |
| Acquisition of investments accounted for using equity method | (194,200) | (308,658) |
| Disposal of investments accounted for using equity method | - | 667 |
| Disposal of subsidiary | 437,886 | - |
| Disposal of investments accounted for using equity method held for sale | - | 200,156 |
| Proceeds from capital return of investments accounted for using equity method | - | 112,302 |
| Other investing activities | 960,408 | 829,052 |
| Increase in refundable deposits | (288,815) | (382,773) |
| Decrease in refundable deposits | 402,140 | 278,347 |
| Increase in other financial assets | (330,562) | (418,192) |
| Decrease in other financial assets | 178,159 | 427,239 |
| Increase in other non-current assets | (55) | - |
| Interest received | 205,780 | 91,763 |
| Dividends received from associate | 1,673 | 125,493 |
| Other dividends received | 30,723 | 21,570 |
| Net cash used in investing activities | <u>(7,072,937)</u> | <u>(11,631,753)</u> |

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

| | <u>2023</u> | <u>2022</u> |
|---|----------------------|----------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase (Decrease) in short-term borrowings | \$(20,538,575) | \$ 40,000 |
| Increase (Decrease) in short-term notes and bills payable | 7,725,167 | (1,508,125) |
| Proceeds from issuance of bonds | 6,492,645 | - |
| Repayment of bonds | (6,000,000) | - |
| Proceeds from long-term borrowings | 11,683,075 | 4,499,798 |
| Repayment of long-term borrowings | (3,748,697) | (3,276,712) |
| Repayment of the principal portion of lease liabilities | (4,410,906) | (4,106,225) |
| Increase in guarantee deposits received | 233,997 | 216,703 |
| Decrease in guarantee deposits received | (174,860) | (149,954) |
| Cash dividends paid (including paid to non-controlling interests) | (13,966,853) | (13,429,860) |
| Interest paid | (960,370) | (693,109) |
| Decrease in non-controlling interests | (8,085) | (5,880) |
| Net cash used in financing activities | <u>(23,673,462)</u> | <u>(18,413,364)</u> |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | <u>(1,584)</u> | <u>1,281</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | <u>(1,690,474)</u> | <u>(467,285)</u> |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR | <u>14,934,740</u> | <u>15,402,025</u> |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR | <u>\$ 13,244,266</u> | <u>\$ 14,934,740</u> |

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

(Concluded)



Taiwan Mobile Co., Ltd.

The 2023 Standalone Financial Statements

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of Taiwan Mobile Co., Ltd. (TWM), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TWM as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China (ROC). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of TWM in accordance with The Norm of Professional Ethics for Certified Public Accountant of the ROC, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The descriptions of the key audit matters of the 2023 financial statements are as follows:

Telecommunications and Value-added Services Revenue

The description of key audit matter:

The primary operating revenue sources of TWM is the telecommunications and value-added services revenue. TWM offers more different monthly-fee plans and diversifies the business by innovating value-added services since the telecommunication industry becomes more competitive nowadays. The competitive telecommunication industry and complicated calculations for revenue recognition, which highly relies on automatic and systematic connection and implementation, lead the telecommunications and value-added services revenue to be considered as one of the key audit matters.

Corresponding audit procedures:

By conducting compliance tests, we obtained an understanding of the telecommunication revenue recognition process and of the design and execution for relevant controls. We also performed major audit procedures which are as follows:

1. Review the contracts of mobile subscribers to ensure the accuracy of information in the accounting system.
2. Perform dialing tests to verify the completeness of the information in the telephone exchange system.
3. Perform system integration tests from telephone-exchange to telephone traffic.
4. Test for the accuracy of call record charge rates and billing calculations.
5. Verify the accuracy of the billing amounts generated from monthly rentals as well as airtime accounting systems and the transfer to the accounting information system.
6. Select the samples from telecommunications and value-added services revenue and agree to the contracts, bills and records of cash receipts.

The Identification and Valuation of Intangible Assets from Merger with Taiwan Star Telecom Corporation Limited (TST)

The description of key audit matter:

TWM has completed the acquisition of TST through the issuance of new shares on December 1, 2023. The intangible assets arising from the acquisition, primarily consisting of concessions of \$20,506,689 thousand, goodwill of \$17,498,979 thousand, and customer relationships of \$955,776 thousand, were significant to the accompanying financial statements. In accordance with International Financial Reporting Standards (IFRS), the management has recognized the acquisition cost and fair value of identifiable net assets. Due to the management's involvement in making significant judgments related to consideration received during the transaction, determining the fair value of net assets and purchase price allocation, these assessments are deemed significant for 2023, leading the identification and valuation of intangible assets to be considered as one of the key audit matters.

Corresponding audit procedures:

1. We evaluated the professional competency and objectivity of the external appraisers engaged by the management in the process of identifying and valuing of intangible assets.
2. We assessed the reasonableness of the management's assumptions in the process of identification and valuation of intangible assets, including the valuation model used, the factors applied, the categories of intangible assets identified, and the related economic benefit lives estimated in the valuation report.
3. We tested the accuracy of the amortization expenses recognized for those identified intangible assets and confirmed the disclosures regarding the acquisition in accordance with IFRS in the financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing TWM's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate TWM or to cease its operations, or has no realistic alternative but to do so.

Those charged with governance (including the audit committee) are responsible for overseeing TWM's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the ROC will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the ROC, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TWM's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists and is related to events or conditions that may cast significant doubt on TWM's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause TWM to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within TWM to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 21, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying 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 independent auditors' report and financial statements shall prevail.

TAIWAN MOBILE CO., LTD.

BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

| ASSETS | December 31, 2023 | | December 31, 2022 | | LIABILITIES AND EQUITY | December 31, 2023 | | December 31, 2022 | |
|--|-----------------------|------------|-----------------------|------------|--|-----------------------|------------|-----------------------|------------|
| | Amount | % | Amount | % | | Amount | % | Amount | % |
| CURRENT ASSETS | | | | | CURRENT LIABILITIES | | | | |
| Cash and cash equivalents (Notes 6 and 29) | \$ 2,392,460 | 1 | \$ 2,177,458 | 1 | Short-term borrowings (Notes 16 and 29) | \$ 31,615,000 | 14 | \$ 32,305,000 | 19 |
| Financial assets at fair value through other comprehensive income (Note 7) | 260,822 | - | 245,607 | - | Short-term notes and bills payable (Note 16) | 12,876,257 | 6 | 3,092,395 | 2 |
| Contract assets (Note 21) | 6,093,453 | 3 | 5,086,808 | 3 | Contract liabilities (Note 21) | 1,756,620 | 1 | 1,118,225 | 1 |
| Notes and accounts receivable, net (Note 8) | 7,804,418 | 4 | 6,073,211 | 4 | Notes payable | 205,839 | - | 670 | - |
| Accounts receivable due from related parties (Note 29) | 470,036 | - | 527,294 | - | Accounts payable | 2,242,231 | 1 | 1,922,613 | 1 |
| Other receivables (Note 29) | 1,992,893 | 1 | 1,357,557 | 1 | Accounts payable due to related parties (Note 29) | 271,858 | - | 287,947 | - |
| Inventories (Note 9) | 3,566,107 | 1 | 3,616,363 | 2 | Other payables (Note 29) | 9,299,703 | 5 | 7,595,865 | 4 |
| Prepayments | 268,764 | - | 281,205 | - | Current tax liabilities | 638,894 | - | 904,881 | 1 |
| Other financial assets (Notes 29 and 30) | 34,272 | - | 31,351 | - | Provisions (Note 18) | 370,881 | - | 30,473 | - |
| Other current assets | 3,218 | - | 393 | - | Lease liabilities (Notes 12, 26 and 29) | 4,848,332 | 2 | 3,018,613 | 2 |
| | | | | | Long-term liabilities, current portion (Notes 16 and 17) | 3,596,411 | 2 | 9,499,226 | 5 |
| | | | | | Other current liabilities (Note 29) | 2,707,128 | 1 | 2,361,186 | 1 |
| Total current assets | 22,886,443 | 10 | 19,397,247 | 11 | | | | | |
| | | | | | Total current liabilities | 70,429,154 | 32 | 62,137,094 | 36 |
| NON-CURRENT ASSETS | | | | | NON-CURRENT LIABILITIES | | | | |
| Financial assets at fair value through other comprehensive income (Note 7) | 2,682,853 | 1 | 1,915,424 | 1 | Contract liabilities (Note 21) | 91,966 | - | 60,255 | - |
| Contract assets (Note 21) | 5,802,669 | 3 | 5,390,182 | 3 | Bonds payable (Note 17) | 37,980,333 | 17 | 31,481,943 | 18 |
| Investments accounted for using equity method (Notes 10 and 29) | 51,512,010 | 23 | 49,249,451 | 29 | Long-term borrowings (Note 16) | 18,384,828 | 9 | 4,496,902 | 3 |
| Property, plant and equipment (Notes 11 and 30) | 30,780,719 | 14 | 24,806,240 | 15 | Provisions (Note 18) | 536,109 | - | 511,229 | - |
| Right-of-use assets (Notes 12 and 29) | 9,817,974 | 5 | 7,968,994 | 5 | Deferred tax liabilities (Note 23) | 902,672 | 1 | 783,982 | 1 |
| Investment properties (Note 13) | 2,350,233 | 1 | 2,922,844 | 2 | Lease liabilities (Notes 12, 26 and 29) | 4,955,726 | 2 | 4,977,758 | 3 |
| Concessions (Note 14) | 65,982,990 | 30 | 49,744,226 | 29 | Net defined benefit liabilities (Note 19) | 52,053 | - | 76,985 | - |
| Goodwill (Note 14) | 24,620,850 | 11 | 7,121,871 | 4 | Guarantee deposits | 503,070 | - | 431,651 | - |
| Other intangible assets (Note 14) | 1,430,006 | 1 | 248,785 | - | Other non-current liabilities | 2,715,491 | 1 | 2,146,910 | 1 |
| Deferred tax assets (Note 23) | 354,761 | - | 346,131 | - | | | | | |
| Incremental costs of obtaining a contract (Note 21) | 2,388,239 | 1 | 1,793,461 | 1 | Total non-current liabilities | 66,122,248 | 30 | 44,967,615 | 26 |
| Other non-current assets (Notes 15, 29 and 30) | 765,203 | - | 670,609 | - | | | | | |
| | | | | | Total liabilities | 136,551,402 | 62 | 107,104,709 | 62 |
| Total non-current assets | 198,488,507 | 90 | 152,178,218 | 89 | EQUITY (Note 20) | | | | |
| | | | | | Common stock | 37,232,618 | 17 | 35,192,336 | 21 |
| | | | | | Capital surplus | 31,302,785 | 14 | 15,326,778 | 9 |
| | | | | | Retained earnings | | | | |
| | | | | | Legal reserve | 33,498,727 | 15 | 32,603,345 | 19 |
| | | | | | Special reserve | - | - | 1,823,415 | 1 |
| | | | | | Unappropriated earnings | 12,182,646 | 6 | 8,954,012 | 5 |
| | | | | | Other equity interests | 324,116 | - | 288,214 | - |
| | | | | | Treasury stock | (29,717,344) | (14) | (29,717,344) | (17) |
| | | | | | | | | | |
| | | | | | Total equity | 84,823,548 | 38 | 64,470,756 | 38 |
| TOTAL | \$ 221,374,950 | 100 | \$ 171,575,465 | 100 | TOTAL | \$ 221,374,950 | 100 | \$ 171,575,465 | 100 |

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

TAIWAN MOBILE CO., LTD.

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

| | 2023 | | 2022 | |
|---|---------------|-----|---------------|-----|
| | Amount | % | Amount | % |
| OPERATING REVENUES (Notes 21 and 29) | \$ 66,412,642 | 100 | \$ 61,027,806 | 100 |
| OPERATING COSTS (Notes 9, 29 and 33) | 50,388,426 | 76 | 46,231,648 | 76 |
| GROSS PROFIT FROM OPERATIONS, NET | 16,024,216 | 24 | 14,796,158 | 24 |
| OPERATING EXPENSES (Notes 29 and 33) | | | | |
| Marketing | 7,156,021 | 11 | 6,568,252 | 11 |
| Administrative | 2,915,984 | 5 | 2,798,333 | 5 |
| Research and development | 211,268 | - | 149,108 | - |
| Expected credit loss | 269,865 | - | 255,814 | - |
| Total operating expenses | 10,553,138 | 16 | 9,771,507 | 16 |
| OTHER INCOME AND EXPENSES, NET (Note 29) | 708,210 | 1 | 612,089 | 1 |
| OPERATING INCOME | 6,179,288 | 9 | 5,636,740 | 9 |
| NON-OPERATING INCOME AND EXPENSES | | | | |
| Interest income | 70,487 | - | 22,032 | - |
| Other income | 18,007 | - | 36,864 | - |
| Other gains and losses, net (Note 22) | (104,012) | - | (246,898) | - |
| Finance costs (Notes 22 and 29) | (1,115,094) | (2) | (755,256) | (1) |
| Share of profit of subsidiaries and associates accounted for using equity method (Note 10) | 8,128,791 | 13 | 7,239,387 | 12 |
| Total non-operating income and expenses | 6,998,179 | 11 | 6,296,129 | 11 |
| PROFIT BEFORE TAX | 13,177,467 | 20 | 11,932,869 | 20 |
| INCOME TAX EXPENSE (Note 23) | 903,358 | 2 | 907,318 | 2 |
| NET PROFIT | 12,274,109 | 18 | 11,025,551 | 18 |
| OTHER COMPREHENSIVE INCOME (LOSS) (Notes 10, 19, 20 and 23) | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Remeasurements of defined benefit plans | 8,405 | - | 162,294 | - |
| Unrealized gain on investments in equity instruments at fair value through other comprehensive income | 234,690 | - | 175,367 | - |
| Share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method | (285,575) | - | (311,300) | - |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method | (10,357) | - | 16,432 | - |
| Other comprehensive income (after tax) | (52,837) | - | 42,793 | - |
| TOTAL COMPREHENSIVE INCOME | \$ 12,221,272 | 18 | \$ 11,068,344 | 18 |
| EARNINGS PER SHARE (Note 24) | | | | |
| Basic earnings per share | \$ 4.33 | | \$ 3.91 | |
| Diluted earnings per share | \$ 4.32 | | \$ 3.90 | |

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

TAIWAN MOBILE CO., LTD.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

| | Common Stock | Capital Collected in Advance | Capital Surplus | Retained Earnings | | | Other Equity Interests | | Treasury Stock | 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, 2022 | \$ 35,135,201 | \$ 57,135 | \$ 16,903,239 | \$ 31,500,472 | \$ 2,449,739 | \$ 11,028,726 | \$ (44,294) | \$ (1,779,121) | \$(29,717,344) | \$ 65,533,753 |
| Distribution of 2021 earnings | - | - | - | - | - | - | - | - | - | - |
| Legal reserve | - | - | - | 1,102,873 | - | (1,102,873) | - | - | - | - |
| Reversal of special reserve | - | - | - | - | (626,324) | 626,324 | - | - | - | - |
| Cash dividends | - | - | - | - | - | (10,551,987) | - | - | - | (10,551,987) |
| Total distribution of earnings | - | - | - | 1,102,873 | (626,324) | (11,028,536) | - | - | - | (10,551,987) |
| Cash dividends from capital surplus | - | - | (1,576,086) | - | - | - | - | - | - | (1,576,086) |
| Profit for the year ended December 31, 2022 | - | - | - | - | - | 11,025,551 | - | - | - | 11,025,551 |
| Other comprehensive income (loss) for the year ended December 31, 2022 | - | - | - | - | - | 258,116 | 16,432 | (231,755) | - | 42,793 |
| Total comprehensive income (loss) for the year ended December 31, 2022 | - | - | - | - | - | 11,283,667 | 16,432 | (231,755) | - | 11,068,344 |
| Conversion of convertible bonds to common stock | 57,135 | (57,135) | - | - | - | - | - | - | - | - |
| Transfer and disposal of investments in equity instruments designated as at fair value through other comprehensive income | - | - | - | - | - | (2,326,952) | - | 2,326,952 | - | - |
| Difference between consideration and carrying amount of subsidiaries acquired | - | - | - | - | - | (2,140) | - | - | - | (2,140) |
| Changes in equity of associates accounted for using equity method | - | - | - | - | - | (753) | - | - | - | (753) |
| Changes in equity associated with non-current assets held for sale | - | - | (2,223) | - | - | - | - | - | - | (2,223) |
| Other changes in capital surplus | - | - | 1,848 | - | - | - | - | - | - | 1,848 |
| BALANCE, DECEMBER 31, 2022 | 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 |
| Distribution of 2022 earnings | - | - | - | - | - | - | - | - | - | - |
| Legal reserve | - | - | - | 895,382 | - | (895,382) | - | - | - | - |
| Special reserve | - | - | - | - | (1,823,415) | 1,823,415 | - | - | - | - |
| Cash dividends | - | - | - | - | - | (9,881,841) | - | - | - | (9,881,841) |
| Total distribution of earnings | - | - | - | 895,382 | (1,823,415) | (8,953,808) | - | - | - | (9,881,841) |
| Cash dividends from capital surplus | - | - | (2,246,232) | - | - | - | - | - | - | (2,246,232) |
| Profit for the year ended December 31, 2023 | - | - | - | - | - | 12,274,109 | - | - | - | 12,274,109 |
| Other comprehensive income (loss) for the year ended December 31, 2023 | - | - | - | - | - | 17,523 | (10,357) | (60,003) | - | (52,837) |
| Total comprehensive income (loss) for the year ended December 31, 2023 | - | - | - | - | - | 12,291,632 | (10,357) | (60,003) | - | 12,221,272 |
| Shares issued for pursuant to acquisitions | 2,040,282 | - | 18,190,446 | - | - | - | - | - | - | 20,230,728 |
| Transfer and disposal of investments in equity instruments designated as at fair value through other comprehensive income | - | - | - | - | - | (106,262) | - | 106,262 | - | - |
| Difference between consideration and carrying amount of subsidiaries acquired | - | - | - | - | - | (2,928) | - | - | - | (2,928) |
| Changes in equity of associates accounted for using equity method | - | - | 4,721 | - | - | - | - | - | - | 4,721 |
| Reorganization | - | - | 24,832 | - | - | - | - | - | - | 24,832 |
| Other changes in capital surplus | - | - | 2,240 | - | - | - | - | - | - | 2,240 |
| BALANCE, DECEMBER 31, 2023 | \$ 37,232,618 | \$ - | \$ 31,302,785 | \$ 33,498,727 | \$ - | \$ 12,182,646 | \$ (38,219) | \$ 362,335 | \$(29,717,344) | \$ 84,823,548 |

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

TAIWAN MOBILE CO., LTD.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

| | 2023 | 2022 |
|--|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | \$ 13,177,467 | \$ 11,932,869 |
| Adjustments for: | | |
| Share of profit of subsidiaries and associates accounted for using equity method | (8,128,791) | (7,239,387) |
| Depreciation expense | 9,862,904 | 9,382,810 |
| Amortization expense | 4,510,446 | 4,348,013 |
| Amortization of incremental costs of obtaining a contract | 1,296,816 | 1,200,756 |
| Loss on disposal and retirement of property, plant and equipment, net | 92,026 | 222,543 |
| Gain on disposal of property, plant and equipment held for sale | - | (1,014) |
| Expected credit loss | 269,865 | 255,814 |
| Other income and expenses | (574,820) | (462,936) |
| Finance costs | 1,115,094 | 755,256 |
| Interest income | (70,487) | (22,032) |
| Dividend income | (10,220) | (10,016) |
| Others | (2,397) | (3,320) |
| Changes in operating assets and liabilities | | |
| Contract assets | (814,820) | (624,185) |
| Notes and accounts receivable | (805,087) | (696,114) |
| Accounts receivable due from related parties | 57,258 | (56,985) |
| Other receivables | (449,308) | (209,506) |
| Inventories | 100,525 | (911,738) |
| Prepayments | 51,612 | (55,569) |
| Other current assets | (536) | (284) |
| Other financial assets | (2,921) | (3,246) |
| Incremental costs of obtaining a contract | (1,410,990) | (1,284,110) |
| Contract liabilities | (143,294) | 50,786 |
| Notes payable | (39,302) | 145 |
| Accounts payable | 60,207 | 28,181 |
| Accounts payable due to related parties | (16,089) | (6,079) |
| Other payables | 105,624 | (92,297) |
| Provisions | (1,790) | (30,706) |
| Other current liabilities | 59,599 | 228,310 |
| Net defined benefit liabilities | (17,200) | (16,815) |
| Cash inflows generated from operating activities | 18,271,391 | 16,679,144 |
| Interest received | 6,320 | 2,542 |
| Interest paid | (433) | (275) |
| Income taxes paid | (891,402) | (909,884) |
| Net cash generated from operating activities | <u>17,385,876</u> | <u>15,771,527</u> |

(Continued)

TAIWAN MOBILE CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

| | 2023 | 2022 |
|--|---------------------|---------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of property, plant and equipment | \$ (5,401,133) | \$ (5,517,350) |
| Acquisition of right-of-use assets | (22,313) | (25,108) |
| Acquisition of intangible assets | (187,748) | (145,231) |
| Increase in prepayments for equipment | (117,517) | (75,539) |
| Proceeds from disposal of property, plant and equipment | 68,617 | 295 |
| Proceeds from disposal of property, plant and equipment held for sale | - | 2,715 |
| Proceeds from disposal of intangible assets | - | 10,000 |
| Net cash inflows from business combination | 1,742,723 | - |
| Cash outflow on acquisition of subsidiaries | (900,000) | (2,130,000) |
| Acquisition of financial assets at fair value through other comprehensive income | (479,162) | (375,000) |
| Transfer of financial assets at fair value through other comprehensive income | - | 671,375 |
| Acquisition of investments accounted for using equity method | (50,000) | - |
| Disposal of investments accounted for using equity method | - | 667 |
| Other investing activities | 948,413 | 822,538 |
| Proceeds from transferring of business | 43,000 | - |
| Increase in refundable deposits | (123,041) | (148,123) |
| Decrease in refundable deposits | 202,348 | 133,128 |
| Increase in other financial assets | (432) | - |
| Decrease in other financial assets | 40,946 | - |
| Interest received | 59,850 | 16,713 |
| Dividends received from subsidiaries | 6,490,141 | 5,770,361 |
| Other dividends received | 10,220 | 10,016 |
| | <u>2,324,912</u> | <u>(978,543)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase (Decrease) in short-term borrowings | (20,538,575) | 500,000 |
| Borrowings from related parties | 20,586,000 | 15,791,000 |
| Repayments of borrowings from related parties | (19,186,000) | (14,317,000) |
| Increase (Decrease) in short-term notes and bills payable | 7,725,167 | (1,508,125) |
| Proceeds from issue of bonds | 6,492,645 | - |
| Repayments of bonds | (6,000,000) | - |
| Proceeds from long-term borrowings | 11,648,075 | 4,499,798 |
| Repayment of long-term borrowings | (3,504,697) | (3,002,712) |
| Repayment of the principal portion of lease liabilities | (3,551,870) | (3,386,907) |
| Increase in guarantee deposits received | 94,930 | 93,587 |
| Decrease in guarantee deposits received | (80,560) | (66,229) |
| Cash dividends paid | (12,128,005) | (12,128,013) |
| Interest paid | (1,052,896) | (717,121) |
| | <u>(19,495,786)</u> | <u>(14,241,722)</u> |
| | | (Continued) |

TAIWAN MOBILE CO., LTD.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

| | 2023 | 2022 |
|--|---------------------|---------------------|
| NET INCREASE IN CASH AND CASH EQUIVALENTS | \$ 215,002 | \$ 551,262 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR | <u>2,177,458</u> | <u>1,626,196</u> |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR | <u>\$ 2,392,460</u> | <u>\$ 2,177,458</u> |

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

(Concluded)



Taiwan Mobile Co., Ltd
2023 Earnings Distribution Proposal

Unit: NT\$

| Item | Amount |
|--|-----------------------|
| Unappropriated retained earnings as of December 31, 2022 | 204,530 |
| Actuarial gains of 2023 | 17,522,535 |
| Adjustments due to investments accounted for using equity method | (2,928,446) |
| Disposal of investments in equity instruments designated as at fair value through other comprehensive income | (106,261,433) |
| Unappropriated retained earnings - Adjusted | (91,462,814) |
| Net income of 2023 | 12,274,109,034 |
| Legal reserve appropriation (10%) | (1,218,244,169) |
| Retained earnings available for distribution | 10,964,402,051 |
| Appropriation: | |
| Cash dividends ¹ | (10,964,151,963) |
| Balance of unappropriated retained earnings | 250,088 |

Note 1: Refer to the second proposed resolution regarding the distribution of the 2023 retained earnings.

Articles of Incorporation

Before and After Amendments for Comparison

| Article | Amended | Original | Explanation |
|---------|--|--|------------------------------|
| 2 | <p>The scope of business of the Company shall be:</p> <ol style="list-style-type: none"> 1. G903010 Telecommunications Enterprises; 2. I301040 Third-Party Payment; 3. I301020 Data Processing Services; 4. J303010 Magazine and Periodical Publication; 5. J304010 Book Publishers; 6. J305010 Audio Tape and Record Publishers; 7. J399010 Software Publication; 8. J399990 Other Publishers Not Elsewhere Classified; 9. F108031 Wholesale of Drugs, Medical Goods; 10. F208031 Retail Sale of Medical Equipment; 11. E601010 Electric Appliance Construction; 12. E701010 Telecommunications Construction; 13. CC01080 Electronic Parts and Components Manufacturing; 14. E601020 Electric Appliance Installation; 15. E603090 Illumination Equipment Construction; 16. IG03010 Energy Technical Services; 17. H703100 Real Estate Rental | <p>The scope of business of the Company shall be:</p> <ol style="list-style-type: none"> 1. G903010 Telecommunications Enterprises; 2. I301040 Third-Party Payment; 3. I301020 Data Processing Services; 4. J303010 Magazine and Periodical Publication; 5. J304010 Book Publishers; 6. J305010 Audio Tape and Record Publishers; 7. J399010 Software Publication; 8. J399990 Other Publishers Not Elsewhere Classified; 9. F108031 Wholesale of Drugs, Medical Goods; 10. F208031 Retail Sale of Medical Equipment; 11. E601010 Electric Appliance Construction; 12. E701010 Telecommunications Construction; 13. CC01080 Electronic Parts and Components Manufacturing; 14. E601020 Electric Appliance Installation; 15. E603090 Illumination Equipment Construction; 16. IG03010 Energy Technical Services; 17. H703100 Real Estate Rental | Added the scope of business. |

| Article | Amended | Original | Explanation |
|---------|--|---|--|
| | <p>and Leasing</p> <p>18. JE01010 Rental and Leasing Business;</p> <p>19. J401010 Motion Picture Production;</p> <p>20. J402010 Motion Picture Distribution;</p> <p>21. J503020 Television Production</p> <p>22. J503030 Broadcasting and Television Program Distribution</p> <p>23. EZ05010 Apparatus Installation Construction</p> <p>24. <u>I301010 Information Software Services</u></p> <p><u>25. ZZ99999</u> Any other business (other than those approved by the relevant authorities) not prohibited or restricted by law.</p> | <p>and Leasing</p> <p>18. JE01010 Rental and Leasing Business;</p> <p>19. J401010 Motion Picture Production;</p> <p>20. J402010 Motion Picture Distribution;</p> <p>21. J503020 Television Production</p> <p>22. J503030 Broadcasting and Television Program Distribution</p> <p>23. EZ05010 Apparatus Installation Construction</p> <p>24. ZZ99999 Any other business (other than those approved by the relevant authorities) not prohibited or restricted by law.</p> | |
| 34 | <p>The Articles of Incorporation were agreed to and signed on January 30, 1997. ...</p> <p>The thirtieth amendment was made on 20 August 2021.</p> <p>The thirty-first amendment was made on 23 June 2022.</p> <p><u>The thirty-second amendment was made on 21 June 2024.</u></p> | <p>The Articles of Incorporation were agreed to and signed on January 30, 1997. ...</p> <p>The thirtieth amendment was made on 20 August 2021.</p> <p>The thirty-first amendment was made on 23 June 2022.</p> | <p>Added the amendment sequence number, and the date of the latest amendment to the Articles of Incorporation.</p> |

Articles of Incorporation

Chapter I General Provisions

Article 1 The Company shall be incorporated as a company limited by shares, under the Company Act of the Republic of China. The name of the Company shall be 台灣大哥大股份有限公司.

Article 2 The scope of business of the Company shall be:

1. G903010 Telecommunications Enterprises;
2. I301040 Third-Party Payment;
3. I301020 Data Processing Services;
4. J303010 Magazine and Periodical Publication;
5. J304010 Book Publishers;
6. J305010 Audio Tape and Record Publishers;
7. J399010 Software Publication;
8. J399990 Other Publishers Not Elsewhere Classified;
9. F108031 Wholesale of Drugs, Medical Goods;
10. F208031 Retail Sale of Medical Equipment;
11. E601010 Electric Appliance Construction;
12. E701010 Telecommunications Construction;
13. CC01080 Electronic Parts and Components Manufacturing;
14. E601020 Electric Appliance Installation;
15. E603090 Illumination Equipment Construction;
16. IG03010 Energy Technical Services;
17. H703100 Real Estate Rental and Leasing
18. JE01010 Rental and Leasing Business;
19. J401010 Motion Picture Production;
20. J402010 Motion Picture Distribution;
21. J503020 Television Production
22. J503030 Broadcasting and Television Program Distribution
23. EZ05010 Apparatus Installation Construction
24. I301010 Information Software Services
25. ZZ99999 Any other business (other than those approved by the relevant authorities) not prohibited or restricted by law.

Article 3 The Company may act as a guarantor where necessary for the purpose of carrying out its business.

Article 4 The Company shall have its registered head office in Taipei, Taiwan, Republic of China and shall, where necessary and with a resolution to do so by the Board of Directors (“Board”), set up branch offices either within or outside the territory of the Republic of China.

Article 5 (Deleted)

Article 6 The Company’s aggregate investment may exceed forty percent of its paid-up capital.

Chapter II Capital Stock

Article 7 The total registered capital stock of the Company shall be Sixty Billion New Taiwan Dollars (NT\$60,000,000,000), divided into Six Billion (6,000,000,000) shares with a par value of Ten New Taiwan Dollars (NT\$10) per share. Any unissued shares shall be issued, where necessary, upon the approval of the Board.

Two hundred and fifty million shares of the above total capital stock of the Company with a par value of Ten New Taiwan Dollars (NT\$10) per share shall be retained for the issuance of employee stock options, which may be issued from time to time upon the approval of the Board.

Article 7-1 (Deleted)

Article 7-2 The Company may, upon the approval at a Shareholders' Meeting which is attended by shareholders holding at least 50% of the issued capital stock, by more than two-thirds of the shareholders attending the Meeting, transfer the treasury shares to its employees at a price lower than the average buyback price.

Article 8 Share certificates of the Company shall be issued only if they bear the names of the shareholders, be appropriately serial numbered, be signed by or affixed with the personal seals of three or more Directors of the Company, and be duly signed and authenticated by the responsible authority or a share registry endorsed by the regulatory authority. The Company is exempted from issuing any physical share certificates for the shares issued. A physical share certificate may be issued for all the new shares issued at a particular point in time, provided that the share certificate shall be placed in custody or for registration with a centralized depository.

Article 9 Shareholders shall provide their names, addresses, and specimens of their personal seals to the Company for record. The same shall also be provided upon variation of any of the above details. Where any personal seals of the shareholders are lost, the specimens of the personal seals shall only be replaced with new specimens if the shareholders report the loss to the Company.

Article 10 Upon transfer of shares, the transferor and transferee shall complete an application for registration of the transfer and affix their personal seals on the application. The application and the associated share certificates, affixed with the personal seals of the transferor and transferee on the back page, together with other documents evidencing the transfer, shall be submitted to the Company for the purpose of registration of the transfer. The transferee shall not have a right of action against the Company with respect to matters associated with or arising from the transfer if the name of the transferee is not recorded on the share certificates and the name and address of the transferee are not entered onto the register of shareholders of the Company.

Article 11 Where a share certificate is lost, the shareholder shall immediately file an application to report the loss and submit the same to the Company for audit and record. The shareholder shall also apply to the competent court for a judgment declaring the

original share certificate invalid, in accordance with the procedures for public announcement of invalidation of a certificate under the Code of Civil Procedures. After obtaining the judgment from the court, the shareholder shall apply to the Company for the share certificate to be reissued, with the original copy of the aforementioned court judgment. Where a share certificate is worn out or defaced and the shareholder wishes to apply for a replacement of the share certificate, the shareholder shall apply to the Company for the replacement by submitting to the Company the original copy of the share certificate with a completed application for replacement of share certificate.

Article 12 The Company shall charge for administrative fees and stamp duties for the reissue of share certificates due to loss of the original share certificates or for other reasons.

Article 13 Registration of share transfers shall be suspended for a 60–day period immediately prior to a general meeting of the shareholders; for a 30–day period immediately prior to an extraordinary meeting of the shareholders; and for a 5–day period immediately prior to the record date for distribution of dividend, bonuses or other benefits.

Article 14 Shareholders shall submit specimens of their personal seals to the Company for record. The same personal seals shall be used by the shareholders for the purposes of claiming their dividends and when exercising their rights as shareholders via written documents.

Chapter III Shareholders' Meetings

Article 15 There are two types of Shareholders' Meetings, the general meetings and the extraordinary meetings.

- (1) General Meetings – General meetings shall be held within 6 months of the end of each fiscal year, and shall be convened by the Board by no less than 30 days' prior notice to the shareholders.
- (2) Extraordinary Meetings – Extraordinary meetings shall be convened in accordance with the relevant laws, by no less than 15 days' prior notice to the shareholders.

Article 15-1 The Shareholders' Meeting can be held via video conference or other audiovisual means, as announced by the Ministry of Economic Affairs.

Article 16 A shareholder is entitled to appoint a proxy to attend and vote on behalf of the shareholder at a Shareholders' Meeting by completing and submitting to the Company a form prescribed by the Company stating the scope of authorization.

Article 17 The Chairman or, in his absence, the Vice Chairman, shall preside as the chairman of the Shareholders' Meetings of the Company. If neither the Chairman nor the Vice Chairman shall be present at the Meetings, or the Vice Chairman becomes vacant, the Chairman shall designate one of the Directors as the chairman, failing which, the Directors present at the Meetings shall elect the chairman from amongst themselves.

Article 18 Except under the circumstances set forth in Article 179 of the Company Act,

shareholders of the Company shall be entitled to one vote for each share held at the Shareholders' Meeting.

Article 18-1 Shareholders may exercise their voting rights in written or electronic forms at the Shareholders' Meetings.

Article 19 Unless otherwise provided by the Company Act, all resolutions of a Shareholders' Meeting of the Company shall be passed, at a meeting attended by shareholders holding at least 50% of the issued capital stock, by more than 50% of the shareholders attending the Meeting.

Article 20 Resolutions at a Shareholders' Meeting shall be recorded in a meeting minute signed by or affixed with the personal seal of the chairman. The Meeting minute shall be distributed to all the shareholders of the Company by public announcement within 20 days after the Shareholders' Meeting. The Meeting minute shall contain information such as the time and venue of the Meeting, name of the chairman of the Meeting, manner in which resolutions are passed, and a summary and outcome of all proceedings of the Meeting.

Chapter IV Directors

Article 21 There shall be 9 to 11 Directors of the Company. Directors shall be persons with legal capacity and shall be elected by the shareholders at the Shareholders' Meeting. The tenure of the offices of the Directors shall be 3 years and the Directors shall be eligible for re-elections. The election of Directors is adopted by candidate nomination system per Article 192-1 of the Company Act. Not more than half of the Directors of the Company shall have the following relationships among them:

- (1) A spousal relationship.
- (2) A familial relationship within the second degree of kinship.

The Chairman and the Vice Chairman shall be elected respectively from amongst the Directors by a simple majority of the Directors present at the Board meetings attended by at least two thirds of all the Directors.

The Company may purchase liability insurance for directors with respect to their liabilities resulting from exercising their duties during their terms of occupancy.

Article 21-1 According to Article 14-2 of the Securities and Exchange Act, among the directors, there shall be no less than 3 independent directors. The independent directors shall together constitute the Audit Committee and replace the role of the supervisors.

Article 22 If one third of the offices of the Directors become vacant, the Board shall convene an extraordinary meeting of the shareholders within 60 days to re-elect and re-appoint Directors to fill the vacancies. The tenure of offices so filled shall be the balance of the term of the relevant offices.

Article 23 If any new Directors are not elected in time before the expiration of the tenure of the relevant existing offices of the Directors, the tenure of the existing offices shall be

extended until such time when the new Directors duly elected to assume their offices.

Article 24 The business policy and other imperative matters of the Company shall be determined by the Board. The Board shall be entitled to form different functional committees, and determine the duties and responsibilities of the committees. Except for the first meeting of each term of the Board which shall be convened by the Director who received a ballot representing the largest number of votes at the election of Directors, Board meetings shall be convened by the Chairman, who shall also be the chairman of the meetings. If the Chairman is unable to perform his duties for any reasons, the Vice Chairman shall act on his behalf. If the Vice Chairman is also absent from the meetings or becomes vacant, the Chairman shall designate one of the Directors to act on his behalf, failing which, the Directors present at the meetings shall elect a person from amongst themselves to act on behalf of the Chairman.

The notice of the Board meetings may be made and delivered by letter, email or facsimile.

Article 25 Unless otherwise provided for in the Company Act, all resolutions of the Board shall be passed by a simple majority of the Directors present at the Board meetings attended by at least 50% of all the Directors. If a Director is unable to attend the meeting, he shall be entitled to authorize another Director to represent him at the meeting by executing a power of attorney stating therein the scope of authorization with respect to each matter proposed to be dealt with at the meeting, however, a Director attending the meeting shall not be authorized to represent more than one absent Directors at the meeting. If any Director attends the Board meeting by video conference, it is deemed that such Director has participated in person.

Article 26 All proceedings at a Board meeting shall be recorded in a meeting minute signed by or affixed with the personal seal of the chairman of the meeting. The meeting minute shall be distributed to all Directors of the Company within 20 days after the Board meeting. The meeting minute shall contain information such as the time and venue of the meeting, name of the chairman of the meeting, manner in which resolutions are passed, and a summary and outcome of all proceedings of the meeting.

Article 27 The Audit Committee shall exercise their powers and other relevant matters in accordance with the relevant laws, regulations or the Company's Articles of Incorporation.

Article 27-1 (Deleted)

Article 27-2 (Deleted)

Article 27-3 The Board is authorized to decide the compensation to directors (including independent directors), according to his/her contribution to the operation and involvement in the operation of the Company, comparable to peer's levels, transportation and other allowance included.

Chapter V Managers and Officers

Article 28 There shall be several Presidents and Vice Presidents of the Company. The President shall be nominated by the Chairman; and his/her appointment or removal shall be approved by more than 50% of the Directors. The Vice Presidents shall be nominated by the President; and their appointment or removal shall be approved by more than 50% of the Directors.

Article 29 The Company may, by resolution of the Board, retain consultants or key officers.

Article 29-1 The Company shall purchase liability insurance for key management based on their duties and terms.

Chapter VI Financial Reports

Article 30 The fiscal year of the Company shall begin on 1 January and end on 31 December of each year. The Board shall prepare the following reports after the end of each fiscal year, and present to the shareholders at the general meeting of the shareholders for their ratifications in accordance with the legal procedure:

- (1) Business Report
- (2) Financial Statements
- (3) Proposal for distribution of earnings to shareholders or recovery of prior year losses.

Article 30-1 If the Company has profits in a fiscal year, it shall set aside 1% to 3% of the profits as employee bonuses and not more than 0.3% of the profits as director compensation. However, if the Company has accumulated losses, it shall first reserve a certain amount for offsetting losses, then allocate for the employee bonuses and director compensation proportionally from the remaining amount.

Qualification requirements of employees entitled to receive shares or cash set for in the above paragraph shall be applied to the employees of subsidiaries who meet certain requirements.

Article 31 In the event that the Company, according to the final settlement, earns profits in a fiscal year, such profits shall first be set aside to pay the applicable taxes, offset losses, set aside for legal reserve pursuant to laws and regulations, unless the legal reserve has reached the Company's total paid-up capital. The remaining profits shall be set aside for special reserve in accordance with the laws, regulations, or the business requirements. Any further remaining profits plus unappropriated earnings shall be distributed in accordance with the proposal submitted by the Board, for approval at a Shareholders' Meeting.

Article 31-1 The Company adopts a dividend distribution policy whereby only surplus profits of the Company shall be distributed to shareholders. That is, only the surplus profits, after setting aside amounts for retained earnings based on the Company's capital budget plan, shall be distributed as cash dividend. The value of stock dividend in a particular year shall not be more than 80% of the value of dividend distributed for that year. The amount of the distributable dividend, the forms in which dividend shall be distributed

and the ratios thereto, shall depend on the actual profits and cash positions of the Company and shall be approved by resolutions of the Board, who shall, upon such approval, recommend the same to the shareholders for approval by resolution at the Shareholders' Meetings.

Article 32 The internal organization and the detailed procedures relevant to the business operation of the Company shall be separately determined by the Board.

Article 33 Matters not specifically provided for in these Articles of Incorporation shall be governed by the Company Act and any other relevant laws.

Article 34 The Articles of Incorporation were agreed to and signed on January 30, 1997.

The first amendment was made on February 18, 1997.

The second amendment was made on February 22, 1997.

The third amendment was made on April 2, 1997.

The fourth amendment was made on August 30, 1997.

The fifth amendment was made on December 12, 1997.

The sixth amendment was made on March 21, 1998.

The seventh amendment was made on June 23, 1998.

The eighth amendment was made on February 3, 1999.

The ninth amendment was made on June 22, 1999.

The tenth amendment was made on March 6, 2000.

The eleventh amendment was made on March 30, 2001.

The twelfth amendment was made on March 30, 2001.

The thirteenth amendment was made on April 26, 2002.

The fourteenth amendment was made on June 25, 2003.

The fifteenth amendment was made on June 15, 2004.

The sixteenth amendment was made on June 14, 2005.

The seventeenth amendment was made on June 15, 2006.

The eighteenth amendment was made on June 15, 2007, except for the Article 7-2, which shall be effective on January 1, 2008

The nineteenth amendment was made on June 13, 2008.

The twentieth amendment was made on June 19, 2009.

The twenty-first amendment was made on June 15, 2011.

The twenty-second amendment was made on June 22, 2012.

The twenty-third amendment was made on June 21, 2013.

The twenty-fourth amendment was made on 12, June 2014.

The twenty-fifth amendment was made on 15, June 2016.

The twenty-sixth amendment was made on 14, June 2017.

The twenty-seventh amendment was made on 12 June 2018.

The twenty- eighth amendment was made on 12 June 2019.

The twenty- ninth amendment was made on 18 June 2020.

The thirtieth amendment was made on 20 August 2021.

The thirty-first amendment was made on 23 June 2022.

The thirty-second amendment was made on 21 June 2024.



Rules for Election of the Directors

Article 1 These Regulations are duly enacted in accordance with Article 21 of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" in an effort to incorporate a fair, just, and open procedure for the election of directors.

Article 2 The election of the Company's directors, unless otherwise provided in the applicable laws, regulations, or the Articles of Incorporation, shall be conducted in accordance with these Regulations.

Article 3 The election of the Company's directors shall take into account the arrangement of the board of directors. The board members shall have the necessary knowledge, skill, and experience for performing their duties. The board of directors shall have the following abilities:

1. Judgment on operations
2. Accounting and financial analysis
3. Business management
4. Crisis management
5. Industrial knowledge
6. Global view
7. Leadership
8. Decision making

Article 4 (Delete)

Article 5 The independent directors of the Company shall meet one of the following professional qualification requirements, together with at least five years working experience:

1. An instructor or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college, or university;
2. A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company.
3. Working experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company.

A person to whom any of the following circumstances applies may not serve as an

independent director, or if already serving in such capacity, shall ipso facto be dismissed:

1. Any of the circumstances in the subparagraphs of Article 30 of the Company Act.
2. Elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act.
3. Any violation of the independent director qualification requirements set out in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.

Article 6 Within the scope of execution of business, an independent director of the Company shall maintain independence, and may not have any direct or indirect interest in the Company. Two years before being elected or during the term of office, an independent director of the Company shall not have been or be any of the following:

1. An employee of the Company or any of its affiliates.
2. A director or supervisor of the Company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the company holds, directly or indirectly, more than 50 percent of the voting shares.
3. A natural-person shareholder who holds shares, together with those held by the person’s spouse, minor children, or held by the person under other names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.
4. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
5. A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act.
6. If a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
7. If the chairperson, president, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
8. A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.
9. A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender

offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

Subparagraph 2 and subparagraphs 5 to 7 of the preceding paragraph do not apply to independent directors appointed in accordance with the Securities and Exchange Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.

The paragraph 1 in relation to "two years before being elected" does not apply where an independent director of the Company has served as an independent director of the company or any of its affiliates, or of a specified company or institution that has a financial or business relationship with the company, as stated in subparagraph 2 or 8 of the paragraph 1, but is currently no longer in that position.

No independent director of the Company may concurrently serve as an independent director of more than three other public companies.

Article 7 The election of the directors of the Company is subject to the provisions of Article 192-1 of the Company Act in that a candidate nomination system shall be adopted, that such system shall be expressly stated in the Articles of Incorporation of the Company, and that shareholders shall elect directors from among those listed in the slate of director candidates.

The Company shall, prior to the book closure date before the convening of the shareholders' meeting, publish a notice specifying a period for receiving nominations of the director candidates, the number of directors to be elected, the place for receiving such nominations, and other necessary matters; the period for receiving nominations shall be no less than 10 days.

The Company may present a slate of director candidates nominated by the methods set out below, and, upon evaluation by the board of directors that all candidates so nominated are qualified director candidates, submit it to the shareholders' meeting for elections:

1. A shareholder holding one percent or more of the total number of issued shares may present a slate of director candidates in writing to the Company; the number of nominees may not exceed the number of directors to be elected.
2. The board of directors presents a slate of director candidates; the number of nominees may not exceed the number of directors to be elected.
3. Other methods designated by the authority.

When providing a recommended slate of director candidates under the preceding paragraph, a shareholder or the board of directors shall specify each nominee's name, educational background, working experience, and submit therewith documentation that the nominees meet the requirements of Article 5, paragraph 1, and Article 6, and other documentary proof.

When calling a shareholders' meeting for the purpose of director elections, the board of directors, or other person having the authority to call a shareholders' meeting, shall review

the qualifications of each director nominee; except under any of the following circumstances, all qualified nominees shall be included in the slate of director candidates:

1. The nominating shareholder submits the nomination at a time not within the published period for receiving nominations.
2. The shareholding of the nominating shareholder holds less than one percent, at the time of book closure, of the Company under Article 165, paragraph 2 or 3 of the Company Act.
3. The number of nominees exceeds the number of directors to be elected.
4. The relevant documentary proof required under the preceding paragraph is not attached.

The procedure of reviewing the director nominees shall be recorded and retained for at least one year. However, if any shareholder files a lawsuit regarding the election of the directors, the record shall be retained until the lawsuit ends.

The Company shall, forty days prior to the shareholders' meeting date or twenty-five days prior to the extra-ordinary shareholders' meeting date, announce publicly the recommended slate of director candidates and each nominee's name, educational background, working experience, and the amount of shares each nominee owns. The Company shall also inform the result of review to the nominating shareholder and, for the nominee(s) not included in the slate of directors, the Company shall provide the reasons.

Article 8 The Company's directors shall be elected by means of single-named cumulative ballots method. Each share is entitled to have votes equivalent to the number of directors to be elected, and the number of votes may be used to elect one candidate or be allocated among several candidates.

Article 9 According to the seats set forth in the Articles of Incorporation, the voting rights for the independent directors or non-independent directors shall be counted separately. In the election of the directors, the candidates who acquired more votes should win the seats; and, if two or more persons receive the same number of votes, resulting in the total number of persons to be elected exceeding the number specified in the Company's Articles of Incorporation, those persons who have received the same number of votes shall draw straws to decide who is elected. If any person who has received the same number of votes as others, but is absent at the meeting, the chairman shall draw the straw on the absent person's behalf.

Article 10 Before beginning of the election, the chairman shall designate a certain number of persons who are also shareholders to check, count ballots and perform the relevant duties. The ballot box used for voting shall be prepared by the board of directors and checked in public by the person assigned to check the ballots before voting.

Article 11 The Board of Directors shall prepare the election ballots which equal to the number of directors to be elected with the number of voting rights. The ballots shall be given to the

shareholders present at the shareholders' meeting. In the election of directors, the names of the voters may be represented by their shareholder number.

Article 12 If the candidate is a shareholder of this Company, electors shall fill in the "candidate" column the candidate's name and shareholder's number on each ballot. If the candidate is not a shareholder, electors shall fill in the candidate's name and ID number. If the candidate is a government agency or a legal entity, the full name of the government agency or the legal entity or the name of the representative should be filled in the column. If there are more than one representative, the full names of the representatives should be filled in separately.

Article 13 A ballot shall be construed as null and void under the following conditions:

1. The elector has failed to use the ballot prepared by the board of directors.
2. Blank ballots not completed by the voter.
3. The writing is unclear and illegible.
4. If the candidate is a shareholder of the Company, the name or shareholder's number of the candidate filled in the ballot is inconsistent with the shareholders' register. If the candidate is not a shareholder of this Company, the name or ID number of the candidate filled in the ballot is incorrect.
5. Ballots with other written characters in addition to candidate's name, shareholder's number (ID number) and the number of votes cast for the candidate.
6. The name of the candidates filled in the ballots being the same as another candidate's name and the respective shareholder's numbers (ID numbers) not being indicated to distinguish them.

Article 14 The ballots should be calculated during the meeting right after the voting and the results (the list of new directors) of the election should be announced by the chairman at the meeting.

Article 15 These Regulations shall be effective from the date they are approved in the shareholder's meeting. The same applies to amendments.