

# **Taiwan Mobile Co., Ltd. and Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2023 and 2022 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

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

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Taiwan Mobile Co., Ltd. and its subsidiaries (collectively, the “Group”) as of September 30, 2023 and 2022, the consolidated statements of comprehensive income for the three months and the nine months ended September 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including material accounting policy information. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

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

### **Conclusion**

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2023 and 2022, and of its consolidated financial performance for the three months ended September 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the nine months then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

November 14, 2023

Notice to Readers

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

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

# TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2023		December 31, 2022		September 30, 2022		LIABILITIES AND EQUITY	September 30, 2023		December 31, 2022		September 30, 2022	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>							<b>CURRENT LIABILITIES</b>						
Cash and cash equivalents (Notes 6 and 30)	\$ 11,016,201	6	\$ 14,934,740	8	\$ 11,792,915	6	Short-term borrowings (Note 18)	\$ 14,630,000	8	\$ 20,550,000	11	\$ 23,470,000	12
Financial assets at fair value through other comprehensive income (Note 7)	252,743	-	249,824	-	253,910	-	Short-term notes and bills payable (Note 18)	8,589,239	4	3,092,395	2	1,998,076	1
Contract assets (Note 23)	5,513,200	3	5,092,822	3	4,941,806	3	Contract liabilities (Note 23)	1,732,449	1	2,079,999	1	1,779,838	1
Notes and accounts receivable, net (Note 8)	7,707,990	5	7,711,033	4	7,357,583	4	Notes and accounts payable	13,944,040	7	13,847,707	7	13,737,654	7
Notes and accounts receivable due from related parties (Note 30)	560,100	-	576,760	-	493,012	-	Notes and accounts payable due to related parties (Note 30)	216,061	-	133,150	-	236,749	-
Other receivables (Note 30)	3,515,270	2	3,359,268	2	2,437,475	1	Other payables (Note 30)	8,351,325	5	10,373,509	5	8,594,048	5
Inventories (Note 9)	7,440,584	4	8,101,340	4	7,448,743	4	Current tax liabilities	1,834,998	1	2,537,557	1	1,712,152	1
Prepayments (Note 30)	827,435	-	572,104	-	819,309	1	Provisions (Note 20)	73,838	-	80,467	-	66,457	-
Disposal groups held for sale (Note 10)	315,435	-	-	-	-	-	Liabilities directly associated with disposal groups held for sale (Note 10)	41,460	-	-	-	-	-
Other financial assets (Notes 30 and 31)	641,805	-	646,289	-	738,768	-	Lease liabilities (Notes 14, 27 and 30)	3,811,852	2	3,693,801	2	3,738,280	2
Other current assets	160,718	-	194,920	-	149,349	-	Advance receipts	123,788	-	164,474	-	77,212	-
Total current assets	<u>37,951,481</u>	<u>20</u>	<u>41,439,100</u>	<u>21</u>	<u>36,432,870</u>	<u>19</u>	Long-term liabilities, current portion (Notes 18 and 19)	3,796,081	2	9,772,757	5	6,252,834	3
							Other current liabilities (Note 30)	<u>3,418,176</u>	<u>2</u>	<u>3,242,300</u>	<u>2</u>	<u>3,103,984</u>	<u>2</u>
<b>NON-CURRENT ASSETS</b>							Total current liabilities	<u>60,563,307</u>	<u>32</u>	<u>69,568,116</u>	<u>36</u>	<u>64,767,284</u>	<u>34</u>
Financial assets at fair value through profit or loss	1,338,714	-	1,181,015	-	1,061,602	1							
Financial assets at fair value through other comprehensive income (Note 7)	4,492,165	3	4,786,843	3	4,439,257	2	<b>NON-CURRENT LIABILITIES</b>						
Contract assets (Note 23)	5,408,860	3	5,397,742	3	5,281,303	3	Contract liabilities (Note 23)	377,845	-	97,845	-	102,150	-
Investments accounted for using equity method (Notes 11 and 30)	1,775,310	1	1,794,033	1	1,646,581	1	Bonds payable (Note 19)	37,978,742	20	31,481,943	16	31,480,723	17
Property, plant and equipment (Note 13)	44,305,405	24	44,247,993	23	44,386,553	24	Long-term borrowings (Note 18)	6,569,729	4	6,282,531	3	9,873,181	5
Right-of-use assets (Notes 14 and 30)	10,950,087	6	9,784,277	5	10,218,121	6	Provisions (Note 20)	1,496,689	1	1,440,590	1	1,442,439	1
Investment properties (Note 15)	1,623,130	1	2,734,429	2	2,614,910	1	Deferred tax liabilities	1,213,119	-	1,278,223	1	1,236,167	1
Concessions (Notes 16 and 31)	52,941,644	28	56,178,122	29	57,256,947	30	Lease liabilities (Notes 14, 27 and 30)	7,155,343	4	6,155,641	3	6,509,715	3
Goodwill (Note 16)	15,729,043	8	15,819,108	8	15,819,108	8	Net defined benefit liabilities	83,398	-	108,631	-	438,769	-
Other intangible assets (Note 16)	4,782,907	3	4,874,135	3	4,881,667	3	Guarantee deposits	1,349,264	1	1,310,619	1	1,274,786	1
Deferred tax assets	589,227	-	575,978	-	637,224	-	Other non-current liabilities	<u>2,185,406</u>	<u>1</u>	<u>2,496,747</u>	<u>1</u>	<u>2,600,258</u>	<u>1</u>
Incremental costs of obtaining a contract (Note 23)	1,991,397	1	1,913,755	1	1,863,738	1	Total non-current liabilities	<u>58,409,535</u>	<u>31</u>	<u>50,652,770</u>	<u>26</u>	<u>54,958,188</u>	<u>29</u>
Other financial assets (Notes 30 and 31)	434,721	-	373,125	-	372,906	-							
Other non-current assets (Notes 17 and 30)	<u>3,244,848</u>	<u>2</u>	<u>1,972,011</u>	<u>1</u>	<u>2,121,075</u>	<u>1</u>	Total liabilities	<u>118,972,842</u>	<u>63</u>	<u>120,220,886</u>	<u>62</u>	<u>119,725,472</u>	<u>63</u>
Total non-current assets	<u>149,607,458</u>	<u>80</u>	<u>151,632,566</u>	<u>79</u>	<u>152,600,992</u>	<u>81</u>							
							<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 22)</b>						
							Common stock	35,192,336	19	35,192,336	18	35,192,336	19
							Capital surplus	13,111,789	7	15,326,778	8	15,324,930	8
							Retained earnings						
							Legal reserve	33,498,727	18	32,603,345	17	32,603,345	17
							Special reserve	-	-	1,823,415	1	1,823,415	1
							Unappropriated earnings	8,589,572	5	8,954,012	5	6,228,538	3
							Other equity interests	9,151	-	288,214	-	39,859	-
							Treasury stock	<u>(29,717,344)</u>	<u>(16)</u>	<u>(29,717,344)</u>	<u>(15)</u>	<u>(29,717,344)</u>	<u>(15)</u>
							Total equity attributable to owners of the parent	60,684,231	33	64,470,756	34	61,495,079	33
							<b>NON-CONTROLLING INTERESTS</b>	<u>7,901,866</u>	<u>4</u>	<u>8,380,024</u>	<u>4</u>	<u>7,813,311</u>	<u>4</u>
							Total equity	<u>68,586,097</u>	<u>37</u>	<u>72,850,780</u>	<u>38</u>	<u>69,308,390</u>	<u>37</u>
<b>TOTAL</b>	<u>\$ 187,558,939</u>	<u>100</u>	<u>\$ 193,071,666</u>	<u>100</u>	<u>\$ 189,033,862</u>	<u>100</u>	<b>TOTAL</b>	<u>\$ 187,558,939</u>	<u>100</u>	<u>\$ 193,071,666</u>	<u>100</u>	<u>\$ 189,033,862</u>	<u>100</u>

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

# TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUES (Notes 23, 30 and 37)	\$ 43,187,052	100	\$ 40,468,193	100	\$ 129,748,709	100	\$ 121,604,923	100
OPERATING COSTS (Notes 9, 30, 34 and 37)	<u>34,739,799</u>	<u>80</u>	<u>32,501,563</u>	<u>80</u>	<u>104,252,021</u>	<u>80</u>	<u>97,341,579</u>	<u>80</u>
GROSS PROFIT FROM OPERATIONS	<u>8,447,253</u>	<u>20</u>	<u>7,966,630</u>	<u>20</u>	<u>25,496,688</u>	<u>20</u>	<u>24,263,344</u>	<u>20</u>
OPERATING EXPENSES (Notes 30, 34 and 37)								
Marketing	2,608,207	6	2,457,221	6	7,979,180	6	7,444,757	6
Administrative	1,548,751	4	1,474,475	4	4,543,343	4	4,384,509	4
Research and development	128,749	-	111,975	-	366,786	-	267,425	-
Expected credit loss	<u>76,281</u>	<u>-</u>	<u>53,301</u>	<u>-</u>	<u>178,665</u>	<u>-</u>	<u>190,744</u>	<u>-</u>
Total operating expenses	<u>4,361,988</u>	<u>10</u>	<u>4,096,972</u>	<u>10</u>	<u>13,067,974</u>	<u>10</u>	<u>12,287,435</u>	<u>10</u>
OTHER INCOME AND EXPENSES, NET (Note 30)	<u>212,415</u>	<u>-</u>	<u>207,696</u>	<u>-</u>	<u>638,851</u>	<u>-</u>	<u>594,235</u>	<u>-</u>
OPERATING INCOME (Note 37)	<u>4,297,680</u>	<u>10</u>	<u>4,077,354</u>	<u>10</u>	<u>13,067,565</u>	<u>10</u>	<u>12,570,144</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income (Note 30)	42,239	-	21,185	-	153,379	-	58,924	-
Other income	23,265	-	13,931	-	34,687	-	26,895	-
Other gains and losses, net (Note 24)	31,371	-	155,095	-	1,214	-	146,422	-
Finance costs (Note 24)	(251,423)	-	(196,167)	-	(710,615)	-	(515,566)	-
Share of profit (loss) of associates accounted for using equity method	<u>(10,055)</u>	<u>-</u>	<u>13,395</u>	<u>-</u>	<u>(7,806)</u>	<u>-</u>	<u>50,877</u>	<u>-</u>
Total non-operating income and expenses	<u>(164,603)</u>	<u>-</u>	<u>7,439</u>	<u>-</u>	<u>(529,141)</u>	<u>-</u>	<u>(232,448)</u>	<u>-</u>
PROFIT BEFORE TAX	4,133,077	10	4,084,793	10	12,538,424	10	12,337,696	10
INCOME TAX EXPENSE (Note 25)	<u>764,384</u>	<u>2</u>	<u>813,555</u>	<u>2</u>	<u>2,438,850</u>	<u>2</u>	<u>2,414,130</u>	<u>2</u>
NET PROFIT	<u>3,368,693</u>	<u>8</u>	<u>3,271,238</u>	<u>8</u>	<u>10,099,574</u>	<u>8</u>	<u>9,923,566</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 22 and 25)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(686,597)	(2)	92,067	-	(331,273)	-	(475,345)	-
Share of other comprehensive income (loss) of associates accounted for using equity method	(2,293)	-	(8,275)	-	(47,122)	-	(16,154)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation	18,488	-	10,443	-	1,206	-	34,272	-
Share of other comprehensive income (loss) of associates accounted for using equity method	<u>(620)</u>	<u>-</u>	<u>179</u>	<u>-</u>	<u>(4,277)</u>	<u>-</u>	<u>1,157</u>	<u>-</u>
Other comprehensive income (loss) (after tax)	<u>(671,022)</u>	<u>(2)</u>	<u>94,414</u>	<u>-</u>	<u>(381,466)</u>	<u>-</u>	<u>(456,070)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 2,697,671</u>	<u>6</u>	<u>\$ 3,365,652</u>	<u>8</u>	<u>\$ 9,718,108</u>	<u>8</u>	<u>\$ 9,467,496</u>	<u>8</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of the parent	\$ 2,938,208	7	\$ 2,838,983	7	\$ 8,688,202	7	\$ 8,555,924	7
Non-controlling interests	<u>430,485</u>	<u>1</u>	<u>432,255</u>	<u>1</u>	<u>1,411,372</u>	<u>1</u>	<u>1,367,642</u>	<u>1</u>
	<u>\$ 3,368,693</u>	<u>8</u>	<u>\$ 3,271,238</u>	<u>8</u>	<u>\$ 10,099,574</u>	<u>8</u>	<u>\$ 9,923,566</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the parent	\$ 2,283,405	5	\$ 2,932,923	7	\$ 8,313,233	7	\$ 8,092,182	7
Non-controlling interests	<u>414,266</u>	<u>1</u>	<u>432,729</u>	<u>1</u>	<u>1,404,875</u>	<u>1</u>	<u>1,375,314</u>	<u>1</u>
	<u>\$ 2,697,671</u>	<u>6</u>	<u>\$ 3,365,652</u>	<u>8</u>	<u>\$ 9,718,108</u>	<u>8</u>	<u>\$ 9,467,496</u>	<u>8</u>
EARNINGS PER SHARE (Note 26)								
Basic earnings per share	<u>\$ 1.04</u>		<u>\$ 1.00</u>		<u>\$ 3.08</u>		<u>\$ 3.03</u>	
Diluted earnings per share	<u>\$ 1.04</u>		<u>\$ 1.00</u>		<u>\$ 3.08</u>		<u>\$ 3.03</u>	

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

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**

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

	Equity Attributable to Owners of the Parent						Other Equity Interests			Total	Non-controlling Interests	Total Equity
	Common Stock	Capital Collected in Advance	Capital Surplus	Retained Earnings			Exchange Differences on Translation	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Stock			
				Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE, JANUARY 1, 2022	\$ 35,135,201	\$ 57,135	\$ 16,903,239	\$ 31,500,472	\$ 2,449,739	\$ 11,028,726	\$ (44,294)	\$ (1,779,121)	\$(29,717,344)	\$ 65,533,753	\$ 7,743,245	\$ 73,276,998
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 nine months ended September 30, 2022	-	-	-	-	-	8,555,924	-	-	-	8,555,924	1,367,642	9,923,566
Other comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	-	165	15,527	(479,434)	-	(463,742)	7,672	(456,070)
Total comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	-	8,556,089	15,527	(479,434)	-	8,092,182	1,375,314	9,467,496
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	-	-	-	-	-	(2,327,181)	-	2,327,181	-	-	-	-
Changes in equity of associates accounted for using equity method	-	-	-	-	-	(560)	-	-	-	(560)	(684)	(1,244)
Changes in equity associated with non-current assets held for sale	-	-	(2,223)	-	-	-	-	-	-	(2,223)	(2,717)	(4,940)
Cash dividends for non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,301,847)	(1,301,847)
<b>BALANCE, SEPTEMBER 30, 2022</b>	<b>\$ 35,192,336</b>	<b>\$ -</b>	<b>\$ 15,324,930</b>	<b>\$ 32,603,345</b>	<b>\$ 1,823,415</b>	<b>\$ 6,228,538</b>	<b>\$ (28,767)</b>	<b>\$ 68,626</b>	<b>\$(29,717,344)</b>	<b>\$ 61,495,079</b>	<b>\$ 7,813,311</b>	<b>\$ 69,308,390</b>
BALANCE, JANUARY 1, 2023	\$ 35,192,336	\$ -	\$ 15,326,778	\$ 32,603,345	\$ 1,823,415	\$ 8,954,012	\$ (27,862)	\$ 316,076	\$(29,717,344)	\$ 64,470,756	\$ 8,380,024	\$ 72,850,780
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 nine months ended September 30, 2023	-	-	-	-	-	8,688,202	-	-	-	8,688,202	1,411,372	10,099,574
Other comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	-	(2,907)	(372,062)	-	(374,969)	(6,497)	(381,466)
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	8,688,202	(2,907)	(372,062)	-	8,313,233	1,404,875	9,718,108
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(95,906)	-	95,906	-	-	-	-
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	-	-	6,411	-	-	-	-	-	-	6,411	-	6,411
Reorganization	-	-	24,832	-	-	-	-	-	-	24,832	(39,028)	(14,196)
Cash dividends for non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,838,848)	(1,838,848)
<b>BALANCE, SEPTEMBER 30, 2023</b>	<b>\$ 35,192,336</b>	<b>\$ -</b>	<b>\$ 13,111,789</b>	<b>\$ 33,498,727</b>	<b>\$ -</b>	<b>\$ 8,589,572</b>	<b>\$ (30,769)</b>	<b>\$ 39,920</b>	<b>\$(29,717,344)</b>	<b>\$ 60,684,231</b>	<b>\$ 7,901,866</b>	<b>\$ 68,586,097</b>

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

# TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	\$ 12,538,424	\$ 12,337,696
Adjustments for:		
Depreciation expense	9,687,465	9,536,078
Amortization expense	3,584,221	3,579,168
Amortization of incremental costs of obtaining a contract	1,016,838	992,713
Loss on disposal and retirement of property, plant and equipment, net	72,156	141,411
Expected credit loss	178,665	190,744
Other income and expenses	(423,131)	(339,827)
Finance costs	710,615	515,566
Interest income	(153,379)	(58,924)
Dividend income	(30,630)	(19,951)
Valuation gain on financial assets at fair value through profit or loss	(55,588)	(93,078)
Share of loss (profit) of associates accounted for using equity method	7,806	(50,877)
Loss on disposal of investments accounted for using equity method	312	-
Gain on disposal of investments accounted for using equity method held for sale	-	(109,805)
Others	(1,647)	5,259
Changes in operating assets and liabilities		
Contract assets	(424,090)	(359,085)
Notes and accounts receivable	(97,681)	(283,700)
Notes and accounts receivable due from related parties	16,660	(109,938)
Other receivables	(162,959)	266,982
Inventories	660,756	(1,008,627)
Prepayments	(833,102)	(382,784)
Other current assets	39,228	33,450
Other financial assets	(332)	(6,309)
Incremental costs of obtaining a contract	(1,094,480)	(1,028,064)
Contract liabilities	(66,169)	(102,320)
Notes and accounts payable	122,549	2,119,205
Notes and accounts payable due to related parties	82,911	(101,811)
Other payables	(986,114)	(1,289,408)
Provisions	7,505	(2,334)
Advance receipts	(40,750)	11,412
Other current liabilities	175,884	152,939
Net defined benefit liabilities	(25,233)	(24,793)
Cash inflows generated from operating activities	24,506,710	24,510,988
Interest received	11,605	6,969
Interest paid	(1,321)	(698)
Income taxes paid	(3,145,672)	(3,136,289)
Net cash generated from operating activities	<u>21,371,322</u>	<u>21,380,970</u>

(Continued)

# TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2023	2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	\$ (6,434,499)	\$ (8,127,343)
Acquisition of right-of-use assets	(19,548)	(22,190)
Acquisition of intangible assets	(234,046)	(221,678)
Increase in prepayments for equipment	(175,732)	(291,343)
Proceeds from disposal of property, plant and equipment	12,978	4,610
Increase in advance receipts from asset disposals	64	185
Proceeds from disposal of intangible assets	-	10,000
Acquisition of financial assets at fair value through profit or loss	(103,742)	(694,757)
Acquisition of financial assets at fair value through other comprehensive income	(158,430)	(1,880,178)
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	-
Acquisition of investments accounted for using equity method	(35,000)	-
Disposal of investments accounted for using equity method	-	667
Disposal of investments accounted for using equity method held for sale	-	200,156
Proceeds from capital return of investments accounted for using equity method	-	88,535
Increase in prepayments for investment	(775,779)	(155,760)
Other investing activities	176,376	799,308
Increase in refundable deposits	(226,880)	(284,324)
Decrease in refundable deposits	267,303	225,255
Increase in other financial assets	(150,599)	(349,947)
Decrease in other financial assets	102,124	270,427
Interest received	126,496	42,726
Dividends received from associates	1,673	117,276
Other dividends received	<u>30,630</u>	<u>21,479</u>
Net cash used in investing activities	<u>(7,580,412)</u>	<u>(9,575,521)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	(5,920,000)	2,960,000
Increase (decrease) in short-term notes and bills payable	5,486,483	(2,601,722)
Proceeds from issue of bonds	6,492,645	-
Repayments of bonds	(6,000,000)	-
Proceeds from long-term borrowings	506,902	1,503,132
Repayment of long-term borrowings	(187,697)	(205,597)
Repayment of the principal portion of lease liabilities	(3,202,491)	(3,110,133)
Increase in guarantee deposits received	139,756	148,457
Decrease in guarantee deposits received	(102,197)	(118,941)

(Continued)



# TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
Cash dividends paid (including paid to non-controlling interests)	\$ (13,966,853)	\$ (13,429,860)
Interest paid	(773,522)	(561,553)
Acquisition of ownership interests in subsidiaries	<u>(8,085)</u>	<u>-</u>
Net cash used in financing activities	<u>(17,535,059)</u>	<u>(15,416,217)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>145</u>	<u>1,658</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,744,004)	(3,609,110)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>14,934,740</u>	<u>15,402,025</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>\$ 11,190,736</u>	<u>\$ 11,792,915</u>
Cash and cash equivalents in the consolidated balance sheets	<u>\$ 11,016,201</u>	<u>\$ 11,792,915</u>
Cash and cash equivalents included in disposal groups held for sale	<u>\$ 174,535</u>	<u>\$ -</u>

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

(Concluded)

# **TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

---

### **1. ORGANIZATION AND OPERATIONS**

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

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

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

### **2. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The Board of Directors approved the consolidated financial statements on November 14, 2023.

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

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

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

- b. The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC for application starting from 2024.

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

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

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

Note 3: The amendments provide some transition relief regarding disclosure requirements.

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

- c. New IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

<b>New IFRSs</b>	<b>Effective Date Announced by IASB</b>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

## Statement of Compliance

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

## Basis of Consolidation

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

Investor	Subsidiary	Main Business and Products	Percentage of Ownership			Note
			September 30, 2023	December 31, 2022	September 30, 2022	
TWM	Taiwan Cellular Co., Ltd. (TCC)	Investment	100.00%	100.00%	100.00%	-
	Wealth Media Technology Co., Ltd. (WMT)	Investment	100.00%	100.00%	100.00%	-
	TWM Venture Co., Ltd. (TVC)	Investment	100.00%	100.00%	100.00%	-
	Taipei New Horizon Co., Ltd. (TNH)	Building and operating Songshan Cultural and Creative Park BOT project	49.90%	49.90%	49.90%	-
	Fu Sheng Digital Co., Ltd. (FSD)	Information services	100.00%	100.00%	100.00%	Note 1
	TWM Power Co., Ltd. (TPC)	Information software services	100.00%	-	-	Note 2
TCC	Taiwan Fixed Network Co., Ltd. (TFN)	Fixed-line service provider	100.00%	100.00%	100.00%	-
	Taiwan Teleservices & Technologies Co., Ltd. (TT&T)	Call center service and telephone marketing	100.00%	100.00%	100.00%	-
	TWM Holding Co. Ltd. (TWM Holding)	Investment	100.00%	100.00%	100.00%	-
	TCC Investment Co., Ltd. (TCCI)	Investment	100.00%	100.00%	100.00%	Note 3
	Taiwan Digital Service Co., Ltd. (TDS)	Commissioned maintenance services	100.00%	100.00%	100.00%	-
	Taihsin Property Insurance Agent Co., Ltd. (TPIA)	Property insurance agent	100.00%	100.00%	100.00%	-
WMT	Tai-Fu Cloud Technology Co., Ltd. (TFC)	Cloud and information services	100.00%	100.00%	100.00%	-
	TFN Media Co., Ltd. (TFNM)	Type II telecommunications business	100.00%	100.00%	100.00%	-
	Global Forest Media Technology Co., Ltd. (GFMT)	Investment	100.00%	100.00%	100.00%	-
	Global Wealth Media Technology Co., Ltd. (GWMT)	Investment	100.00%	100.00%	100.00%	-
	Win TV Broadcasting Co., Ltd. (WTVB)	TV program provider	100.00%	100.00%	100.00%	-
	momo.com Inc. (momo)	Wholesale, retail, and retail sale no storefront	45.01%	45.01%	45.01%	-
TVC	Taiwan Mobile Film Co., Ltd. (TWMFM)	Film production	100.00%	100.00%	100.00%	-
TFN	TFN Union Investment Co., Ltd. (TUI)	Investment	100.00%	100.00%	100.00%	Note 3
TWM Holding	TWM Communications (Beijing) Co., Ltd. (TWMC)	Data communication application development	100.00%	100.00%	100.00%	Note 4

(Continued)

Investor	Subsidiary	Main Business and Products	Percentage of Ownership			Note	
			September 30, 2023	December 31, 2022	September 30, 2022		
TCCI	TCCI Investment and Development Co., Ltd. (TID)	Investment	100.00%	100.00%	100.00%	Note 3	
TWMFM	Taiwan Stampede Franchise Film Co., Ltd. (SFF)	Film production	100.00%	100.00%	100.00%	-	
TFNM	Taiwan Kuro Times Co., Ltd. (TKT)	Digital music services	100.00%	100.00%	100.00%	Note 5	
	Yeong Jia Leh Cable TV Co., Ltd. (YJCTV)	Cable TV service provider	100.00%	100.00%	100.00%	-	
	Mangrove Cable TV Co., Ltd. (MCTV)	Cable TV service provider	29.53%	29.53%	29.53%	Note 6	
	Phoenix Cable TV Co., Ltd. (PCTV)	Cable TV service provider	100.00%	100.00%	100.00%	-	
	Union Cable TV Co., Ltd. (UCTV)	Cable TV service provider	99.22%	99.22%	99.22%	-	
	Globalview Cable TV Co., Ltd. (GCTV)	Cable TV service provider	92.38%	92.38%	92.38%	-	
	GFMT	UCTV	Cable TV service provider	0.76%	0.76%	0.76%	-
	GWMT	GCTV	Cable TV service provider	6.83%	6.83%	6.83%	-
momo	Asian Crown International Co., Ltd. (Asian Crown (BVI))	Investment	81.99%	81.99%	81.99%	-	
	Honest Development Co., Ltd. (Honest Development)	Investment	100.00%	100.00%	100.00%	-	
	Fuli Life Insurance Agent Co., Ltd. (FLI)	Life insurance agent	100.00%	100.00%	100.00%	Note 7	
	Fuli Insurance Agent Co., Ltd. (FI)	Comprehensive insurance agent	100.00%	100.00%	100.00%	Note 7 and 8	
	Fu Sheng Travel Service Co., Ltd. (FST)	Travel agent	100.00%	100.00%	100.00%	-	
	Bebe Poshe International Co., Ltd. (Bebe Poshe)	Wholesale of cosmetics	93.73%	88.68%	85.00%	Note 9	
	Fu Sheng Logistics Co., Ltd. (FSL)	Logistics and transport	100.00%	100.00%	100.00%	-	
	MFS Co., Ltd. (MFS)	Wholesaling	100.00%	100.00%	100.00%	-	
	Prosperous Living Co., Ltd. (Prosperous Living)	Wholesale and retail sales	73.62%	73.62%	73.62%	-	
	Asian Crown (BVI)	Fortune Kingdom Corporation (Fortune Kingdom)	Investment	100.00%	100.00%	100.00%	-
	Fortune Kingdom	Hong Kong Fubon Multimedia Technology Co., Ltd. (HK Fubon Multimedia)	Investment	100.00%	100.00%	100.00%	-
	Honest Development	Hongkong Yue Numerous Investment Co., Ltd. (HK Yue Numerous)	Investment	100.00%	100.00%	100.00%	-
HK Yue Numerous	Haobo Information Consulting (Shenzhen) Co., Ltd. (Haobo)	Investment	100.00%	100.00%	100.00%	-	
HK Fubon Multimedia	Fubon Gehua (Beijing) Enterprise Ltd. (FGE)	Wholesaling	93.55%	93.55%	93.55%	Note 10	

(Concluded)

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

Note 2: Set up in September 2023.

Note 3: TCCI, TUI and TID collectively owned 698,752 thousand shares of TWM, representing 19.86% of total outstanding shares as of September 30, 2023.

Note 4: The liquidation process was still in progress.

Note 5: In September 2023, TFNM's directors resolved to dispose 100% of the shares of TKT, and reclassified as disposal groups held for sale.

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

Note 7: In October 2023, FI's Board of Directors resolved to merge with FLI.

Note 8: Formerly known as Fuli Property Insurance Agent Co., Ltd. Renamed and changed its main business in February 2023.

Note 9: In October 2022 and the first half of 2023, momo bought back minority interest of Bebe Poshe, resulting in the increase in its ownership.

Note 10: In October 2023, the Board of Directors resolved to liquidate the company, and the liquidation process was still in progress.

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

### Employee Benefits

Defined benefit pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

### Income Tax

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

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

## 6. CASH AND CASH EQUIVALENTS

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand and revolving funds	\$ 126,046	\$ 84,603	\$ 68,184
Cash in banks	5,014,463	5,783,016	5,180,524
Time deposits	3,706,686	6,718,115	4,477,350
Government bonds with repurchase rights	<u>2,169,006</u>	<u>2,349,006</u>	<u>2,066,857</u>
	<u>\$ 11,016,201</u>	<u>\$ 14,934,740</u>	<u>\$ 11,792,915</u>

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Investments in equity instruments - current</u>			
Domestic investments			
Listed stocks	\$ 252,128	\$ 245,607	\$ 247,780

(Continued)

	September 30, 2023	December 31, 2022	September 30, 2022
Foreign investments			
Listed stocks	\$ 615	\$ -	\$ -
Unlisted stocks	<u>-</u>	<u>4,217</u>	<u>6,130</u>
	<u>\$ 252,743</u>	<u>\$ 249,824</u>	<u>\$ 253,910</u>

Investments in equity instruments - non-current

Domestic investments			
Listed stocks	\$ 245,750	\$ 260,000	\$ 201,250
Unlisted stocks	1,328,966	1,224,455	1,276,435
Foreign investments			
Unlisted stocks	1,884,835	2,092,100	2,197,459
Limited partnerships	<u>1,032,614</u>	<u>1,210,288</u>	<u>764,113</u>
	<u>\$ 4,492,165</u>	<u>\$ 4,786,843</u>	<u>\$ 4,439,257</u>

(Concluded)

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

Regarding to the merger between Far Eastone Telecommunications Co., Ltd. (FET) and Asia Pacific Telecom Co., Ltd. (APT), TWM exercised the dissenting shareholder's appraisal right to request APT to buy back TWM's shares in accordance with the Business Mergers And Acquisitions Act, and had deposited all of the held shares to APT in the second quarter of 2022. The related valuation of loss of \$2,308,625 thousand was transferred from other equity to retained earnings. In July 2022, APT had paid the fair price it has recognized of \$671,375 thousand to TWM in accordance with the Business Mergers And Acquisitions Act. However, TWM disagreed with such the fair price recognized by APT, and therefore, APT applied to the court for a ruling on the fair price. In October 2023, the Intellectual Property and Commercial Court ruled the price to be \$7.95 per share. TWM has filed an interlocutory appeal, which will be heard by the Supreme Court.

**8. NOTES AND ACCOUNTS RECEIVABLE, NET**

	September 30, 2023	December 31, 2022	September 30, 2022
Notes receivable	\$ 21,816	\$ 18,619	\$ 15,367
Accounts receivable	8,078,065	8,080,052	7,715,696
Less: Allowance for impairment loss	<u>(391,891)</u>	<u>(387,638)</u>	<u>(373,480)</u>
	<u>\$ 7,707,990</u>	<u>\$ 7,711,033</u>	<u>\$ 7,357,583</u>

The main credit terms range from 30 to 90 days.

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

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

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

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

The Group writes off a trade receivable when there is evidence indicating that the counterparty is in severe financial difficulty and the trade receivable is considered uncollectible. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

September 30, 2023

	Not Past Due	Overdue			Total
		1 to 120 Days	121 to 365 Days	Over 365 Days	
Gross carrying amount	\$ 7,221,329	\$ 678,040	\$ 199,674	\$ 838	\$ 8,099,881
Loss allowance (Lifetime ECLs)	<u>(54,026)</u>	<u>(149,849)</u>	<u>(187,593)</u>	<u>(423)</u>	<u>(391,891)</u>
Amortized cost	<u>\$ 7,167,303</u>	<u>\$ 528,191</u>	<u>\$ 12,081</u>	<u>\$ 415</u>	<u>\$ 7,707,990</u>

December 31, 2022

	Not Past Due	Overdue			Total
		1 to 120 Days	121 to 365 Days	Over 365 Days	
Gross carrying amount	\$ 7,311,629	\$ 602,634	\$ 183,562	\$ 846	\$ 8,098,671
Loss allowance (Lifetime ECLs)	<u>(54,025)</u>	<u>(159,225)</u>	<u>(173,542)</u>	<u>(846)</u>	<u>(387,638)</u>
Amortized cost	<u>\$ 7,257,604</u>	<u>\$ 443,409</u>	<u>\$ 10,020</u>	<u>\$ -</u>	<u>\$ 7,711,033</u>



September 30, 2022

	Not Past Due	Overdue			Total
		1 to 120 Days	121 to 365 Days	Over 365 Days	
Gross carrying amount	\$ 6,904,624	\$ 655,900	\$ 169,256	\$ 1,283	\$ 7,731,063
Loss allowance (Lifetime ECLs)	<u>(53,749)</u>	<u>(158,508)</u>	<u>(159,940)</u>	<u>(1,283)</u>	<u>(373,480)</u>
Amortized cost	<u>\$ 6,850,875</u>	<u>\$ 497,392</u>	<u>\$ 9,316</u>	<u>\$ -</u>	<u>\$ 7,357,583</u>

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

	Not Past Due and Past Due within 120 Days	Past Due Over 120 Days
Telecommunications services	0.02%-85.22%	65.5%-100%

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

	For the Nine Months Ended September 30	
	2023	2022
Beginning balance	\$ 387,638	\$ 334,941
Add: Provision	184,001	186,426
Recovery	33,684	33,040
Less: Write-off	<u>(213,432)</u>	<u>(180,927)</u>
Ending balance	<u>\$ 391,891</u>	<u>\$ 373,480</u>

The Group entered into an accounts receivable factoring contract with a private institution and sold those overdue accounts receivable that had been written off. Under the contract, the Group would no longer assume the risk on the receivables. The related factored accounts receivable information was as follows:

	For the Nine Months Ended September 30	
	2023	2022
Amount of accounts receivable sold	<u>\$ 415,427</u>	<u>\$ 608,335</u>
Proceeds from the sale of accounts receivable	<u>\$ 46,578</u>	<u>\$ 60,100</u>

## 9. INVENTORIES

	September 30, 2023	December 31, 2022	September 30, 2022
Merchandise	\$ 7,431,946	\$ 8,089,629	\$ 7,436,674
Materials for maintenance	<u>8,638</u>	<u>11,711</u>	<u>12,069</u>
	<u>\$ 7,440,584</u>	<u>\$ 8,101,340</u>	<u>\$ 7,448,743</u>

For the three months and the nine months ended September 30, 2023, the cost of goods sold related to inventories amounted to \$26,063,616 thousand and \$78,627,337 thousand, respectively, which included the reversal of inventory write-down totaling \$44,542 thousand, and the inventory write-down totaling \$2,704 thousand, respectively.

For the three months and the nine months ended September 30, 2022, the cost of goods sold related to inventories amounted to \$24,194,492 thousand and \$72,855,185 thousand, respectively, which included the reversal of inventory write-down totaling \$3,512 thousand, and the inventory write-down totaling \$38,291 thousand, respectively.

## 10. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

In September 2023, the subsidiary TFNM's directors resolved to dispose 100% shares of TKT to KKCompany Technologies Inc. for a total amount not exceeding US\$30 million, and the disposal process was expected to be completed within 12 months. The assets and liabilities attributable to this transaction were reclassified as disposal groups held for sale and were separately presented in the consolidated balance sheets. The main categories of assets and liabilities classified as disposal groups held for sale were as follows:

	<b>September 30, 2023</b>
Cash and cash equivalents	\$ 174,535
Property, plant and equipment	4,869
Intangible Assets	112,753
Other assets	<u>23,278</u>
	<u>\$ 315,435</u>
Other liabilities	<u>\$ 41,460</u>

The net proceeds from the disposal were expected to exceed the carrying amount of the related net assets, and accordingly, no impairment loss was recognized while reclassifying the assets and liabilities to disposal groups held for sale.

## 11. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

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

Investee Company	September 30, 2023		December 31, 2022		September 30, 2022	
	Amount	% of Owner- ship	Amount	% of Owner- ship	Amount	% of Owner- ship
AppWorks Ventures Co., Ltd. (AppWorks)	\$ 269,947	51.00	\$ 244,745	51.00	\$ 248,117	51.00
AppWorks Fund III Co., Ltd. (AppWorks Fund III)	558,166	20.14	600,765	20.14	637,570	20.14
Global Home Shopping Co., Ltd. (GHS)	488,263	20.00	486,008	20.00	569,047	20.00
Uospace Tech Co., Ltd. (Uospace)	172,756	32.90	194,095	32.90	-	-
AppWorks Fund IV L.P. (AppWorks Fund IV)	131,300	32.86	101,159	32.86	-	-
kbro Media Co., Ltd. (kbro Media)	67,166	33.58	78,593	33.58	106,786	33.58
NADA Holdings Corp. (NADA)	54,446	31.38	55,558	37.93	56,051	37.93
Mistake Entertainment Co., Ltd. (M.E.)	<u>33,266</u>	11.33	<u>33,110</u>	11.33	<u>29,010</u>	15.00
	<u>\$ 1,775,310</u>		<u>\$ 1,794,033</u>		<u>\$ 1,646,581</u>	

a. AppWorks

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

b. AppWorks Fund III

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

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

c. GHS

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

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

d. Uspace

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

e. AppWorks Fund IV

In December 2022 and May 2023, TVC subscribed 32.86% equity of AppWorks Fund IV and became the single largest limited partner. Since the management, control, operation and decision-making of the limited partnerships investments are executed by general partner, TVC has no control over AppWorks Fund IV but retains significant influence.

f. kbro Media

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

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

g. NADA

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

h. M.E.

In May 2019, TKT acquired 15% equity interest of M.E. and its percentage of ownership interest in M.E. decreased to 11.33% due to non-proportionate subscription to M.E.'s issuance of new capital stock during 2022. TKT has significant influence on M.E. due to having a seat on M.E.'s board of directors. As a result of organizational restructuring, TKT transferred the shares of the M.E. to TFNM in September 2023.

i. TV Direct Public Company Limited (TV Direct)

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

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

## 12. SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Subsidiary	Proportion of Non-controlling Interests' Ownership and Voting Rights		
	September 30, 2023	December 31, 2022	September 30, 2022
momo	54.99%	54.99%	54.99%

For information on the principal place of business and the company's country of registration, see Table 7.

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

	September 30, 2023	December 31, 2022	September 30, 2022
Current assets	\$ 12,180,859	\$ 15,649,166	\$ 12,125,206
Non-current assets	19,682,858	18,165,009	18,612,736
Current liabilities	(12,992,450)	(15,025,287)	(12,424,808)
Non-current liabilities	<u>(2,382,351)</u>	<u>(1,411,826)</u>	<u>(1,937,235)</u>
Equity	<u>\$ 16,488,916</u>	<u>\$ 17,377,062</u>	<u>\$ 16,375,899</u>
Equity attributable to:			
Owners of the parent	\$ 10,570,161	\$ 10,968,706	\$ 10,517,794
Non-controlling interests of momo	5,833,316	6,320,135	5,769,351
Non-controlling interests of momo's subsidiaries	<u>85,439</u>	<u>88,221</u>	<u>88,754</u>
	<u>\$ 16,488,916</u>	<u>\$ 17,377,062</u>	<u>\$ 16,375,899</u>

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Operating revenue	<u>\$ 25,074,675</u>	<u>\$ 23,557,744</u>	<u>\$ 76,407,130</u>	<u>\$ 71,633,611</u>
Profit	\$ 749,859	\$ 756,356	\$ 2,481,065	\$ 2,412,691
Other comprehensive income (loss)	<u>(29,516)</u>	<u>861</u>	<u>(11,815)</u>	<u>13,902</u>
Comprehensive income	<u>\$ 720,343</u>	<u>\$ 757,217</u>	<u>\$ 2,469,250</u>	<u>\$ 2,426,593</u>
Profit attributable to:				
Owners of the parent	\$ 337,605	\$ 340,501	\$ 1,116,957	\$ 1,086,668
Non-controlling interests of momo	412,379	415,919	1,364,347	1,327,351
Non-controlling interests of momo's subsidiaries	<u>(125)</u>	<u>(64)</u>	<u>(239)</u>	<u>(1,328)</u>
	<u>\$ 749,859</u>	<u>\$ 756,356</u>	<u>\$ 2,481,065</u>	<u>\$ 2,412,691</u>
Comprehensive income attributable to:				
Owners of the parent	\$ 324,308	\$ 340,889	\$ 1,111,639	\$ 1,092,899
Non-controlling interests of momo	396,137	416,393	1,357,852	1,334,962
Non-controlling interests of momo's subsidiaries	<u>(102)</u>	<u>(65)</u>	<u>(241)</u>	<u>(1,268)</u>
	<u>\$ 720,343</u>	<u>\$ 757,217</u>	<u>\$ 2,469,250</u>	<u>\$ 2,426,593</u>
			<b>For the Nine Months Ended September 30</b>	
			<b>2023</b>	<b>2022</b>
Net cash generated from operating activities			\$ 1,157,413	\$ 2,068,848
Net cash used in investing activities			(787,251)	(2,950,152)
Net cash used in financing activities			(3,844,077)	(2,837,094)
Effect of exchange rate changes			<u>(10)</u>	<u>205</u>
Net decrease in cash			<u>\$ (3,473,925)</u>	<u>\$ (3,718,193)</u>
Dividends paid to non-controlling interests			<u>\$ 1,802,064</u>	<u>\$ 1,301,491</u>

### 13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Telecommuni- cations Equipment and Machinery	Others	Construction in Progress and Equipment to be Inspected	Total
<u>Cost</u>						
Balance, January 1, 2023	\$ 10,290,697	\$ 5,667,344	\$ 107,475,035	\$ 9,410,610	\$ 3,880,214	\$ 136,723,900
Additions	-	-	193,752	260,247	5,062,872	5,516,871
Disposals and retirements	-	-	(1,321,931)	(290,527)	(59)	(1,612,517)
Reclassified as held for sale (Note 10)	-	-	-	(19,610)	-	(19,610)
Reclassification	<u>884,188</u>	<u>514,364</u>	<u>4,384,086</u>	<u>239,786</u>	<u>(4,638,677)</u>	<u>1,383,747</u>
Balance, September 30, 2023	<u>\$ 11,174,885</u>	<u>\$ 6,181,708</u>	<u>\$ 110,730,942</u>	<u>\$ 9,600,506</u>	<u>\$ 4,304,350</u>	<u>\$ 141,992,391</u>
<u>Accumulated depreciation and impairment</u>						
Balance, January 1, 2023	\$ -	\$ 2,131,858	\$ 82,115,130	\$ 8,228,919	\$ -	\$ 92,475,907
Depreciation	-	100,879	5,899,827	509,559	-	6,510,265
Disposals and retirements	-	-	(1,246,320)	(287,811)	-	(1,534,131)
Reclassified as held for sale (Note 10)	-	-	-	(14,741)	-	(14,741)
Reclassification	<u>-</u>	<u>299,647</u>	<u>(49,961)</u>	<u>-</u>	<u>-</u>	<u>249,686</u>
Balance, September 30, 2023	<u>\$ -</u>	<u>\$ 2,532,384</u>	<u>\$ 86,718,676</u>	<u>\$ 8,435,926</u>	<u>\$ -</u>	<u>\$ 97,686,986</u>
Carrying amount, January 1, 2023	<u>\$ 10,290,697</u>	<u>\$ 3,535,486</u>	<u>\$ 25,359,905</u>	<u>\$ 1,181,691</u>	<u>\$ 3,880,214</u>	<u>\$ 44,247,993</u>
Carrying amount, September 30, 2023	<u>\$ 11,174,885</u>	<u>\$ 3,649,324</u>	<u>\$ 24,012,266</u>	<u>\$ 1,164,580</u>	<u>\$ 4,304,350</u>	<u>\$ 44,305,405</u>
<u>Cost</u>						
Balance, January 1, 2022	\$ 9,098,215	\$ 5,723,861	\$ 104,347,852	\$ 10,238,804	\$ 1,702,372	\$ 131,111,104
Additions	924,481	390	223,298	198,538	5,771,818	7,118,525
Disposals and retirements	-	(140)	(1,293,555)	(180,336)	(395)	(1,474,426)
Reclassification	367,049	(15,081)	3,837,015	249,167	(4,073,190)	364,960
Effect of exchange rate changes	<u>-</u>	<u>-</u>	<u>1,384</u>	<u>43</u>	<u>-</u>	<u>1,427</u>
Balance, September 30, 2022	<u>\$ 10,389,745</u>	<u>\$ 5,709,030</u>	<u>\$ 107,115,994</u>	<u>\$ 10,506,216</u>	<u>\$ 3,400,605</u>	<u>\$ 137,121,590</u>
<u>Accumulated depreciation and impairment</u>						
Balance, January 1, 2022	\$ -	\$ 1,994,389	\$ 76,676,012	\$ 9,000,963	\$ -	\$ 87,671,364
Depreciation	-	122,814	5,734,134	541,569	-	6,398,517
Disposals and retirements	-	(140)	(1,149,568)	(178,697)	-	(1,328,405)
Reclassification	-	(7,865)	-	-	-	(7,865)
Effect of exchange rate changes	<u>-</u>	<u>-</u>	<u>1,383</u>	<u>43</u>	<u>-</u>	<u>1,426</u>
Balance, September 30, 2022	<u>\$ -</u>	<u>\$ 2,109,198</u>	<u>\$ 81,261,961</u>	<u>\$ 9,363,878</u>	<u>\$ -</u>	<u>\$ 92,735,037</u>
Carrying amount, September 30, 2022	<u>\$ 10,389,745</u>	<u>\$ 3,599,832</u>	<u>\$ 25,854,033</u>	<u>\$ 1,142,338</u>	<u>\$ 3,400,605</u>	<u>\$ 44,386,553</u>

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

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

#### 14. LEASE ARRANGEMENTS

##### a. Right-of-use assets

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Carrying amount</u>			
Land	\$ 642,488	\$ 616,943	\$ 602,061
Buildings	10,002,621	8,762,700	9,166,436
Telecommunications equipment and machinery	223,395	299,705	337,680
Others	<u>81,583</u>	<u>104,929</u>	<u>111,944</u>
	<u>\$ 10,950,087</u>	<u>\$ 9,784,277</u>	<u>\$ 10,218,121</u>
		<b>For the Nine Months Ended September 30</b>	
		<b>2023</b>	<b>2022</b>
Additions to right-of-use assets		<u>\$ 4,571,401</u>	<u>\$ 4,496,373</u>
	<b>For the Three Months Ended September 30</b>	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>2022</b>	<b>2023</b>	<b>2022</b>
Depreciation charge for right-of-use assets			
Land	\$ 61,005	\$ 60,716	\$ 182,682
Buildings	956,023	925,193	2,830,640
Telecommunications equipment and machinery	36,620	37,073	110,066
Others	<u>13,767</u>	<u>14,688</u>	<u>41,418</u>
	<u>\$ 1,067,415</u>	<u>\$ 1,037,670</u>	<u>\$ 3,164,806</u>
		<u>\$ 3,164,806</u>	<u>\$ 3,124,064</u>

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the nine months ended September 30, 2023 and 2022.

b. Lease liabilities

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
<u>Carrying amount</u>			
Current	<u>\$ 3,811,852</u>	<u>\$ 3,693,801</u>	<u>\$ 3,738,280</u>
Non-current	<u>\$ 7,155,343</u>	<u>\$ 6,155,641</u>	<u>\$ 6,509,715</u>

Range of discount rates for lease liabilities was as follows:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Land	0.61%-1.31%	0.61%-1%	0.61%-1%
Buildings	0.61%-1.31%	0.61%-1.2%	0.61%-1.2%
Telecommunications equipment and machinery	0.61%-4.38%	0.61%-4.38%	0.61%-4.38%
Others	0.61%-1.31%	0.61%-0.86%	0.61%-0.86%

c. Material lease-in activities and terms

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

d. Other lease information

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Expenses related to short-term leases	<u>\$ 9,224</u>	<u>\$ 9,005</u>	<u>\$ 27,702</u>	<u>\$ 27,692</u>
Expenses related to low-value asset leases	<u>\$ 22,627</u>	<u>\$ 26,235</u>	<u>\$ 74,029</u>	<u>\$ 78,004</u>
Expenses related to variable lease payments and not included in the measurement of lease liabilities	<u>\$ 5,991</u>	<u>\$ 7,200</u>	<u>\$ 19,296</u>	<u>\$ 21,804</u>
			<b>For the Nine Months Ended September 30</b>	
			<b>2023</b>	<b>2022</b>
Total cash outflow for leases			<u>\$ 3,407,084</u>	<u>\$ 3,321,628</u>



## 15. INVESTMENT PROPERTIES

The Group leases its properties to others and thus reclassifies them from property, plant and equipment to investment properties. On September 30, 2023, TWM transferred back the amount of \$1,098,905 thousand to the Group's property, plant and equipment.

The fair values of investment properties were measured using Level 3 inputs, arising from income approach, comparative approach, and cost approach adopted by a third party real estate appraiser, HomeBan Appraisers Joint Firm. As of September 30, 2023, December 31, 2022 and September 30, 2022, the fair values of investment properties were \$3,974,136 thousand, \$6,877,283 thousand and \$6,546,861 thousand, respectively, and the capitalization rates for the aforementioned financial reporting periods were ranging from 1.47%-5.23%, 1.47%-5.23% and 1.37%-5.23%, respectively.

The amounts of depreciation recognized for the three months and the nine months ended September 30, 2023 and 2022 were \$2,849 thousand, \$4,487 thousand, \$12,394 thousand, and \$13,497 thousand, respectively.

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

	September 30, 2023	December 31, 2022	September 30, 2022
Year 1	\$ 64,088	\$ 91,600	\$ 99,701
Year 2	58,493	34,181	27,343
Year 3	55,960	29,722	23,267
Year 4	37,731	25,740	21,596
Year 5	29,079	9,321	3,742
Year 6 and thereafter	<u>30,250</u>	<u>34,137</u>	<u>-</u>
	<u>\$ 275,601</u>	<u>\$ 224,701</u>	<u>\$ 175,649</u>

## 16. INTANGIBLE ASSETS

	Concessions		Goodwill	Other Intangible Assets				Total
	Concession Licenses	Service Concessions		Customer Relationships	Operating Rights	Trademarks	Computer Software and Others	
<b>Cost</b>								
Balance, January 1, 2023	\$ 71,699,375	\$ 8,180,078	\$ 15,872,595	\$ 2,643,826	\$ 1,382,000	\$ 2,517,164	\$ 3,832,774	\$ 106,127,812
Additions	-	-	-	-	-	20	175,913	175,933
Disposals and retirements	-	-	-	-	-	-	(116,018)	(116,018)
Reclassified as held for sale (Note 10)	-	-	(90,065)	-	-	(21,984)	(22,795)	(134,844)
Reclassification	-	-	-	-	-	-	103,270	103,270
Balance, September 30, 2023	<u>\$ 71,699,375</u>	<u>\$ 8,180,078</u>	<u>\$ 15,782,530</u>	<u>\$ 2,643,826</u>	<u>\$ 1,382,000</u>	<u>\$ 2,495,200</u>	<u>\$ 3,973,144</u>	<u>\$ 106,156,153</u>
<b>Accumulated amortization and impairment</b>								
Balance, January 1, 2023	\$ 21,955,149	\$ 1,746,182	\$ 53,487	\$ 2,046,000	\$ -	\$ 741	\$ 3,454,888	\$ 29,256,447
Amortization	3,102,438	134,040	-	102,300	-	63	245,380	3,584,221
Disposals and retirements	-	-	-	-	-	-	(116,018)	(116,018)
Reclassified as held for sale (Note 10)	-	-	-	-	-	-	(22,091)	(22,091)
Balance, September 30, 2023	<u>\$ 25,057,587</u>	<u>\$ 1,880,222</u>	<u>\$ 53,487</u>	<u>\$ 2,148,300</u>	<u>\$ -</u>	<u>\$ 804</u>	<u>\$ 3,562,159</u>	<u>\$ 32,702,559</u>
Carrying amount, January 1, 2023	<u>\$ 49,744,226</u>	<u>\$ 6,433,896</u>	<u>\$ 15,819,108</u>	<u>\$ 597,826</u>	<u>\$ 1,382,000</u>	<u>\$ 2,516,423</u>	<u>\$ 377,886</u>	<u>\$ 76,871,365</u>
Carrying amount, September 30, 2023	<u>\$ 46,641,788</u>	<u>\$ 6,299,856</u>	<u>\$ 15,729,043</u>	<u>\$ 495,526</u>	<u>\$ 1,382,000</u>	<u>\$ 2,494,396</u>	<u>\$ 410,985</u>	<u>\$ 73,453,594</u>
<b>Cost</b>								
Balance, January 1, 2022	\$ 71,699,375	\$ 8,180,078	\$ 15,872,595	\$ 2,654,089	\$ 1,382,000	\$ 2,518,355	\$ 3,576,950	\$ 105,883,442
Additions	-	-	-	-	-	169	163,275	163,444
Disposals and retirements	-	-	-	(10,263)	-	(744)	(59,216)	(70,223)
Reclassification	-	-	-	-	-	-	45,877	45,877
Effect of exchange rate changes	-	-	-	-	-	-	229	229
Balance, September 30, 2022	<u>\$ 71,699,375</u>	<u>\$ 8,180,078</u>	<u>\$ 15,872,595</u>	<u>\$ 2,643,826</u>	<u>\$ 1,382,000</u>	<u>\$ 2,517,780</u>	<u>\$ 3,727,115</u>	<u>\$ 106,022,769</u>

(Continued)

	Concessions		Goodwill	Other Intangible Assets				Total
	Concession Licenses	Service Concessions		Customer Relationships	Operating Rights	Trademarks	Computer Software and Others	
Accumulated amortization and impairment								
Balance, January 1, 2022	\$ 17,818,565	\$ 1,567,463	\$ 53,487	\$ 1,919,863	\$ -	\$ 1,870	\$ 3,194,631	\$ 24,555,879
Amortization	3,102,438	134,040	-	102,300	-	201	240,189	3,579,168
Disposals and retirements	-	-	-	(10,263)	-	(744)	(59,216)	(70,223)
Effect of exchange rate changes	-	-	-	-	-	-	223	223
Balance, September 30, 2022	<u>\$ 20,921,003</u>	<u>\$ 1,701,503</u>	<u>\$ 53,487</u>	<u>\$ 2,011,900</u>	<u>\$ -</u>	<u>\$ 1,327</u>	<u>\$ 3,375,827</u>	<u>\$ 28,065,047</u>
Carrying amount, September 30, 2022	<u>\$ 50,778,372</u>	<u>\$ 6,478,575</u>	<u>\$ 15,819,108</u>	<u>\$ 631,926</u>	<u>\$ 1,382,000</u>	<u>\$ 2,516,453</u>	<u>\$ 351,288</u>	<u>\$ 77,957,722</u>

(Concluded)

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

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

a. Service concessions

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

b. Customer relationships, operating rights, and trademarks

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

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

c. Goodwill

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

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Mobile communication services	\$ 7,121,871	\$ 7,211,936	\$ 7,211,936
Fixed network services	357,970	357,970	357,970
Retail business	4,979,566	4,979,566	4,979,566
Cable television and broadband business	<u>3,269,636</u>	<u>3,269,636</u>	<u>3,269,636</u>
	<u>\$ 15,729,043</u>	<u>\$ 15,819,108</u>	<u>\$ 15,819,108</u>

d. Impairment of assets

See Note 15(d) to the consolidated financial statements for the year ended December 31, 2022 for the related information on impairment of assets. There was no significant evidence indicating impairment of intangible assets as of September 30, 2023.

**17. OTHER NON-CURRENT ASSETS**

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Long-term accounts receivable	\$ 224,988	\$ 290,212	\$ 315,363
Refundable deposits	802,374	856,497	810,124
Other prepayments	963,107	359,249	375,705
Prepayments for investment	790,003	-	155,760
Others	<u>464,376</u>	<u>466,053</u>	<u>464,123</u>
	<u>\$ 3,244,848</u>	<u>\$ 1,972,011</u>	<u>\$ 2,121,075</u>

**18. BORROWINGS**

a. Short-term borrowings

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Unsecured loans	<u>\$ 14,630,000</u>	<u>\$ 20,550,000</u>	<u>\$ 23,470,000</u>
Annual interest rates	1.47%-1.81%	1.53%-1.66%	1.09%-1.28%

For the information on endorsements and guarantees, see Note 32(b).

b. Short-term notes and bills payable

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Short-term notes and bills payable	\$ 8,600,000	\$ 3,100,000	\$ 2,000,000
Less: Discounts on short-term notes and bills payable	<u>(10,761)</u>	<u>(7,605)</u>	<u>(1,924)</u>
	<u>\$ 8,589,239</u>	<u>\$ 3,092,395</u>	<u>\$ 1,998,076</u>
Annual interest rates	1.488%-1.538%	1.658%	1.158%-1.208%

c. Long-term borrowings

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Secured loans	\$ 1,876,512	\$ 2,059,160	\$ 2,130,030
Commercial papers payable	8,500,000	8,000,000	8,000,000
Less: Discounts on commercial papers payable	(10,702)	(3,503)	(3,334)
Less: Current portion	<u>(3,796,081)</u>	<u>(3,773,126)</u>	<u>(253,515)</u>
	<u>\$ 6,569,729</u>	<u>\$ 6,282,531</u>	<u>\$ 9,873,181</u>
Annual interest rates:			
Secured loans	2.2211%	2.1895%	2.0579%
Commercial papers payable	0.688%-2.108%	0.688%-1.81%	0.687%-1.665%

1) Secured loans

TNH entered into a syndicated loan agreement, with respect to the investment under the aforementioned BOT contract. The credit agreement originally signed in 2010 had been terminated in advance. TNH signed another credit agreement with Bank of Taiwan for a \$3,400,000 thousand credit amount and a \$65,000 thousand guarantee amount in 2017. The agreement started from the date of the first drawdown of the loan and would last for 7 years with interest payments made on a monthly basis. In accordance with the loan agreement, the regular financial covenants, e.g., current ratio, equity ratio, and interest protection multiples, must be complied with during the credit facility period. For property under the BOT contract and its superficies that have been pledged as collateral, see Note 31.

2) Commercial papers payable

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

## 19. BONDS PAYABLE

	September 30, 2023	December 31, 2022	September 30, 2022
5th domestic unsecured straight corporate bonds	\$ 8,997,947	\$ 14,996,589	\$ 14,995,944
6th domestic unsecured straight corporate bonds	19,990,033	19,987,778	19,987,018
7th domestic unsecured straight corporate bonds	2,497,585	2,497,207	2,497,080
1st domestic unsecured straight corporate bonds in 2023	6,493,177	-	-
Less: Current portion	<u>-</u>	<u>(5,999,631)</u>	<u>(5,999,319)</u>
	<u>\$ 37,978,742</u>	<u>\$ 31,481,943</u>	<u>\$ 31,480,723</u>

### a. 5th domestic unsecured straight corporate bonds

On April 20, 2018, TWM issued the 5th domestic unsecured straight corporate bonds. The bonds included five-year and seven-year bonds, with the principal amount of \$6,000,000 thousand and \$9,000,000 thousand, each having a face value of \$10,000 thousand, and coupon rates of 0.848% and 1% per annum, respectively, with simple interest due annually. Repayment will be made in full at maturity. As of September 30, 2023, the amount of unamortized bond issue cost was \$2,053 thousand. The trustee of bond holders is Bank of Taiwan.

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

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

Year	Amount
2025	<u>\$ 9,000,000</u>

### b. 6th domestic unsecured straight corporate bonds

On March 24, 2020, TWM issued the 6th domestic unsecured straight corporate bonds. The bonds included five-year, seven-year, and ten-year bonds, with the principal amount of \$5,000,000 thousand, \$10,000,000 thousand and \$5,000,000 thousand, each having a face value of \$10,000 thousand, and coupon rates of 0.64%, 0.66% and 0.72% per annum, respectively, with simple interest due annually. Repayment will be made in full at maturity. As of September 30, 2023, the amount of unamortized bond issue cost was \$9,967 thousand. The trustee of bond holders is Bank of Taiwan.

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

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

c. 7th domestic unsecured straight corporate bonds

On July 13, 2021, TWM issued the 7th domestic unsecured straight corporate bonds. The bond was seven-year bond, with the principal amount of \$2,500,000 thousand, having a face value of \$10,000 thousand, and coupon rate of 0.53% per annum, with simple interest due annually. Repayment will be made in full at maturity. As of September 30, 2023, the amount of unamortized bond issue cost was \$2,415 thousand. The trustee of bond holders is Bank of Taiwan.

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

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

d. 1st domestic unsecured straight corporate bonds in 2023

On May 22, 2023, TWM issued the 1st domestic unsecured straight corporate bonds in 2023 and obtained Social Bond accreditation. The bond was five-year bond, with the principal amount of \$6,500,000 thousand, having a face value of \$10,000 thousand, and coupon rate of 1.537% per annum, with simple interest due annually. Repayment will be made in full at maturity. As of September 30, 2023, the amount of unamortized bond issue cost was \$6,823 thousand. The trustee of bond holders is Bank of Taiwan.

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

<b>Year</b>	<b>Amount</b>
2028	<u>\$ 6,500,000</u>

## 20. PROVISIONS

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Restoration	\$ 1,006,266	\$ 999,153	\$ 996,233
Replacement	548,602	505,570	493,814
Warranties	<u>15,659</u>	<u>16,334</u>	<u>18,849</u>
	<u>\$ 1,570,527</u>	<u>\$ 1,521,057</u>	<u>\$ 1,508,896</u>
	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Current	\$ 73,838	\$ 80,467	\$ 66,457
Non-current	<u>1,496,689</u>	<u>1,440,590</u>	<u>1,442,439</u>
	<u>\$ 1,570,527</u>	<u>\$ 1,521,057</u>	<u>\$ 1,508,896</u>

	<b>Restoration</b>	<b>Replacement</b>	<b>Warranties</b>	<b>Total</b>
Balance, January 1, 2023	\$ 999,153	\$ 505,570	\$ 16,334	\$ 1,521,057
Provision	29,493	41,749	18,488	89,730
Payment/Reversal	(24,295)	(9,297)	(19,163)	(52,755)
Unwinding of discount	<u>1,915</u>	<u>10,580</u>	<u>-</u>	<u>12,495</u>
Balance, September 30, 2023	<u>\$ 1,006,266</u>	<u>\$ 548,602</u>	<u>\$ 15,659</u>	<u>\$ 1,570,527</u>
Balance, January 1, 2022	\$ 995,275	\$ 447,279	\$ 23,774	\$ 1,466,328
Provision	33,655	40,691	19,204	93,550
Payment/Reversal	(34,794)	(3,437)	(24,129)	(62,360)
Unwinding of discount	<u>2,097</u>	<u>9,281</u>	<u>-</u>	<u>11,378</u>
Balance, September 30, 2022	<u>\$ 996,233</u>	<u>\$ 493,814</u>	<u>\$ 18,849</u>	<u>\$ 1,508,896</u>

## 21. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

Domestic firms of the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed and defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The employees of the Group's subsidiaries in other countries are participants of state-managed retirement benefit plans operated by local governments. In accordance with the above provisions, the Group's contributions to the pension plan amounted to \$95,508 thousand and \$92,344 thousand for the three months ended September 30, 2023 and 2022, respectively, and \$287,951 thousand and \$278,967 thousand for the nine months ended September 30, 2023 and 2022, respectively.

### b. Defined benefit plans

The Group recognized pension amounts of \$675 thousand and \$1,084 thousand for the three months ended September 30, 2023 and 2022, respectively, and \$1,966 thousand and \$3,249 thousand for the nine months ended September 30, 2023 and 2022, respectively, by using the actuarially determined pension cost rate.

## 22. EQUITY

### a. Share capital

As of September 30, 2023, December 31, 2022 and September 30, 2022, TWM's authorized capital were \$60,000,000 thousand and capital issued and outstanding were \$35,192,336 thousand, divided into 3,519,234 thousand shares, which were all common stocks, at a par value of \$10 each.

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

b. Capital surplus

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Additional paid-in capital	\$ 7,309,970	\$ 9,531,369	\$ 9,531,369
Treasury stock transactions	5,159,704	5,159,704	5,159,704
Difference between consideration and carrying amount arising from the disposal of subsidiaries' stock	85,965	85,965	85,965
Changes in equity of subsidiaries	501,215	501,215	501,215
Changes in equity of associates accounted for using equity method	15,015	8,605	8,605
Expired share options	13,269	13,269	13,269
Others	<u>26,651</u>	<u>26,651</u>	<u>24,803</u>
	<u>\$ 13,111,789</u>	<u>\$ 15,326,778</u>	<u>\$ 15,324,930</u>

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

c. Appropriation of earnings and dividend policy

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

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

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

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



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

The appropriations of earnings for 2022 and 2021, which have been resolved in the AGM on June 13, 2023 and June 23, 2022, respectively, were as follows:

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

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

d. Other equity interests

	<b>Exchange Differences on Translation</b>	<b>Unrealized Gain (Loss) on Financial Assets at FVTOCI</b>	<b>Total</b>
Balance, January 1, 2023	\$ (27,862)	\$ 316,076	\$ 288,214
Exchange differences on translation	629	-	629
Changes in fair value of financial assets at FVTOCI	-	(399,980)	(399,980)
Changes in other comprehensive income (loss) of associates accounted for using equity method	(3,536)	(47,122)	(50,658)
Valuation loss of equity instruments transferred to retained earnings due to disposal	-	35,770	35,770
Valuation loss of equity instruments transferred to retained earnings due to disposal by associates	-	60,136	60,136
Income tax effect	-	75,040	75,040
Balance, September 30, 2023	<u>\$ (30,769)</u>	<u>\$ 39,920</u>	<u>\$ 9,151</u>

(Continued)

	<b>Exchange Differences on Translation</b>	<b>Unrealized Gain (Loss) on Financial Assets at FVTOCI</b>	<b>Total</b>
Balance, January 1, 2022	\$ (44,294)	\$ (1,779,121)	\$ (1,823,415)
Exchange differences on translation	16,198	-	16,198
Changes in fair value of financial assets at FVTOCI	-	(474,231)	(474,231)
Valuation loss of equity instruments transferred to retained earnings	-	2,308,625	2,308,625
Valuation loss of equity instruments transferred to retained earnings due to disposal by associates	-	18,556	18,556
Changes in other comprehensive income (loss) of associates accounted for using equity method	(671)	(16,521)	(17,192)
Income tax effect	-	11,318	11,318
Balance, September 30, 2022	<u>\$ (28,767)</u>	<u>\$ 68,626</u>	<u>\$ 39,859</u>

(Concluded)

e. Treasury stock

As of September 30, 2023, December 31, 2022 and September 30, 2022, TWM's stocks held for the investment purposes by TCCI, TUI and TID, which are all wholly-owned by TWM, were 698,752 thousand shares, and the market values were \$66,101,901 thousand, \$66,171,777 thousand and \$66,800,653 thousand, respectively. Since TWM's stocks held by its subsidiaries are regarded as treasury stock, TWM recognized \$29,717,344 thousand as treasury stock. For those treasury stockholders, they have the same rights as the other stockholders, except that they are not allowed to subscribe new shares issued by TWM for cash and exercise the voting rights over such treasury stock.

### 23. OPERATING REVENUE

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Revenue from contracts with customers				
Telecommunications and value-added services	\$ 12,442,364	\$ 11,651,099	\$ 36,729,413	\$ 34,518,116
Sales revenue	29,025,460	27,092,171	87,833,083	81,949,891
Cable TV and broadband services	1,473,315	1,471,538	4,429,400	4,434,449
Others	220,869	214,830	651,405	587,265
Other operating revenue	<u>25,044</u>	<u>38,555</u>	<u>105,408</u>	<u>115,202</u>
	<u>\$ 43,187,052</u>	<u>\$ 40,468,193</u>	<u>\$ 129,748,709</u>	<u>\$ 121,604,923</u>

a. Contract information

Refer to Note 37 and to Note 4 to the consolidated financial statements for the year ended December 31, 2022.

b. Contract balances

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>	<b>January 1, 2022</b>
Contract assets				
Bundle sales	\$ 11,004,474	\$ 10,580,384	\$ 10,310,649	\$ 9,951,564
Less: Allowance for impairment loss	<u>(82,414)</u>	<u>(89,820)</u>	<u>(87,540)</u>	<u>(84,514)</u>
	<u>\$ 10,922,060</u>	<u>\$ 10,490,564</u>	<u>\$ 10,223,109</u>	<u>\$ 9,867,050</u>
Current	\$ 5,513,200	\$ 5,092,822	\$ 4,941,806	\$ 4,667,271
Non-current	<u>5,408,860</u>	<u>5,397,742</u>	<u>5,281,303</u>	<u>5,199,779</u>
	<u>\$ 10,922,060</u>	<u>\$ 10,490,564</u>	<u>\$ 10,223,109</u>	<u>\$ 9,867,050</u>

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

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

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>	<b>January 1, 2022</b>
Contract liabilities				
Telecommunications and value-added services	\$ 1,107,042	\$ 1,289,461	\$ 1,079,786	\$ 1,195,258
Sales of goods	379,168	255,349	142,503	154,895
Cable TV and broadband services	616,614	628,941	649,902	624,065
Others	<u>7,470</u>	<u>4,093</u>	<u>9,797</u>	<u>10,090</u>
	<u>\$ 2,110,294</u>	<u>\$ 2,177,844</u>	<u>\$ 1,881,988</u>	<u>\$ 1,984,308</u>
Current	\$ 1,732,449	\$ 2,079,999	\$ 1,779,838	\$ 1,894,828
Non-current	<u>377,845</u>	<u>97,845</u>	<u>102,150</u>	<u>89,480</u>
	<u>\$ 2,110,294</u>	<u>\$ 2,177,844</u>	<u>\$ 1,881,988</u>	<u>\$ 1,984,308</u>

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

c. Assets related to contract costs

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Incremental costs of obtaining a contract - non-current	<u>\$ 1,991,397</u>	<u>\$ 1,913,755</u>	<u>\$ 1,863,738</u>

The Group considered the past experience and the default clauses in the sale contracts and believed the commission and the subsidy paid for obtaining a contract are wholly recoverable, therefore, such costs are capitalized. The amounts of amortization recognized for the three months ended September 30, 2023 and 2022 were \$346,591 thousand and \$328,803 thousand, respectively, and for the nine months ended September 30, 2023 and 2022 were \$1,016,838 thousand and \$992,713 thousand, respectively.

## 24. NON-OPERATING INCOME AND EXPENSES

a. Other gains and losses, net

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Loss on disposal and retirement of property, plant and equipment, net	\$ (24,159)	\$ (31,588)	\$ (72,156)	\$ (141,411)
Valuation gain on financial assets at fair value through profit and loss (FVTPL), net	37,442	71,792	55,588	93,078
Loss on disposal of investments accounted for using equity method	-	-	(312)	-
Gain on disposal of investments accounted for using equity method held for sale	-	49,824	-	109,805
Gain on foreign exchange, net	18,022	64,729	18,342	85,532
Others	<u>66</u>	<u>338</u>	<u>(248)</u>	<u>(582)</u>
	<u>\$ 31,371</u>	<u>\$ 155,095</u>	<u>\$ 1,214</u>	<u>\$ 146,422</u>

b. Finance costs

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Interest expense				
Corporate bonds	\$ 86,341	\$ 74,157	\$ 233,028	\$ 220,051
Bank loans	84,685	74,055	248,082	160,977
Commercial papers payable	50,079	22,035	146,579	58,122
Lease liabilities	23,566	19,302	62,507	56,513
Others	<u>6,752</u>	<u>6,618</u>	<u>20,419</u>	<u>19,903</u>
	<u>\$ 251,423</u>	<u>\$ 196,167</u>	<u>\$ 710,615</u>	<u>\$ 515,566</u>

## 25. INCOME TAX

### a. Income tax recognized in profit or loss

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Current income tax expense				
Current period	\$ 773,219	\$ 754,496	\$ 2,461,063	\$ 2,303,335
Prior years' adjustments	<u>-</u>	<u>-</u>	<u>(18,885)</u>	<u>(4,949)</u>
	<u>773,219</u>	<u>754,496</u>	<u>2,442,178</u>	<u>2,298,386</u>
Deferred income tax expense				
Temporary differences	<u>(8,835)</u>	<u>59,059</u>	<u>(3,328)</u>	<u>115,744</u>
Income tax expense	<u>\$ 764,384</u>	<u>\$ 813,555</u>	<u>\$ 2,438,850</u>	<u>\$ 2,414,130</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Current income tax income				
Realized gain/loss on financial assets at FVTOCI	\$ -	\$ -	\$ (14,997)	\$ -
Deferred income tax expense (income)				
Unrealized gain/loss on financial assets at FVTOCI	<u>(145,944)</u>	<u>60,437</u>	<u>(75,072)</u>	<u>(11,318)</u>
Income tax expense (income)	<u>\$ (145,944)</u>	<u>\$ 60,437</u>	<u>\$ (90,069)</u>	<u>\$ (11,318)</u>

### c. Income tax examinations

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

Company	Year
TWM	2021
TCC	2021
WMT	2021
TVC	2021
TNH	2021
TFN	2020
TT&T	2021
TCCI	2021
TDS	2021
TPIA	2021
TFC	2021

(Continued)

<u>Company</u>	<u>Year</u>
TWMFM	2021
TUI	2021
TID	2021
TKT	2021
TFNM	2020
GFMT	2021
GWMT	2021
WTVB	2020
YJCTV	2020
MCTV	2021
PCTV	2020
UCTV	2020
GCTV	2020
momo	2020
FLI	2021
FI	2021
FST	2021
Bebe Poshe	2021
FSL	2021
MFS	2021
Prosperous Living	2021

(Concluded)

## 26. EARNINGS PER SHARE

	<b>For the Three Months Ended September 30, 2023</b>		
	<b>Amount After Income Tax</b>	<b>Weighted- average Number of Shares (In Thousands)</b>	<b>EPS (NT\$)</b>
Basic EPS			
Profit attributable to owners of the parent	\$ 2,938,208	2,820,482	<u>\$ 1.04</u>
Effect of dilutive potential common stock:			
Employees' compensation	<u>-</u>	<u>3,080</u>	
Diluted EPS			
Profit attributable to owners of the parent (adj. for potential effect of common stock)	<u>\$ 2,938,208</u>	<u>2,823,562</u>	<u>\$ 1.04</u>

<b>For the Three Months Ended September 30, 2022</b>			
	<b>Amount After Income Tax</b>	<b>Weighted- average Number of Shares (In Thousands)</b>	<b>EPS (NT\$)</b>
Basic EPS			
Profit attributable to owners of the parent	\$ 2,838,983	2,820,482	<u>\$ 1.00</u>
Effect of dilutive potential common stock:			
Employees' compensation	<u>-</u>	<u>2,258</u>	
Diluted EPS			
Profit attributable to owners of the parent (adjusted for potential effect of common stock)	<u>\$ 2,838,983</u>	<u>2,822,740</u>	<u>\$ 1.00</u>
<b>For the Nine Months Ended September 30, 2023</b>			
	<b>Amount After Income Tax</b>	<b>Weighted- average Number of Shares (In Thousands)</b>	<b>EPS (NT\$)</b>
Basic EPS			
Profit attributable to owners of the parent	\$ 8,688,202	2,820,482	<u>\$ 3.08</u>
Effect of dilutive potential common stock:			
Employees' compensation	<u>-</u>	<u>3,700</u>	
Diluted EPS			
Profit attributable to owners of the parent (adjusted for potential effect of common stock)	<u>\$ 8,688,202</u>	<u>2,824,182</u>	<u>\$ 3.08</u>
<b>For the Nine Months Ended September 30, 2022</b>			
	<b>Amount After Income Tax</b>	<b>Weighted- average Number of Shares (In Thousands)</b>	<b>EPS (NT\$)</b>
Basic EPS			
Profit attributable to owners of the parent	\$ 8,555,924	2,820,482	<u>\$ 3.03</u>
Effect of dilutive potential common stock:			
Employees' compensation	<u>-</u>	<u>2,908</u>	
Diluted EPS			
Profit attributable to owners of the parent (adjusted for potential effect of common stock)	<u>\$ 8,555,924</u>	<u>2,823,390</u>	<u>\$ 3.03</u>

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

## 27. CASH FLOW INFORMATION

Changes in liabilities arising from financing activities:

For the Nine Months Ended September 30, 2023

	Opening Balance	Cash Flows	Non-cash Changes		Ending Balance
			New Leases	Others	
Lease liabilities (including current and non-current portions)	\$ 9,849,442	\$ (3,264,397)	\$ 4,562,766	\$ (180,616)	\$ 10,967,195

For the Nine Months Ended September 30, 2022

	Opening Balance	Cash Flows	Non-cash Changes		Ending Balance
			New Leases	Others	
Lease liabilities (including current and non-current portions)	\$ 9,093,347	\$ (3,166,363)	\$ 4,492,234	\$ (171,223)	\$ 10,247,995

## 28. CAPITAL MANAGEMENT

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

## 29. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets</u>			
Financial assets at FVTPL (including current and non-current portions) (Note 1)	\$ 1,338,714	\$ 1,181,015	\$ 1,061,602
Financial assets at FVTOCI (including current and non-current portions)	4,744,908	5,036,667	4,693,167
Financial assets measured at amortized cost (including current and non-current portions) (Note 2)	<u>25,090,257</u>	<u>28,747,924</u>	<u>24,318,146</u>
	<u>\$ 31,173,879</u>	<u>\$ 34,965,606</u>	<u>\$ 30,072,915</u>
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost (including current and non-current portions) (Note 3)	<u>\$ 96,497,147</u>	<u>\$ 97,744,967</u>	<u>\$ 97,839,239</u>



Note 1: Financial assets mandatorily measured at FVTPL.

Note 2: The balances comprised cash and cash equivalents, notes and accounts receivable, other receivables, other financial assets and refundable deposits, which were financial assets measured at amortized cost. The balance included the assets transferred to the disposal groups held for sale.

Note 3: The balances comprised long-term and short-term borrowings, commercial papers payable, notes and accounts payable, other payables, other financial liabilities (classified as other current liabilities), bonds payable and guarantee deposits, which were financial liabilities measured at amortized cost. The balance included the liabilities transferred to the disposal groups held for sale.

b. Fair value of financial instruments

1) Financial instruments not measured at fair value

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

	September 30, 2023		December 31, 2022		September 30, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial liabilities</u>						
Bonds payable (including current portion)	\$ 37,978,742	\$ 37,591,343	\$ 37,481,574	\$ 36,972,577	\$ 37,480,042	\$ 36,930,220

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

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

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

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

September 30, 2023

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTPL</u>				
Domestic unlisted stocks	\$ -	\$ -	\$ 252,131	\$ 252,131
Domestic limited partnerships	-	-	18,397	18,397
Foreign unlisted stocks	-	-	155,756	155,756
Foreign limited partnerships	-	-	771,649	771,649
Foreign convertible notes	-	-	124,466	124,466
Embedded rights	-	-	16,315	16,315
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,338,714</u>	<u>\$ 1,338,714</u>

Financial assets at FVTOCI

Equity instruments

Domestic listed stocks	\$ 497,878	\$ -	\$ -	\$ 497,878
Domestic unlisted stocks	-	-	1,328,966	1,328,966
Foreign listed stocks	615	-	-	615
Foreign unlisted stocks	-	-	1,884,835	1,884,835
Foreign limited partnerships	-	-	1,032,614	1,032,614
	<u>\$ 498,493</u>	<u>\$ -</u>	<u>\$ 4,246,415</u>	<u>\$ 4,744,908</u>

December 31, 2022

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

Financial assets at FVTOCI

Equity instruments

Domestic listed stocks	\$ 505,607	\$ -	\$ -	\$ 505,607
Domestic unlisted stocks	-	-	1,224,455	1,224,455
Foreign unlisted stocks	-	-	2,096,317	2,096,317
Foreign limited partnerships	-	-	1,210,288	1,210,288
	<u>\$ 505,607</u>	<u>\$ -</u>	<u>\$ 4,531,060</u>	<u>\$ 5,036,667</u>

September 30, 2022

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTPL</u>				
Domestic unlisted stocks	\$ -	\$ -	\$ 230,000	\$ 230,000
Domestic limited partnerships	-	-	19,412	19,412
Foreign unlisted stocks	-	-	21,225	21,225
Foreign limited partnerships	-	-	653,086	653,086
Foreign convertible notes	<u>-</u>	<u>-</u>	<u>137,879</u>	<u>137,879</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,061,602</u>	<u>\$ 1,061,602</u>
<u>Financial assets at FVTOCI</u>				
Equity instruments				
Domestic listed stocks	\$ 449,030	\$ -	\$ -	\$ 449,030
Domestic unlisted stocks	-	-	1,276,435	1,276,435
Foreign unlisted stocks	-	-	2,203,589	2,203,589
Foreign limited partnerships	<u>-</u>	<u>-</u>	<u>764,113</u>	<u>764,113</u>
	<u>\$ 449,030</u>	<u>\$ -</u>	<u>\$ 4,244,137</u>	<u>\$ 4,693,167</u>

There were no transfers between the fair value measurements of Levels 1 and 2 for the nine months ended September 30, 2023 and 2022.

Valuation techniques and assumptions used in fair value determination

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

The evaluations of fair value of unlisted stocks and convertible notes were mainly referenced to the valuation of the same type of companies or the transaction prices of recent financing activities and estimated free cash flows through the market approach, income approach and asset approach. The unobservable inputs were the liquidity discount rate and the stock price volatility. The liquidity discount rates were ranged from 11.7%-32.7%, 12.5%-38% and 14.9%-35.9%, and the stock price volatility were ranged from 37.6%-112.1%, 38.91%-100.7% and 31.59%-94.8% as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

The fair value of limited partnerships investments was evaluated through the market approach, income approach and asset approach. The evaluation and assumptions are mainly referenced to related information of comparable transactions or companies and estimated future cash flows. The unobservable input was liquidity discount rate, which were estimated to be 23.4%, 26.2% and 28.9% as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

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

For the Nine Months Ended September 30, 2023

	<b>Financial Assets at FVTPL - Financial Instruments</b>	<b>Financial Assets at FVTOCI - Equity Instruments</b>
Balance at January 1, 2023	\$ 1,181,015	\$ 4,531,060
Additions	103,742	158,430
Disposals	-	(17,164)
Recognized in profit or loss (gain on financial assets at FVTPL)	53,957	-
Recognized in other comprehensive income (unrealized loss on financial assets at FVTOCI)	<u>-</u>	<u>(425,911)</u>
Balance at September 30, 2023	<u>\$ 1,338,714</u>	<u>\$ 4,246,415</u>

For the Nine Months Ended September 30, 2022

	<b>Financial Assets at FVTPL - Financial Instruments</b>	<b>Financial Assets at FVTOCI - Equity Instruments</b>
Balance at January 1, 2022	\$ 273,767	\$ 2,259,069
Additions	694,757	1,880,178
Recognized in profit or loss (gain on financial assets at FVTPL)	93,078	-
Recognized in other comprehensive income (unrealized gain on financial assets at FVTOCI)	<u>-</u>	<u>104,890</u>
Balance at September 30, 2022	<u>\$ 1,061,602</u>	<u>\$ 4,244,137</u>

c. Financial risk management

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

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

## 2) Risk management framework

### a) Decision-making mechanism

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

### b) Risk management policies

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

### c) Monitoring mechanism

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

## 3) Credit risk

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

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

## 4) Liquidity risk

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

The Group manages and maintains a sufficient level of capital to ensure the requirements of paying estimated operating expenditures, including financial obligations on each contract. The Group also monitors its bank credit facilities to ensure that the Group fully complies with the provisions and financial covenants of loan contracts. As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group had unused bank facilities of \$59,833,453 thousand, \$57,999,357 thousand and \$51,474,172 thousand, respectively.

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

	<b>Contractual Cash Flows</b>	<b>Within 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>Over 10 Years</b>
<u>September 30, 2023</u>					
Unsecured loans	\$ 14,660,055	\$ 14,660,055	\$ -	\$ -	\$ -
Secured loans	1,929,501	342,367	1,587,134	-	-
Commercial papers payable	17,219,895	12,190,538	5,029,357	-	-
Bonds payable	39,325,775	337,155	33,916,620	5,072,000	-
Lease liabilities	11,150,840	3,885,990	6,809,172	455,678	-
Other non-current liabilities	<u>365,625</u>	<u>73,125</u>	<u>292,500</u>	<u>-</u>	<u>-</u>
	<u>\$ 84,651,691</u>	<u>\$ 31,489,230</u>	<u>\$ 47,634,783</u>	<u>\$ 5,527,678</u>	<u>\$ -</u>
<u>December 31, 2022</u>					
Unsecured loans	\$ 20,647,424	\$ 20,647,424	\$ -	\$ -	\$ -
Secured loans	2,148,727	321,034	1,827,693	-	-
Commercial papers payable	11,279,084	6,697,116	4,581,968	-	-
Bonds payable	38,614,380	6,288,130	24,705,000	7,621,250	-
Lease liabilities	9,972,657	3,755,413	6,077,746	139,498	-
Other non-current liabilities	<u>438,750</u>	<u>73,125</u>	<u>292,500</u>	<u>73,125</u>	<u>-</u>
	<u>\$ 83,101,022</u>	<u>\$ 37,782,242</u>	<u>\$ 37,484,907</u>	<u>\$ 7,833,873</u>	<u>\$ -</u>
<u>September 30, 2022</u>					
Unsecured loans	\$ 23,519,665	\$ 23,519,665	\$ -	\$ -	\$ -
Secured loans	2,226,524	298,328	1,928,196	-	-
Commercial papers payable	10,116,791	2,065,732	8,051,059	-	-
Bonds payable	38,614,380	6,288,130	24,705,000	7,621,250	-
Lease liabilities	10,386,917	3,802,733	6,208,896	375,183	105
Other non-current liabilities	<u>438,750</u>	<u>73,125</u>	<u>292,500</u>	<u>73,125</u>	<u>-</u>
	<u>\$ 85,303,027</u>	<u>\$ 36,047,713</u>	<u>\$ 41,185,651</u>	<u>\$ 8,069,558</u>	<u>\$ 105</u>

#### 5) Market risk

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

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

a) Exchange rate risk

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

Refer to Note 35 for the information of the Group's foreign currency assets and liabilities exposed to significant exchange rate risk.

Sensitivity analysis

The Group's exchange rate risk comes mainly from conversion gains and losses of accounts denominated in monetary items of foreign currencies. If there had been an unfavorable 5% movement in the levels of foreign exchanges against NTD at the end of the reporting period (with other factors remaining constant at the end of the reporting period and with analyses of the two periods on the same basis), profit would have decreased by \$2,830 thousand and \$90,499 thousand for the nine months ended September 30, 2023 and 2022, respectively.

b) Interest rate risk

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

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

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Fair value interest rate risk			
Financial assets	\$ 6,981,049	\$ 8,626,386	\$ 7,904,092
Financial liabilities	71,542,259	67,289,430	81,781,358
Cash flow interest rate risk			
Financial assets	6,240,959	8,275,250	5,959,398
Financial liabilities	11,511,829	14,408,584	2,130,030

Sensitivity analysis

The following sensitivity analysis is based on the exposure to interest rate risk of derivative and non-derivative instruments at the end of the reporting period. For floating-rate assets and liabilities, the analysis assumes that the balances of outstanding assets and liabilities at the end of the reporting period have been outstanding for the whole period and that the changes in interest rates are reasonable. If the interest rate had increased by 50 basis points (with other factors remaining constant at the end of the reporting period and with analyses of the two periods on the same basis), profit would have decreased by \$19,766 thousand and increased by \$14,360 thousand for the nine months ended September 30, 2023 and 2022, respectively.

c) Other market price risk

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

Sensitivity analysis

If the prices of financial instruments had decreased by 5% (with other factors remaining constant and with the analyses of the two periods on the same basis), net income would have decreased by \$66,936 thousand and \$53,080 thousand since the fair value of financial assets at FVTPL decreased for the nine months ended September 30, 2023 and 2022, respectively. Other comprehensive income would have decreased by \$237,245 thousand and \$234,658 thousand since the fair value of financial assets at FVTOCI decreased for the nine months ended September 30, 2023 and 2022, respectively.

**30. RELATED-PARTY TRANSACTIONS**

a. Parent company and ultimate controlling party

TWM is the ultimate controlling party of the Group.

b. Related party name and nature of relationship

<u>Related Party</u>	<u>Nature of Relationship</u>
AppWorks	Associate
AppWorks Fund III	Associate
GHS	Associate
Uspace	Associate
AppWorks Fund IV	Associate
kbro Media	Associate
NADA	Associate
M.E.	Associate
AppWorks School Co., Ltd.	Associate (subsidiary of AppWorks)
Beijing Global JiuSha Media Technology Co., Ltd.	Associate (subsidiary of GHS)
Good Image Co., Ltd.	Associate (subsidiary of kbro Media)
Brilliant Creative Co., Ltd.	Associate (subsidiary of kbro Media)
More Sounds Film Production Co., Ltd.	Associate (subsidiary of M.E.)
Mepay Co., Ltd.	Associate (subsidiary of M.E.)
Fubon Life Insurance Co., Ltd. (Fubon Life)	Other related party
Fubon Insurance Co., Ltd. (Fubon Insurance)	Other related party
Fubon Securities Investment Trust Co., Ltd.	Other related party
Fubon Sports & Entertainment Co., Ltd.	Other related party
Taipei Fubon Commercial Bank Co., Ltd. (TFCB)	Other related party
Fubon Financial Holding Co., Ltd.	Other related party
Fubon Life Insurance (HK) Ltd.	Other related party
Fubon Securities Co., Ltd.	Other related party
Fubon Futures Co., Ltd.	Other related party
Fubon Investment Services Co., Ltd.	Other related party
Fubon Marketing Co., Ltd.	Other related party (not a related party since the third quarter of 2023)

(Continued)



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

(Continued)

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

(Concluded)

c. Significant transactions with related parties

1) Operating revenue

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2023	2022	2023	2022
Associates	\$ 3,454	\$ 844	\$ 4,490	\$ 2,288
Other related parties	<u>450,737</u>	<u>419,200</u>	<u>1,240,643</u>	<u>1,173,424</u>
	<u>\$ 454,191</u>	<u>\$ 420,044</u>	<u>\$ 1,245,133</u>	<u>\$ 1,175,712</u>

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

2) Purchases

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2023	2022	2023	2022
Associates	\$ 197	\$ 229	\$ 1,746	\$ 616
Other related parties	<u>243,662</u>	<u>229,395</u>	<u>719,199</u>	<u>676,815</u>
	<u>\$ 243,859</u>	<u>\$ 229,624</u>	<u>\$ 720,945</u>	<u>\$ 677,431</u>

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

3) Receivables due from related parties

<b>Account</b>	<b>Related Party Categories</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Notes and accounts receivable	Associates	\$ 1,063	\$ 9	\$ 503
Notes and accounts receivable	Other related parties	<u>559,037</u>	<u>576,751</u>	<u>492,509</u>
		<u>\$ 560,100</u>	<u>\$ 576,760</u>	<u>\$ 493,012</u>
Other receivables	Other related parties			
	TFCB	\$ 375,000	\$ 281,257	\$ 164,061
	Others	<u>71,073</u>	<u>28,916</u>	<u>23,039</u>
		<u>\$ 446,073</u>	<u>\$ 310,173</u>	<u>\$ 187,100</u>

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

4) Payables due to related parties

<b>Account</b>	<b>Related Party Categories</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Notes and accounts payable	Associates	\$ 2	\$ -	\$ -
Notes and accounts payable	Other related parties	<u>216,059</u>	<u>133,150</u>	<u>236,749</u>
		<u>\$ 216,061</u>	<u>\$ 133,150</u>	<u>\$ 236,749</u>
Other payables	Other related parties	<u>\$ 66,557</u>	<u>\$ 66,226</u>	<u>\$ 46,527</u>

5) Prepayments

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Other related parties	<u>\$ 52,413</u>	<u>\$ 14,058</u>	<u>\$ 45,834</u>

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

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Other related parties			
TFCB	<u>\$ 2,527,903</u>	<u>\$ 2,295,866</u>	<u>\$ 1,876,443</u>

7) Acquisition of investments accounted for using equity method

<b>Related Party Transactions</b>	<b>Transaction Date</b>	<b>Purchase Price</b>
Participation in AppWorks Fund IV's capital increase	May 2023	\$ <u>35,000</u>

8) Others

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Refundable deposits			
Other related parties	\$ <u>74,389</u>	\$ <u>66,147</u>	\$ <u>66,000</u>
Other current liabilities - receipts under custody			
Other related parties	\$ <u>173,509</u>	\$ <u>167,264</u>	\$ <u>166,938</u>
	<b>For the Three Months Ended September 30</b>	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>2022</b>	<b>2023</b>	<b>2022</b>
Operating expenses			
Other related parties			
TMF	\$ 6,000	\$ 6,000	\$ 15,000
TNHF	-	-	5,000
TFCB	241,725	187,816	711,244
Others	<u>72,399</u>	<u>58,320</u>	<u>188,869</u>
	<u>\$ 320,124</u>	<u>\$ 252,136</u>	<u>\$ 920,113</u>
Other income			
Associates	\$ 3,794	\$ 11,262	\$ 3,794
Other related parties	<u>14,330</u>	<u>14,459</u>	<u>44,534</u>
	<u>\$ 18,124</u>	<u>\$ 25,721</u>	<u>\$ 48,328</u>
Interest income			
Other related parties	<u>\$ 1,860</u>	<u>\$ 1,696</u>	<u>\$ 14,350</u>

9) Lease arrangements

Acquisition of right-of-use assets

	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
Fubon Life	\$ <u>776,877</u>	\$ <u>89,446</u>

Lease liabilities (including current and non-current portions)

	September 30, 2023	December 31, 2022	September 30, 2022
Other related parties	\$ 979,342	\$ 407,183	\$ 475,668

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

d. Key management compensation

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 74,204	\$ 84,562	\$ 244,288	\$ 249,320
Termination and post-employment benefits	<u>855</u>	<u>5,079</u>	<u>10,458</u>	<u>11,890</u>
	<u>\$ 75,059</u>	<u>\$ 89,641</u>	<u>\$ 254,746</u>	<u>\$ 261,210</u>

**31. ASSETS PLEDGED**

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

	September 30, 2023	December 31, 2022	September 30, 2022
Other current financial assets	\$ 164,704	\$ 161,837	\$ 163,986
Service concessions	6,299,856	6,433,896	6,478,575
Other non-current financial assets	<u>434,721</u>	<u>373,125</u>	<u>372,906</u>
	<u>\$ 6,899,281</u>	<u>\$ 6,968,858</u>	<u>\$ 7,015,467</u>

**32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS**

a. Unrecognized commitments

	September 30, 2023	December 31, 2022	September 30, 2022
Purchases of property, plant and equipment	<u>\$ 5,788,436</u>	<u>\$ 8,392,457</u>	<u>\$ 9,509,868</u>
Purchases of inventories and sales commitments	<u>\$ 10,177,176</u>	<u>\$ 9,775,862</u>	<u>\$ 11,697,442</u>

As of September 30, 2023, December 31, 2022 and September 30, 2022, the amounts of lease commitments commencing after the balance sheet dates were \$1,521,495 thousand, \$2,285,339 thousand and \$1,523,862 thousand, respectively.

b. As of September 30, 2023, December 31, 2022 and September 30, 2022, the amounts of endorsements and guarantees provided to entities in the Group were \$24,750,000 thousand.

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

1) Construction and operating period:

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

2) Development concession:

The total initial amount of concession was \$1,238,095 thousand (tax excluded). According to the supplemental agreement signed in November 2014, the concession would be paid with additional business tax from the signing date of the supplemental agreement; thus, the concession was increased by \$48,750 thousand. The rest of the concession will be paid over 14 years from fiscal year 2015. As of September 30, 2023, \$967,281 thousand (tax included) of the concession had been paid.

3) Performance guarantee:

As of September 30, 2023, TNH had provided a \$32,500 thousand performance guarantee regarding the BOT contract.

4) Rental of land:

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

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

- d. In August 2015, FET filed a statement of civil complaint with the Taipei District Court, in which FET claimed that (i) TWM shall apply for the return of the C4 spectrum block; (ii) TWM shall not use the C4 spectrum block; (iii) TWM shall not use the C1 spectrum block until TWM's application for the return of the C4 spectrum block is approved by the NCC; and (iv) TWM shall provide \$1,005,800 thousand to FET as compensation. In May 2016, the Court decided in favor of FET regarding claims (i), (ii), and (iii) of the lawsuit, and against FET regarding claim (iv) of the lawsuit. TWM and FET appealed with the High Court the reversal of the aforementioned sentences. The High Court dismissed the appeal of TWM regarding claims (i), (ii), and (iii), and regarding claim (iv) of FET, TWM shall pay FET \$765,779 thousand, of which \$152,584 thousand of the above amount, TWM shall make 5% annual interest payment for the period starting from September 5, 2015 to the payment date. TWM and FET appealed the reversal of the aforementioned sentences. In May 2019, the Supreme Court dismissed the portion of the High Court's original judgment on other appeal of FET regarding, and dismissed TWM's payment obligation, and the Supreme Court remanded the case to the High Court. Under the first retrial of the High Court, TWM filed a counterclaim requesting that FET pay \$14,482 thousand, as well as a 5% annual interest payment for the period starting from the date following the service of the counterclaim until the settlement date. In August 2020, the High Court first retrial results were as follows: for the dismissed claim (iv) stated above, TWM shall pay FET \$242,154 thousand of which \$142,685 thousand shall have 5% annual interest for the period starting from September 30, 2016 to the payment date, and \$99,469 thousand shall have 5% annual interest for the period starting from July 21, 2017 to the payment date. TWM's counterclaim was denied. TWM and FET appealed the aforementioned sentences which were not favorable to them. In June 2023, the Supreme Court dismissed the first retrial of the High Court and remanded the case to the High Court. The case is now in process at the second retrial of the High Court.

### 33. SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING PERIOD

- a. On December 30, 2021, TWM's Board of Directors resolved and signed the merger agreement with Taiwan Star Telecom Corporation Limited (TST). The merger with TST was approved by the NCC with incidental provisions in January 2023, and subsequently approved by the Fair Trade Commission with conditions in October 2023. The completion date of the merger was tentatively set for December 1, 2023.
- b. In January 2023, the Board of Directors of momo resolved to construct a central area distribution center. Then momo signed a construction contract with Li Jin Engineering Co., Ltd. for a total amount of \$5,568,000 thousand in October 2023.

### 34. OTHERS

- a. Employee benefits, depreciation, and amortization are summarized as follows:

	For the Three Months Ended September 30					
	2023			2022		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefits						
Salary	\$ 755,862	\$ 1,421,515	\$ 2,177,377	\$ 706,727	\$ 1,374,746	\$ 2,081,473
Insurance expenses	70,369	130,753	201,122	66,779	124,958	191,737
Pension	33,830	62,353	96,183	32,805	60,623	93,428
Others	35,838	71,743	107,581	34,694	67,996	102,690
Depreciation	3,021,988	231,910	3,253,898	2,933,524	237,631	3,171,155
Amortization	1,165,380	379,790	1,545,170	1,159,427	365,734	1,525,161

  

	For the Nine Months Ended September 30					
	2023			2022		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefits						
Salary	\$ 2,207,530	\$ 4,282,323	\$ 6,489,853	\$ 2,088,045	\$ 4,063,178	\$ 6,151,223
Insurance expenses	211,605	396,582	608,187	197,158	373,892	571,050
Pension	101,895	188,022	289,917	96,912	185,304	282,216
Others	107,519	217,884	325,403	103,958	200,250	304,208
Depreciation	8,994,864	692,601	9,687,465	8,809,481	726,597	9,536,078
Amortization	3,487,528	1,113,531	4,601,059	3,473,036	1,098,845	4,571,881

#### Information of employees' compensation and remuneration of directors

According to the Company's Articles of Incorporation, the estimated employees' compensation and remuneration of directors are set at the rates of 1% to 3% and no higher than 0.3%, respectively, of profit before income tax, employees' compensation, remuneration of directors, and amounts reserved in advance. Estimations for employees' compensation were \$99,461 thousand, \$95,091 thousand, \$291,405 thousand, and \$215,852 thousand, and remuneration to directors were \$9,946 thousand, \$9,509 thousand, \$29,140 thousand, and \$21,585 thousand, which were calculated by applying the aforementioned rates, for the three months and the nine months ended September 30, 2023 and 2022, respectively.

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

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

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

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

### 35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	<b>September 30, 2023</b>		
	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>New Taiwan Dollars</b>
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 54,084	32.245	\$ 1,743,939
EUR	351	34.07	11,968
RMB	21,171	4.409	93,341
Non-monetary items			
USD	147,599	32.245	4,759,323
RMB	110,742	4.409	488,263
HKD	149	4.123	615
<u>Foreign currency liabilities</u>			
Monetary items			
USD	55,395	32.245	1,786,222
EUR	23	34.07	778
HKD	818	4.123	3,371
JPY	10,539	0.217	2,282



	<b>December 31, 2022</b>		
	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>New Taiwan Dollars</b>
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 60,413	30.725	\$ 1,856,196
EUR	143	32.65	4,675
RMB	19,685	4.401	86,633
Non-monetary items			
USD	137,567	30.725	4,226,738
RMB	110,431	4.401	486,008
HKD	1,070	3.942	4,217

Foreign currency liabilities

Monetary items			
USD	10,727	30.725	329,573
EUR	79	32.65	2,579
RMB	375	4.401	1,650
HKD	1,707	3.942	6,728
JPY	13,183	0.23	3,028

	<b>September 30, 2022</b>		
	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>New Taiwan Dollars</b>
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 71,830	31.85	\$ 2,287,794
EUR	1,364	30.76	41,950
RMB	19,640	4.419	86,791
Non-monetary items			
USD	123,421	31.85	3,929,522
RMB	128,773	4.419	569,047
HKD	1,511	4.057	6,130

Foreign currency liabilities

Monetary items			
USD	18,661	31.85	594,366
EUR	36	30.76	1,094
HKD	1,933	4.057	7,842
JPY	14,741	0.22	3,245

Refer to Note 24(a) for the information related to the Group's realized and unrealized foreign exchange gains (losses) for the three months and the nine months ended September 30, 2023 and 2022. Due to the variety of foreign currency transactions and functional currencies, the Group could not disclose the foreign exchange gains (losses) for each foreign currency with significant influence.

### 36. ADDITIONAL DISCLOSURES

- a. Information on significant transactions and b. Information on investees:
- 1) Financing extended to other parties: Table 1 (attached)
  - 2) Endorsements/guarantees provided to other parties: Table 2 (attached)
  - 3) Marketable securities held (excluding investments in subsidiaries and associates): Table 3 (attached)
  - 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Table 4 (attached)
  - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None
  - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
  - 7) Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: Table 5 (attached)
  - 8) Receivables from related parties of at least NT\$100 million or 20% of the paid-in capital: Table 6 (attached)
  - 9) Names, locations and related information of investees on which TWM exercised significant influence (excluding information on investments in mainland China): Table 7 (attached)
  - 10) Trading in derivative instruments: None
  - 11) Business relationships between the parent and the subsidiaries and significant intercompany transactions: Table 8 (attached)
- c. Information on investments in mainland China:
- 1) The names of investees in mainland China, the main businesses and products, issued capital, method of investment, information on inflow or outflow of capital, ownership, net income or loss and recognized investment gain or loss, ending balance, amount received as earnings distributions from the investment, and limitation on investment: Table 9 (attached)
  - 2) Significant direct or indirect transactions with the investee companies, the prices and terms of payment, unrealized gain or loss, and other related information, which is helpful to understand the impact of investment in mainland China on financial reports: None
- d. Information of major stockholders, the name, the number of stocks owned, and percentage of ownership of each stockholder with ownership of 5% or greater: Table 10 (attached)

### 37. SEGMENT INFORMATION

- a. Segment revenue and operating results

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

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

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

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

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

<b>For the Three Months Ended September 30, 2023</b>	<b>Telecommuni-cations</b>	<b>Retail</b>	<b>Cable Television and Broadband</b>	<b>Others</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
Operating revenue	\$ 17,222,425	\$ 25,074,675	\$ 1,563,420	\$ 155,193	\$ (828,661)	\$ 43,187,052
Operating costs and expenses	14,625,727	24,192,413	1,016,986	93,486	(826,825)	39,101,787
Operating income	2,790,312	913,199	548,086	61,707	(15,264)	4,297,680
<b>For the Three Months Ended September 30, 2022</b>	<b>Telecommuni-cations</b>	<b>Retail</b>	<b>Cable Television and Broadband</b>	<b>Others</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
Operating revenue	\$ 15,884,914	\$ 23,557,744	\$ 1,551,435	\$ 150,945	\$ (676,845)	\$ 40,468,193
Operating costs and expenses	13,475,091	22,727,454	1,012,485	93,884	(710,379)	36,598,535
Operating income	2,580,162	878,115	541,013	57,060	21,004	4,077,354
<b>For the Nine Months Ended September 30, 2023</b>	<b>Telecommuni-cations</b>	<b>Retail</b>	<b>Cable Television and Broadband</b>	<b>Others</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
Operating revenue	\$ 50,862,024	\$ 76,407,130	\$ 4,693,796	\$ 452,490	\$ (2,666,731)	\$ 129,748,709
Operating costs and expenses	43,192,242	73,519,763	3,042,084	286,925	(2,721,019)	117,319,995
Operating income	8,222,643	3,005,798	1,657,587	166,650	14,887	13,067,565
<b>For the Nine Months Ended September 30, 2022</b>	<b>Telecommuni-cations</b>	<b>Retail</b>	<b>Cable Television and Broadband</b>	<b>Others</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
Operating revenue	\$ 47,194,128	\$ 71,633,611	\$ 4,670,814	\$ 432,354	\$ (2,325,984)	\$ 121,604,923
Operating costs and expenses	39,893,830	68,846,582	3,043,382	282,041	(2,436,821)	109,629,014
Operating income	7,776,050	2,936,204	1,633,025	150,313	74,552	12,570,144

b. Geographical information

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

Consolidated geographic information for revenue was as follows:

	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
Taiwan, ROC	\$ 127,821,046	\$ 119,557,189
Overseas	<u>1,927,663</u>	<u>2,047,734</u>
	<u>\$ 129,748,709</u>	<u>\$ 121,604,923</u>

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

FINANCING EXTENDED TO OTHER PARTIES  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(In Thousands of New Taiwan Dollars)

No.	Lending Company	Borrowing Company	Financial Statement Account	Related Parties	Maximum Balance for the Period (Note 1)	Ending Balance (Note 1)	Drawdown Amounts	Interest Rate	Nature of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Lending Limit for Each Borrowing Company	Lending Company's Lending Amount Limits	Note
													Item	Value			
1	TCC	TWM TFC	Other receivables	Yes	\$ 500,000	\$ 500,000	\$ 373,000	1.12000%-1.83433%	Short-term financing	\$ -	Operation requirements	\$ -	-	\$ -	\$ 31,329,124	\$ 31,329,124	Note 2
			Other receivables	Yes	700,000	700,000	181,000	1.82000%	Short-term financing	-	Operation requirements	-	-	-	31,329,124	31,329,124	Note 2
2	WMT	TWM TKT TFNM WTVB	Other receivables	Yes	3,800,000	3,800,000	2,923,000	0.87000%-1.83433%	Short-term financing	-	Operation requirements	-	-	-	8,832,823	8,832,823	Note 2
			Other receivables	Yes	100,000	100,000	-	-	Short-term financing	-	Operation requirements	-	-	-	8,832,823	8,832,823	Note 2
			Other receivables	Yes	2,000,000	2,000,000	1,350,000	1.12000%-1.83433%	Short-term financing	-	Operation requirements	-	-	-	8,832,823	8,832,823	Note 2
			Other receivables	Yes	1,000,000	1,000,000	380,000	1.11978%-1.83433%	Short-term financing	-	Operation requirements	-	-	-	8,832,823	8,832,823	Note 2
3	TFN	TWM TCC	Other receivables	Yes	11,000,000	11,000,000	10,233,000	1.12000%-1.83378%	Short-term financing	-	Operation requirements	-	-	-	20,386,001	20,386,001	Note 2
			Other receivables	Yes	700,000	700,000	181,000	1.52000%	Short-term financing	-	Operation requirements	-	-	-	20,386,001	20,386,001	Note 2
4	PCTV	TFNM	Other receivables	Yes	520,000	517,000	517,000	1.49733%	Transactions	477,877	-	-	-	-	477,877	477,877	Notes 3 and 4
5	GCTV	TFNM	Other receivables	Yes	250,000	250,000	250,000	1.49733%	Short-term financing	-	Repayment of financing	-	-	-	277,705	277,705	Note 3

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

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

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

Note 4: Where funds are loaned for reasons of business dealings, the aggregate amount of loans and the maximum amount permitted to a single borrower shall be prescribed within the aggregate amount of business transactions. The excess loan for reasons of business dealings was corrected in October 2023.

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED TO OTHER PARTIES  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(In Thousands of New Taiwan Dollars)

No.	Company Providing Endorsements/ Guarantees	Receiving Party		Limits on Endorsements/ Guarantees Amount Provided to Each Entity	Maximum Balance for the Period (Note 1)	Ending Balance (Note 1)	Drawdown Amounts (Note 1)	Amount of Endorsements/ Guarantees Collateralized by Property	Ratio of Accumulated Endorsements/ Guarantees to Net Worth of the Guarantor (Note 1)	Maximum Endorsements/ Guarantees Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by a Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship											
0	TWM	TFN	Note 2	\$ 42,000,000	\$ 21,500,000	\$ 21,500,000	\$ 7,000,000	\$ -	35.43	\$ 60,684,231	Y	N	N	Note 3
		TKT	Note 2	247,041	50,000	50,000	50,000	-	0.08	60,684,231	Y	N	N	Note 3
		TVC	Note 2	8,550,000	3,200,000	3,200,000	1,968,100	-	5.27	60,684,231	Y	N	N	Note 3

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

Note 2: Direct/indirect subsidiary.

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

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)  
SEPTEMBER 30, 2023

(In Thousands of New Taiwan Dollars)

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	At the End of the Period				Note
				Units/Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
TWM	<u>Listed Stocks</u> Chunghwa Telecom Co., Ltd.	-	Current financial assets at FVTOCI	2,174	\$ 252,128	0.028	\$ 252,128	
	<u>Unlisted Stocks</u> LINE Bank Taiwan Limited	-	Non-current financial assets at FVTOCI	75,000	633,057	5	633,057	
	Bridge Mobile Pte Ltd.	-	Non-current financial assets at FVTOCI	800	32,010	10	32,010	
	<u>Limited Partnerships</u> Grand Academy Investment, L.P.	-	Non-current financial assets at FVTOCI	-	944,005	21.67	944,005	Note 1
	Starview Heights Investment, L.P.	-	Non-current financial assets at FVTOCI	-	88,609	21.67	88,609	Note 1
TCC	<u>Unlisted Stocks</u> Arcoa Communication Co., Ltd.	-	Non-current financial assets at FVTOCI	6,998	106,022	5.21	106,022	
WMT	<u>Limited Partnerships</u> The Last Thieves, L.P.	-	Current financial assets at FVTPL	-	-	7.14	-	Note 1
TVC	<u>Listed Stocks</u> 91APP, Inc.	-	Non-current financial assets at FVTOCI	2,500	245,750	2.12	245,750	
	<u>Unlisted Stocks</u> 17LIVE INC.	-	Non-current financial assets at FVTPL	525	25,776	0.21	25,776	
	Jayawijaya Finance Limited	-	Non-current financial assets at FVTPL	5	129,980	6.24	129,980	
	FIGMENT INC.	-	Non-current financial assets at FVTOCI	269	4,130	0.11	4,130	
	Stampede Entertainment, Inc.	-	Non-current financial assets at FVTOCI	1,333	412,317	7.88	412,317	
	TIKI GLOBAL PTE. LTD.	-	Non-current financial assets at FVTOCI	760	276,598	2.39	276,598	
	CARSOME GROUP INC.	-	Non-current financial assets at FVTOCI	733	32,277	0.37	32,277	
	Cloud Mile Inc.	-	Non-current financial assets at FVTOCI	5,396	699,458	18.2	699,458	
	BAM Management US Holdings Inc.	-	Non-current financial assets at FVTOCI	246	34,147	0.12	34,147	
	LINE MAN CORPORATION PTE. LTD.	-	Non-current financial assets at FVTOCI	1,100	309,939	0.94	309,939	
	Swift Navigation, Inc.	-	Non-current financial assets at FVTOCI	214	22,968	0.3	22,968	
	Swift Navigation, Inc.	-	Non-current financial assets at FVTOCI	364	39,046	0.5	39,046	
	Partipost Pte. Ltd.	-	Non-current financial assets at FVTOCI	899	21,945	2.53	21,945	
Taiwan Web Service Corporation	-	Non-current financial assets at FVTOCI	3,000	9,998	4.48	9,998		
SoundOn Inc.	-	Non-current financial assets at FVTOCI	2,524	166,602	12.3	166,602	Note 2	

(Continued)

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	At the End of the Period				Note
				Units/Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
TVC	<u>Limited Partnerships</u>							
	AUM CREATIVE FUND II	-	Non-current financial assets at FVTPL	-	\$ 17,916	16.05	\$ 17,916	Note 1
	Linse Capital Fund I, L.P.	-	Non-current financial assets at FVTPL	-	90,485	0.89	90,485	Note 1
	LINSE CAPITAL SKY II LLC	-	Non-current financial assets at FVTPL	-	96,465	2.67	96,465	Note 1
	Northstar Equity Partners V Limited	-	Non-current financial assets at FVTPL	-	247,693	1.72	247,693	Note 1
	Northstar Ventures I, L.P.	-	Non-current financial assets at FVTPL	-	16,392	4.28	16,392	Note 1
	Pantera Blockchain Offshore Fund L.P.	-	Non-current financial assets at FVTPL	-	103,726	0.32	103,726	Note 1
	Pioneer Fund II L.P.	-	Non-current financial assets at FVTPL	-	122,405	13.58	122,405	Note 1
	Soma Capital Fund III, L.P.	-	Non-current financial assets at FVTPL	-	76,567	1.21	76,567	Note 1
	TOMORROW TOGETHER FUND	-	Non-current financial assets at FVTPL	-	18,397	16	18,397	Note 1
	<u>Convertible Notes</u>							
	CARSOME GROUP INC.	-	Non-current financial assets at FVTPL	-	124,466	-	124,466	
TCCI	<u>Listed Stocks</u>							
	TWM	TWM	Non-current financial assets at FVTOCI	200,497	18,966,993	5.7	18,966,993	
	<u>Unlisted Stocks</u>							
	Great Taipei Broadband Co., Ltd.	-	Non-current financial assets at FVTOCI	10,000	36,857	6.67	36,857	
TUI	<u>Listed Stocks</u>							
	TWM	TWM	Non-current financial assets at FVTOCI	410,665	38,848,936	11.67	38,848,936	
TID	<u>Listed Stocks</u>							
	TWM	TWM	Non-current financial assets at FVTOCI	87,590	8,285,972	2.49	8,285,972	
momo	<u>Listed Stocks</u>							
	eSun Holdings Limited	-	Current financial assets at FVTOCI	728	615	0.04	615	Note 3
	<u>Unlisted Stocks</u>							
	Gaius Automotive Inc.	-	Non-current financial assets at FVTPL	5,750	252,131	7.61	252,131	
	We Can Medicines Co., Ltd.	-	Non-current financial assets at FVTOCI	3,073	59,902	7.68	59,902	
	LINE Bank Taiwan Limited	-	Non-current financial assets at FVTOCI	37,500	316,528	2.5	316,528	

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

Note 2: The investment agreement included a guarantee clause, accounting for financial assets at FVTPL amounted to \$16,315 thousand.

Note 3: Foreign listed stock.

Note 4: For the information on investments in subsidiaries and associates, see Table 7 and Table 9 for details.

(Concluded)

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal			Ending Balance		
					Units/Shares (In Thousands)	Amount	Units/Shares (In Thousands)	Amount	Units/Shares (In Thousands)	Amount	Carrying Amount	Gain (Loss) on Disposal	Units/Shares (In Thousands)	Amount (Note 1)
TWM	Unlisted Stocks KKCompany Technologies Inc.	Prepayments for investment	-	-	-	\$ -	-	\$ 479,162	-	\$ -	\$ -	\$ -	-	\$ 483,675 (Note 1)
TFNM	Unlisted Stocks TKT	Investments accounted for using equity method	KKCompany Technologies Inc.	-	14,700	334,369	-	-	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)

Note 1: The ending balance included the foreign currency valuation adjustments of prepayments for investment.

Note 2: In September 2023, TFNM's directors resolved to dispose 100% shares of TKT, and the disposal process was expected to be completed within 12 months. The amount was reclassified as disposal groups held for sale and would be finalized upon the settlement date.



## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Payable or Receivable		Note	
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total		
TWM	TFN	Subsidiary	Sale	\$ 114,267	-	Based on contract terms	-	-	\$ 21,128	-	Note 3 Note 3	
			Purchase	3,730,817	11	Based on contract terms	-	-	(470,708)	Note 2		
	TPIA	Subsidiary	Subsidiary	Sale	152,485	-	Based on contract terms	-	-	80,991	1	Note 2 Note 2 1 3 -
				Purchase	154,728	-	Based on contract terms	-	-	(45,635)	Note 2	
				Purchase	124,896	-	Based on contract terms	-	-	(35,723)	1	
				Sale	1,921,759	4	Based on contract terms	-	-	227,012	3	
momo	Subsidiary	Subsidiary	Purchase	178,397	1	Based on contract terms	-	-	(18,133)	-		
TWM&TDS	Fubon Insurance	Other related party	Sale	245,251	1	Based on contract terms	-	-	62,518	1		
TFN	TFC	Fellow subsidiary	Sale	109,191	1	Based on contract terms	-	-	24,666	2	2 3 6	
			Sale	155,705	2	Based on contract terms	-	-	33,104	3		
			Sale	298,775	4	Based on contract terms	-	-	65,731	6		
TT&T	TWM	Ultimate parent	Sale	697,504	90	Based on contract terms	-	-	79,127	90		
TPIA	Fubon Insurance	Other related party	Sale	260,740	98	Based on contract terms	-	-	137,317	98		
TFNM	YJCTV	Subsidiary	Channel leasing fee	273,081	10	Based on contract terms	Note 1	Note 1	-	-	-	
			Channel leasing fee	356,874	13	Based on contract terms	Note 1	Note 1	-	-		
			Channel leasing fee	161,293	6	Based on contract terms	Note 1	Note 1	-	-		
			Channel leasing fee	129,421	5	Based on contract terms	Note 1	Note 1	-	-		
MCTV	Dai-Ka	Other related party	Royalty for copyright	110,179	49	Based on contract terms	-	-	(36,726)	77		
WTVB	kbro	Other related party	Sale	145,599	20	Based on contract terms	-	-	50,960	10		
momo	FSL	Subsidiary	Purchase	808,616	1	Based on contract terms	-	-	(206,429)	2	2 -	
			Purchase	120,241	-	Based on contract terms	-	-	(15,764)	-		

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

Note 2: Including accounts payable and other payables.

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

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
SEPTEMBER 30, 2023

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance		Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
						Amount	Action Taken		
TWM	momo	Subsidiary	Notes and accounts receivable	\$ 227,012	8.69	\$ -	-	\$ 224,115	\$ -
			Other receivables	74,894		-	-	7,279	-
TCC	TWM	Parent	Other receivables	375,496		-	-	123,496	-
	TFC	Subsidiary	Other receivables	182,363		-	-	182,363	-
WMT	TWM	Parent	Other receivables	2,933,549		-	-	2,933,549	-
	TFNM	Subsidiary	Other receivables	1,357,013		-	-	574,302	-
	WTVB	Subsidiary	Other receivables	383,112		-	-	3,112	-
TFN	TWM	Ultimate parent	Notes and accounts receivable	477,449	10.31	-	-	426,782	-
			Other receivables	10,362,729		-	-	93,192	-
	TCC	Parent	Other receivables	182,138	-	-	182,138	-	
TPIA	Fubon Insurance	Other related party	Notes and accounts receivable	137,317	2.89	-	-	57,562	-
PCTV	TFNM	Parent	Notes and accounts receivable	6,261	7.32	-	-	4,135	-
			Other receivables	518,990		-	-	517,035	-
GCTV	TFNM	Parent	Notes and accounts receivable	2,557	7.1	-	-	1,657	-
			Other receivables	250,946		-	-	250,001	-
momo	TFCB	Other related party	Notes and accounts receivable	178,328	Note	-	-	118,538	-
			Other receivables	336,432		-	-	336,432	-
FSL	momo	Parent	Notes and accounts receivable	206,889	4.7	-	-	194,017	-

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

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEEES ON WHICH TWM EXERCISED SIGNIFICANT INFLUENCE  
(EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(In Thousands of New Taiwan Dollars)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance at the End of the Period			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				September 30, 2023	December 31, 2022	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
TWM	TCC	Taiwan	Investment	\$ 40,397,288	\$ 40,397,288	502,970	100	\$ 19,236,070	\$ 2,924,250	\$ 2,924,575	Note 1
	WMT	Taiwan	Investment	16,871,894	16,871,894	42,065	100	22,080,632	2,465,959	2,465,334	Note 1
	TVC	Taiwan	Investment	4,275,000	4,275,000	433,051	100	4,417,225	8,517	8,517	
	TNH	Taiwan	Building and operating Songshan Cultural and Creative Park BOT project	1,918,655	1,918,655	191,866	49.9	1,970,656	94,023	45,305	Note 1
	FSD	Taiwan	Information services	30,000	30,000	3,000	100	8,501	(9,160)	(14,920)	Note 1
	TPC	Taiwan	Information software service	100,000	-	10,000	100	99,942	(58)	(58)	
	AppWorks	Taiwan	Venture capital, investment consulting, and management consulting	235,000	235,000	2,168	51	269,947	53,813	26,799	Note 1
TCC	TFN	Taiwan	Fixed line service provider	21,000,000	21,000,000	2,100,000	100	50,965,965	2,663,601	-	Note 2
	TT&T	Taiwan	Call center service and telephone marketing	56,210	56,210	2,484	100	95,272	35,802	-	Note 2
	TWM Holding	British Virgin Islands	Investment	347,951	347,951	-	100	255,594	13,543	-	Notes 2 and 3
	TCCI	Taiwan	Investment	17,285,441	17,285,441	154,721	100	25,959,994	2,185	-	Note 2
	TDS	Taiwan	Commissioned maintenance services	25,000	25,000	2,500	100	102,917	8,524	-	Note 2
	TPIA	Taiwan	Property insurance agent	5,000	5,000	500	100	86,973	76,973	-	Note 2
	TFC	Taiwan	Cloud and information services	200,000	200,000	24,000	100	274,304	29,644	-	Note 2
WMT	TFNM	Taiwan	Type II telecommunications business	5,210,443	5,210,443	230,921	100	6,391,440	1,361,914	-	Note 2
	GFMT	Taiwan	Investment	16,984	16,984	1,500	100	17,342	54	-	Note 2
	GWMT	Taiwan	Investment	92,189	92,189	8,945	100	96,882	1,224	-	Note 2
	WTVB	Taiwan	TV program provider	222,417	222,417	18,177	100	326,298	44,341	-	Note 2
	momo	Taiwan	Wholesale, retail, and retail sale no storefront	8,129,394	8,129,394	108,189	45.01	10,570,161	2,481,304	-	Notes 2 and 4
TVC	TWMFM	Taiwan	Film production	11,300	11,300	1,130	100	11,411	356	-	Note 2
	AppWorks Fund III	Taiwan	Venture capital	583,292	583,292	57,877	20.14	558,166	(14,862)	-	Note 2
	Uspace	Taiwan	Information software service	200,030	200,030	5,969	32.9	172,756	(56,131)	-	Note 2
	AppWorks Fund IV	Taiwan	Venture capital	140,000	105,000	-	32.86	131,300	(4,839)	-	Notes 2 and 5
	NADA	Taiwan	Animation production	60,000	60,000	4,286	31.38	54,446	(3,635)	-	Note 2
TFN	TUI	Taiwan	Investment	22,314,609	22,314,609	400	100	33,704,489	(173)	-	Note 2
TCCI	TID	Taiwan	Investment	3,603,149	3,603,149	104,712	100	7,193,709	(136)	-	Note 2
TWMFM	SFF	Taiwan	Film production	300	300	30	100	542	288	-	Note 2
TFNM	TKT	Taiwan	Digital music services	123,521	156,900	11,362	100	-	13,770	-	Note 2 and 6
	YJCTV	Taiwan	Cable TV service provider	2,355,998	2,061,522	33,940	100	1,719,640	(24,127)	-	Note 2
	MCTV	Taiwan	Cable TV service provider	510,724	510,724	6,248	29.53	620,305	17,463	-	Notes 2 and 7
	PCTV	Taiwan	Cable TV service provider	3,261,073	3,261,073	68,090	100	3,426,725	80,076	-	Note 2
	UCTV	Taiwan	Cable TV service provider	1,986,250	1,986,250	169,141	99.22	2,036,719	21,426	-	Note 2

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance at the End of the Period			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				September 30, 2023	December 31, 2022	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
TFNM	GCTV kbro Media	Taiwan	Cable TV service provider	\$ 1,221,002	\$ 1,221,002	\$ 51,733	92.38	\$ 1,263,885	\$ 19,801	\$ -	Note 2
		Taiwan	Film distribution, arts and literature services, and entertainment	341,250	341,250	14,103	33.58	67,166	(12,544)	-	Note 2
	M.E.	Taiwan	Livestreaming artists management services and digital media production	30,628	-	537	11.33	33,266	1,218	-	Note 2 and 8
TKT	M.E.	Taiwan	Livestreaming artists management services and digital media production	Note 8	30,628	Note 8	Note 8	Note 8	Note 8	-	Note 8
GFMT	UCTV	Taiwan	Cable TV service provider	16,218	16,218	1,300	0.76	15,658	21,426	-	Note 2
GWMT	GCTV	Taiwan	Cable TV service provider	91,910	91,910	3,825	6.83	95,433	19,801	-	Note 2
momo	Asian Crown (BVI)	British Virgin Islands	Investment	885,285	885,285	9,735	81.99	13,671	(4,672)	-	Note 2
	Honest Development	Samoa	Investment	670,448	670,448	21,778	100	563,523	3,312	-	Note 2
	FLI	Taiwan	Life insurance agent	3,000	3,000	500	100	1,634	(1,288)	-	Note 2
	FI	Taiwan	Comprehensive insurance agent	3,000	3,000	500	100	9,843	23	-	Notes 2 and 9
	FST	Taiwan	Travel agent	6,000	6,000	3,000	100	50,262	8,669	-	Note 2
	Bebe Poshe	Taiwan	Wholesale of cosmetics	98,965	90,880	9,373	93.73	27,542	(2,138)	-	Note 2
	FSL	Taiwan	Logistics and transport	250,000	250,000	25,000	100	327,857	60,060	-	Note 2
	MFS	Taiwan	Wholesaling	100,000	100,000	10,000	100	104,737	6,338	-	Note 2
	Prosperous Living	Taiwan	Wholesale and retail sales	220,850	220,850	22,085	73.62	224,265	4,234	-	Note 2
Asian Crown (BVI)	Fortune Kingdom	Samoa	Investment	1,132,789	1,132,789	11,594	100	12,041	(4,866)	-	Note 2
Fortune Kingdom	HK Fubon Multimedia	Hong Kong	Investment	1,132,789	1,132,789	11,594	100	12,041	(4,866)	-	Note 2
Honest Development	HK Yue Numerous	Hong Kong	Investment	670,448	670,448	16,600	100	563,523	3,312	-	Note 2

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

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

Note 3: Held 1 share as of period end.

Note 4: Material non-controlling interests.

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

Note 6: Reclassified as disposal groups held for sale, see Note 10 and Table 4 for the details.

Note 7: 70.47% of stocks are held under trustee accounts.

Note 8: Due to organizational restructuring.

Note 9: Formerly known as Fuli Property Insurance Agent Co., Ltd. Renamed and changed its main business in February 2023.

Note 10: For information on investments in mainland China, see Table 9 for the details.

(Concluded)

TABLE 8

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(In Thousands of New Taiwan Dollars)

Number	Company Name	Counterparty	Nature of Relationship (Note 1)	Transaction Details			Percentage of Consolidated Total Operating Revenue or Total Assets
				Account	Amount	Transaction Terms (Note 2)	
0	TWM	TFN	1	Notes and accounts receivable, net	\$ 21,649	-	-
		TPIA	1	Notes and accounts receivable, net	80,991	-	-
		momo	1	Notes and accounts receivable, net	227,012	-	-
		TFN	1	Other receivables	45,650	-	-
		TFNM	1	Other receivables	59,092	-	-
		momo	1	Other receivables	74,894	-	-
		TNH	1	Other non-current assets	18,785	-	-
		TFNM	1	Other non-current assets	23,309	-	-
		TCC	1	Short-term borrowings	373,000	-	-
		WMT	1	Short-term borrowings	2,923,000	-	2%
		TFN	1	Short-term borrowings	10,233,000	-	5%
		TFN	1	Notes and accounts payable	72,787	-	-
		TKT	1	Notes and accounts payable	35,723	-	-
		TFNM	1	Notes and accounts payable	45,453	-	-
		momo	1	Notes and accounts payable	18,133	-	-
		WMT	1	Other payables	10,549	-	-
		TFN	1	Other payables	506,647	-	-
		TT&T	1	Other payables	79,135	-	-
		TDS	1	Other payables	18,568	-	-
		momo	1	Other payables	50,063	-	-
		TNH	1	Lease liabilities (current and non-current)	53,821	-	-
		TFN	1	Lease liabilities (current and non-current)	77,262	-	-
		YJCTV	1	Lease liabilities (current and non-current)	20,555	-	-
		GCTV	1	Lease liabilities (current and non-current)	12,826	-	-
		TFN	1	Other current liabilities	27,202	-	-
		momo	1	Other current liabilities	36,442	-	-
		momo	1	Transferring of business	71,400	-	-
		TFN	1	Operating revenue	114,267	-	-
		TPIA	1	Operating revenue	152,485	-	-
		TFNM	1	Operating revenue	13,904	-	-
		momo	1	Operating revenue	1,921,759	-	1%
TFN	1	Operating costs	3,730,817	-	3%		
TDS	1	Operating costs	45,023	-	-		
TKT	1	Operating costs	124,896	-	-		

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note 1)	Transaction Details			Percentage of Consolidated Total Operating Revenue or Total Assets
				Account	Amount	Transaction Terms (Note 2)	
0	TWM	TFNM	1	Operating costs	\$ 154,728	-	-
		YJCTV	1	Operating costs	10,337	-	-
		momo	1	Operating costs	178,397	-	-
		TFN	1	Operating expenses	21,092	-	-
		TT&T	1	Operating expenses	696,285	-	1%
		TFN	1	Other income and expenses, net	33,960	-	-
		WMT	1	Finance costs	40,428	-	-
		TFN	1	Finance costs	117,015	-	-
1	TCC	TFC	1	Other receivables	182,363	-	-
		TFN	1	Short-term borrowings	181,000	-	-
2	WMT	TFNM	1	Other receivables	1,357,013	-	1%
		WTVB	1	Other receivables	383,112	-	-
3	TNH	TWM	2	Operating revenue	97,631	-	-
4	TFN	TFC	3	Notes and accounts receivable, net	24,970	-	-
		TFNM	3	Notes and accounts receivable, net	33,104	-	-
		TWM	2	Lease liabilities (current and non-current)	25,114	-	-
		TWM	2	Lease revenue	28,938	-	-
		TFC	3	Operating revenue	109,191	-	-
		TFNM	3	Operating revenue	155,705	-	-
		momo	3	Operating revenue	31,843	-	-
		TT&T	3	Operating expenses	74,170	-	-
5	TFNM	momo	3	Notes and accounts receivable, net	32,434	-	-
		TKT	1	Other receivables	33,379	-	-
		YJCTV	1	Other receivables	43,617	-	-
		MCTV	1	Other receivables	20,540	-	-
		PCTV	1	Other receivables	52,412	-	-
		UCTV	1	Other receivables	33,671	-	-
		GCTV	1	Other receivables	21,452	-	-
		TKT	1	Acquisition of investments accounted for using equity method	33,379	-	-
		PCTV	1	Short-term borrowings	517,000	-	-
		GCTV	1	Short-term borrowings	250,000	-	-
		WTVB	3	Notes and accounts payable	56,676	-	-
		TFN	3	Lease liabilities (current and non-current)	76,614	-	-
		YJCTV	1	Operating revenue	298,512	-	-
		PCTV	1	Operating revenue	386,659	-	-
		UCTV	1	Operating revenue	161,293	-	-
		GCTV	1	Operating revenue	140,752	-	-
		momo	3	Operating revenue	32,426	-	-
		WTVB	3	Operating costs	55,605	-	-
		YJCTV	1	Operating costs	26,862	-	-
		PCTV	1	Operating costs	30,478	-	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note 1)	Transaction Details			Percentage of Consolidated Total Operating Revenue or Total Assets
				Account	Amount	Transaction Terms (Note 2)	
5	TFNM	UCTV GCTV	1	Operating costs	\$ 18,818	-	-
			1	Operating costs	12,313	-	-
6	momo	FSL	1	Notes and accounts payable	206,429	-	-
		MFS	1	Notes and accounts payable	15,764	-	-
		Bebe Poshe	1	Operating costs	13,730	-	-
		FSL	1	Operating costs	808,616	-	1%
		MFS	1	Operating costs	120,241	-	-
		Prosperous Living	1	Operating costs	26,529	-	-

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

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

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

(Concluded)

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(In Thousands of New Taiwan Dollars and Foreign Currencies)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (Note 1)	Accumulated Outflow of Investment from Taiwan at the Beginning of the Period	Investment Flows		Accumulated Outflow of Investment from Taiwan at the End of the Period	Net Income (Loss) of Investee	% Ownership through Direct or Indirect Investment	Investment Income (Loss)	Carrying Value at the End of the Period	Accumulated Inward Remittance of Earnings at the End of the Period	Note
					Outflow	Inflow							
TWMC	Data communication application development	\$ 96,735 (USD 3,000)	b	\$ 157,094 (USD 4,872)	\$ -	\$ -	\$ 157,094 (USD 4,872)	\$ 551	100	\$ 551	\$ 84,108	\$ -	Note 2
FGE	Wholesaling	341,700 (RMB 77,500)	b	845,011 (USD 14,000) (RMB 89,267)	-	-	845,011 (USD 14,000) (RMB 89,267)	(5,692)	76.7	(4,366)	2,606	-	Note 3
Haobo	Investment	48,499 (RMB 11,000)	b	-	-	-	-	3,070	100	3,070	534,658	-	
GHS	Wholesaling	220,451 (RMB 50,000)	b	-	-	-	-	34,456	20	2,546	488,263	-	

Company	Accumulated Investment in Mainland China at the End of the Period	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA (Note 4)
TWM and subsidiaries	\$1,696,991 (USD18,872, RMB89,267 and HKD168,539)	\$1,696,991 (USD18,872, RMB89,267 and HKD168,539)	\$41,151,658

Note 1: The investment types are as follows:

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

Note 2: The liquidation process was still in progress.

Note 3: In October 2023, the Board of Directors resolved to liquidate the company, and the liquidation process was still in progress.

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



**TAIWAN MOBILE CO., LTD**  
**INFORMATION OF MAJOR STOCKHOLDERS**  
**SEPTEMBER 30, 2023**

Name of Major Stockholder	Shares	
	Number of Shares	Percentage of Ownership (%)
TUI	410,665,284	11.67
Shin Kong Life Insurance Co., Ltd.	218,738,000	6.22
TCCI	200,496,761	5.70
Ming Dong	184,736,452	5.25

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