

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

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2025 and 2024 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

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

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Taiwan Mobile Co., Ltd. and its subsidiaries (collectively, the “Group”) as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

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

### **Conclusion**

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

May 13, 2025

Notice to Readers

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

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS  
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2025		December 31, 2024		March 31, 2024		LIABILITIES AND EQUITY	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash and cash equivalents (Notes 6 and 29)	\$ 11,561,004	5	\$ 11,945,684	5	\$ 13,959,181	6	Short-term borrowings (Note 17)	\$ 12,655,000	5	\$ 19,290,000	8	\$ 17,100,000	7
Financial assets at fair value through profit or loss	27,449	-	11,008	-	7,919	-	Short-term notes and bills payable (Note 17)	1,297,067	1	5,092,920	2	7,485,114	3
Financial assets at fair value through other comprehensive income (Note 7)	279,463	-	268,591	-	274,050	-	Contract liabilities (Note 22)	2,244,786	1	2,677,430	1	2,572,569	1
Financial assets at amortized cost	163,575	-	161,088	-	158,090	-	Notes and accounts payable	12,601,681	5	13,258,616	6	13,483,074	6
Contract assets (Note 22)	6,983,307	3	6,780,457	3	6,226,677	3	Notes and accounts payable due to related parties (Note 29)	260,291	-	238,742	-	195,568	-
Notes and accounts receivable, net (Note 8)	9,086,307	4	8,943,620	4	8,946,568	4	Other payables (Note 29)	9,403,155	4	12,635,036	5	9,656,994	4
Notes and accounts receivable due from related parties (Note 29)	421,352	-	485,806	-	538,261	-	Current tax liabilities	3,381,916	1	2,540,389	1	3,061,900	1
Other receivables (Note 29)	3,324,374	1	3,878,136	2	4,057,517	2	Provisions (Note 19)	113,583	-	159,460	-	427,592	-
Inventories (Note 9)	7,392,233	3	8,833,607	3	6,516,323	3	Lease liabilities (Notes 13, 26 and 29)	4,040,781	2	3,855,097	2	5,084,619	2
Prepayments (Note 29)	1,197,991	1	996,620	-	1,317,309	-	Advance receipts	175,806	-	141,697	-	122,776	-
Other financial assets (Notes 29 and 30)	2,059,378	1	2,143,075	1	811,445	-	Long-term liabilities, current portion (Notes 17 and 18)	11,826,273	5	17,319,823	7	9,216,967	4
Other current assets	179,548	-	194,780	-	166,720	-	Other current liabilities (Note 29)	4,590,029	2	4,561,537	2	3,913,604	2
Total current assets	42,675,981	18	44,642,472	18	42,980,060	18	Total current liabilities	62,590,368	26	81,770,747	34	72,320,777	30
NON-CURRENT ASSETS							NON-CURRENT LIABILITIES						
Financial assets at fair value through profit or loss	2,073,116	1	1,985,440	1	1,892,099	1	Financial liabilities at fair value through profit or loss(Note 18)	62,558	-	-	-	-	-
Financial assets at fair value through other comprehensive income (Note 7)	3,954,216	2	4,123,016	2	5,583,549	2	Contract liabilities (Note 22)	397,414	-	126,023	-	150,475	-
Financial assets at amortized cost	96,623	-	95,154	-	247,574	-	Bonds payable (Note 18)	35,092,781	14	25,984,823	11	32,982,907	14
Contract assets (Note 22)	7,549,779	3	7,237,271	3	6,126,187	3	Long-term borrowings (Note 17)	26,134,540	11	24,667,728	10	21,579,978	9
Investments accounted for using equity method (Notes 10 and 29)	6,707,814	3	6,728,977	3	1,814,942	1	Provisions (Note 19)	1,628,124	1	1,611,622	1	1,527,773	1
Property, plant and equipment (Note 12)	50,725,836	21	51,800,440	21	49,909,994	21	Deferred tax liabilities	1,423,086	1	1,374,971	1	1,419,603	-
Right-of-use assets (Notes 13 and 29)	11,685,599	5	11,187,400	5	12,819,016	5	Lease liabilities (Notes 13, 26 and 29)	7,698,039	3	7,422,099	3	7,786,601	3
Investment properties (Note 14)	2,117,003	1	2,122,869	1	2,184,248	1	Net defined benefit liabilities	70,288	-	72,186	-	47,096	-
Concessions (Notes 15 and 30)	64,946,219	27	66,394,968	28	70,765,317	30	Guarantee deposits	1,335,339	1	1,352,324	-	1,422,342	1
Goodwill (Note 15)	33,228,022	14	33,228,022	14	33,228,022	14	Other non-current liabilities	2,794,237	1	3,116,248	1	2,789,208	1
Other intangible assets (Note 15)	5,739,087	3	5,821,933	2	5,794,032	2	Total non-current liabilities	76,636,406	32	65,728,024	27	69,705,983	29
Deferred tax assets	1,090,743	-	895,607	-	729,969	-	Total liabilities	139,226,774	58	147,498,771	61	142,026,760	59
Incremental costs of obtaining a contract (Note 22)	2,618,420	1	2,616,905	1	2,492,353	1	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 21)						
Net defined benefit assets	184,884	-	178,347	-	-	-	Common stock	37,232,618	16	37,232,618	16	37,232,618	16
Other financial assets (Notes 29 and 30)	382,617	-	383,141	-	437,273	-	Capital surplus	30,190,801	13	29,337,376	12	31,330,553	13
Other non-current assets (Notes 16 and 29)	2,125,284	1	1,985,203	1	2,017,936	1	Retained earnings						
Total non-current assets	195,225,262	82	196,784,693	82	196,042,511	82	Legal reserve	34,716,971	14	34,716,971	14	33,498,727	14
							Unappropriated earnings	17,620,439	7	13,966,321	6	15,150,566	6
							Other equity interests	( 391,883)	-	( 135,582)	-	341,271	-
							Treasury stock	( 29,717,344)	( 12)	( 29,717,344)	( 12)	( 29,717,344)	( 12)
							Total equity attributable to owners of the Corporation	89,651,602	38	85,400,360	36	87,836,391	37
							NON-CONTROLLING INTERESTS	9,022,867	4	8,528,034	3	9,159,420	4
							Total equity	98,674,469	42	93,928,394	39	96,995,811	41
TOTAL	\$ 237,901,243	100	\$ 241,427,165	100	\$ 239,022,571	100	TOTAL	\$ 237,901,243	100	\$ 241,427,165	100	\$ 239,022,571	100

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

# TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 22, 29 and 36)	\$ 48,167,353	100	\$ 48,276,631	100
OPERATING COSTS (Notes 9, 29, 33 and 36)	<u>38,282,235</u>	<u>79</u>	<u>38,961,855</u>	<u>81</u>
GROSS PROFIT FROM OPERATIONS	<u>9,885,118</u>	<u>21</u>	<u>9,314,776</u>	<u>19</u>
OPERATING EXPENSES (Notes 29, 33 and 36)				
Marketing	3,157,487	7	2,904,785	6
Administrative	1,633,841	4	1,747,269	4
Research and development	189,019	-	159,582	-
Expected credit loss	<u>89,375</u>	<u>-</u>	<u>89,163</u>	<u>-</u>
Total operating expenses	<u>5,069,722</u>	<u>11</u>	<u>4,900,799</u>	<u>10</u>
OTHER INCOME AND EXPENSES, NET (Note 29)	<u>334,162</u>	<u>1</u>	<u>241,322</u>	<u>1</u>
OPERATING INCOME (Note 36)	<u>5,149,558</u>	<u>11</u>	<u>4,655,299</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 29)	46,544	-	51,951	-
Other income	8,342	-	9,790	-
Other gains and losses, net (Note 23)	94,423	-	( 25,251)	-
Finance costs (Note 23)	( 384,141)	( 1)	( 336,503)	( 1)
Share of loss of associates accounted for using equity method	( 3,917)	-	( 33,483)	-
Total non-operating income and expenses	( 238,749)	( 1)	( 333,496)	( 1)
PROFIT BEFORE TAX	4,910,809	10	4,321,803	9
INCOME TAX EXPENSE (Note 24)	<u>764,849</u>	<u>1</u>	<u>839,270</u>	<u>2</u>
NET PROFIT	<u>4,145,960</u>	<u>9</u>	<u>3,482,533</u>	<u>7</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 21 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	( 167,446)	( 1)	78,805	-
Share of other comprehensive income (loss) of associates accounted for using equity method	( 102,646)	-	9,995	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation	9,649	-	13,349	-
Share of other comprehensive income (loss) of associates accounted for using equity method	<u>8,214</u>	<u>-</u>	<u>( 793)</u>	<u>-</u>
Other comprehensive income (loss) (after tax)	( 252,229)	( 1)	101,356	-
TOTAL COMPREHENSIVE INCOME	<u>\$ 3,893,731</u>	<u>8</u>	<u>\$ 3,583,889</u>	<u>7</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the parent	\$ 3,655,199	8	\$ 2,967,920	6
Non-controlling interests	<u>490,761</u>	<u>1</u>	<u>514,613</u>	<u>1</u>
	<u>\$ 4,145,960</u>	<u>9</u>	<u>\$ 3,482,533</u>	<u>7</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent	\$ 3,398,898	7	\$ 2,985,075	6
Non-controlling interests	<u>494,833</u>	<u>1</u>	<u>598,814</u>	<u>1</u>
	<u>\$ 3,893,731</u>	<u>8</u>	<u>\$ 3,583,889</u>	<u>7</u>
EARNINGS PER SHARE (Note 25)				
Basic earnings per share	<u>\$ 1.21</u>		<u>\$ 0.98</u>	
Diluted earnings per share	<u>\$ 1.20</u>		<u>\$ 0.98</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				
	Common Stock	Capital Surplus	Retained Earnings		Exchange Differences on Translation	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Stock	Total	Non-controlling Interests	Total Equity
			Legal Reserve	Unappropriated Earnings						
BALANCE, JANUARY 1, 2024	\$ 37,232,618	\$ 31,302,785	\$ 33,498,727	\$ 12,182,646	\$ ( 38,219)	\$ 362,335	\$ ( 29,717,344)	\$ 84,823,548	\$ 8,560,606	\$ 93,384,154
Profit for the three months ended March 31, 2024	-	-	-	2,967,920	-	-	-	2,967,920	514,613	3,482,533
Other comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	5,989	11,166	-	17,155	84,201	101,356
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	2,967,920	5,989	11,166	-	2,985,075	598,814	3,583,889
Changes in equity of associates accounted for using equity method	-	27,768	-	-	-	-	-	27,768	-	27,768
BALANCE, MARCH 31, 2024	<u>\$ 37,232,618</u>	<u>\$ 31,330,553</u>	<u>\$ 33,498,727</u>	<u>\$ 15,150,566</u>	<u>\$ ( 32,230)</u>	<u>\$ 373,501</u>	<u>\$ ( 29,717,344)</u>	<u>\$ 87,836,391</u>	<u>\$ 9,159,420</u>	<u>\$ 96,995,811</u>
BALANCE, JANUARY 1, 2025	\$ 37,232,618	\$ 29,337,376	\$ 34,716,971	\$ 13,966,321	\$ ( 18,142)	\$ ( 117,440)	\$ ( 29,717,344)	\$ 85,400,360	\$ 8,528,034	\$ 93,928,394
Profit for the three months ended March 31, 2025	-	-	-	3,655,199	-	-	-	3,655,199	490,761	4,145,960
Other comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	12,476	( 268,777)	-	( 256,301)	4,072	( 252,229)
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	3,655,199	12,476	( 268,777)	-	3,398,898	494,833	3,893,731
Equity component of convertible bonds issued by the Company	-	851,347	-	-	-	-	-	851,347	-	851,347
Changes in equity of associates accounted for using equity method	-	15,527	-	( 1,081)	-	-	-	14,446	-	14,446
Disposal of investments accounted for using equity method	-	( 13,449)	-	-	-	-	-	( 13,449)	-	( 13,449)
BALANCE, MARCH 31, 2025	<u>\$ 37,232,618</u>	<u>\$ 30,190,801</u>	<u>\$ 34,716,971</u>	<u>\$ 17,620,439</u>	<u>\$ ( 5,666)</u>	<u>\$ ( 386,217)</u>	<u>\$ ( 29,717,344)</u>	<u>\$ 89,651,602</u>	<u>\$ 9,022,867</u>	<u>\$ 98,674,469</u>

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

# TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 4,910,809	\$ 4,321,803
Adjustments for:		
Depreciation expense	3,756,778	4,245,513
Amortization expense	1,648,020	1,686,667
Amortization of incremental costs of obtaining a contract	466,737	472,617
Loss on disposal and retirement of property, plant and equipment, net	17,283	114,350
Gain on disposal of property, plant and equipment held for sale	( 1,689)	( 258)
Gain on disposal of intangible assets, net	-	( 30)
Expected credit loss	89,375	89,163
Other income and expenses	( 284,825)	( 196,682)
Finance costs	384,141	336,503
Interest income	( 46,544)	( 51,951)
Dividend income	( 7,539)	( 8,805)
Valuation gain on financial assets at fair value through profit or loss	( 91,543)	( 44,340)
Valuation gain on financial liabilities at fair value through profit or loss	( 9,300)	-
Share of loss of associates accounted for using equity method	3,917	33,483
Gain on disposal of investments accounted for using equity method	( 17,014)	-
Others	( 5,475)	( 17,900)
Changes in operating assets and liabilities		
Contract assets	( 519,261)	( 445,985)
Notes and accounts receivable	( 172,836)	162,581
Notes and accounts receivable due from related parties	64,454	50,971
Other receivables	537,262	432,568
Inventories	1,441,374	1,676,745
Prepayments	( 201,800)	( 284,994)
Other current assets	13,723	25,998
Other financial assets	( 46,404)	( 16,218)
Incremental costs of obtaining a contract	( 468,252)	( 472,228)
Contract liabilities	( 161,253)	( 294,770)
Notes and accounts payable	( 656,935)	21,570
Notes and accounts payable due to related parties	21,549	64,076
Other payables	( 1,591,860)	( 1,599,015)
Provisions	( 43,666)	( 7,790)
Advance receipts	34,109	28,000
Other current liabilities	28,492	13,290
Net defined benefit plans	( 8,435)	( 10,917)
Cash inflows generated from operating activities	9,083,392	10,324,015
Interest received	13,788	3,176
Interest paid	( 569)	( 473)
Income taxes paid	( 29,270)	( 10,342)
Net cash generated from operating activities	9,067,341	10,316,376

(Continued)

# TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2025	2024
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	\$( 3,211,023)	\$( 2,625,525)
Acquisition of right-of-use assets	( 20,443)	( 15,678)
Acquisition of intangible assets	( 145,607)	( 112,289)
Increase in prepayments for equipment	( 153,464)	( 77,584)
Proceeds from disposal of property, plant and equipment	41,487	2,009
Proceeds from disposal of property, plant and equipment held for sale	10,730	3,340
Decrease in advance receipts from asset disposals	-	( 41)
Proceeds from disposal of intangible assets	-	137
Acquisition of financial assets at fair value through profit or loss	( 15,847)	( 39,879)
Proceeds from capital reduction of financial assets at fair value through profit or loss	3,169	17,194
Acquisition of investments accounted for using equity method	( 75,150)	( 6,000)
Increase in prepayments for investment	( 17,347)	( 63,986)
Disposal of investments accounted for using equity method	25,573	-
Other investing activities	30,686	49,634
Increase in refundable deposits	( 194,512)	( 111,042)
Decrease in refundable deposits	100,378	102,141
Increase in other financial assets	( 19,645)	( 25,419)
Decrease in other financial assets	149,995	7,740
Interest received	26,570	33,870
Other dividends received	7,539	8,805
Net cash used in investing activities	<u>( 3,456,911)</u>	<u>( 2,852,573)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in short-term borrowings	( 6,635,000)	( 1,360,000)
Decrease in short-term notes and bills payable	( 3,786,079)	( 5,379,466)
Proceeds from issuance of bonds	10,013,070	-
Repayment of bonds	( 5,000,000)	-
Proceeds from long-term borrowings	1,496,824	1,998,595
Repayment of long-term borrowings	( 534,947)	( 38,629)
Repayment of the principal portion of lease liabilities	( 1,120,649)	( 1,543,017)
Increase in guarantee deposits received	23,029	41,961
Decrease in guarantee deposits received	( 40,341)	( 48,111)
Interest paid	<u>( 411,068)</u>	<u>( 421,979)</u>
Net cash used in financing activities	<u>( 5,995,161)</u>	<u>( 6,750,646)</u>

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# TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2025	2024
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	\$ 51	\$ 1,758
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	( 384,680)	714,915
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	11,945,684	13,244,266
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>\$ 11,561,004</u>	<u>\$ 13,959,181</u>

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

(Concluded)

# TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 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 the rendering of mobile telecommunications, 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.

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

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

### 2. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors approved the consolidated financial statements on May 13, 2025.

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

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

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

- b. The IFRS Accounting Standards issued by International Accounting Standards Board (IASB) and endorsed by the FSC for application starting from 2026.

<b><u>New, Amended and Revised Standards and Interpretations</u></b>	<b><u>Effective Date Announced by IASB</u></b>
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group’s financial position and financial performance.

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

<b><u>New, Amended and Revised Standards and Interpretations</u></b>	<b><u>Effective Date Announced by IASB (Note)</u></b>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature - dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: The above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

#### **IFRS 18 “Presentation and Disclosure in Financial Statements”**

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as ‘other’ only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Except for the following description, the material 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, 2024.

##### a. Statement of Compliance

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

##### b. Basis of Consolidation

- 1) The basis of preparation of the consolidated financial statements is the same as that of the consolidated financial statements for the year ended December 31, 2024.
- 2) The subsidiaries included in the consolidated financial statements were as follows:

Investor	Subsidiary	Main Business and Products	Percentage of Ownership			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
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%	-
	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)	Virtual asset platform and transaction service provider	100.00%	100.00%	100.00%	-
	TWM Power Co., Ltd. (TPC)	Information software services	100.00%	100.00%	100.00%	-
	FullSynergy New Retail Co., Ltd. (FSNR)	Branding agency and retail sales	100.00%	100.00%	100.00%	-
	TWM Venture Co., Ltd. (TVC)	Investment	-	-	100.00%	Note 1
	Taiwan Mobile Film Co., Ltd. (TWMFM)	Film production	100.00%	100.00%	-	Note 1

Investor	Subsidiary	Main Business and Products	Percentage of Ownership			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
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%	Note 2
	Taiwan Digital Service Co., Ltd. (TDS)	Commissioned maintenance services	100.00%	100.00%	100.00%	-
	Taihsin Property Insurance Agent Co., Ltd. (TPIA)	Property insurance agent	100.00%	100.00%	100.00%	-
	Tai-Fu Cloud Technology Co., Ltd. (TFC)	Cloud and information services	100.00%	100.00%	100.00%	-
	TCC Investment Co., Ltd. (TCCI)	Investment	-	-	100.00%	Note 3
	TCCI Investment and Development Co., Ltd. (TID)	Investment	100.00%	100.00%	-	Note 3
WMT	TFN Media Co., Ltd. (TFNM)	Broadcasting and TV program distribution and investment in cable TV service providers, etc	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	TWMFM	Film production	-	-	100.00%	Note 1
TWMFM	Taiwan Stampede Franchise Film Co., Ltd. (SFF)	Film production	100.00%	100.00%	100.00%	-
TFN	TFN Union Investment Co., Ltd. (TUI)	Investment	-	-	100.00%	Note 3
TWM Holding	TWM Communications (Beijing) Co., Ltd. (TWMC)	Data communication application development	-	-	100.00%	Note 2
TCCI	TID	Investment	-	-	100.00%	Note 3
TFNM	Yeong Jia Leh Cable TV Co., Ltd. (YJCTV)	Cable TV service provider	100.00%	100.00%	100.00%	-
	Mangrove Cable TV Co., Ltd. (MCTV)	Cable TV service provider	29.53%	29.53%	29.53%	Note 4
	Phoenix Cable TV Co., Ltd. (PCTV)	Cable TV service provider	100.00%	100.00%	100.00%	-
	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%	-

Investor	Subsidiary	Main Business and Products	Percentage of Ownership			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
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 Insurance Agent Co., Ltd. (FI)	Comprehensive insurance agent	100.00%	100.00%	100.00%	-
	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	100.00%	100.00%	93.73%	Note 5
	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%	-
	Fortune Kingdom (BVI)	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 6

Note 1: TWM, in November 2024, was resolved by the Board of Directors to merge with its subsidiary, TVC, effective December 31, 2024. TWM was the surviving entity and acquired the equity interest of TWMFM.

Note 2: TWM Holding completed its liquidation in March 2025; TWMC completed its liquidation in August 2024.

Note 3: TCC, in November 2024, was resolved by the directors to merge with its subsidiary, TCCI, effective December 1, 2024. TCC was the surviving entity and acquired the equity interest of TID.

TFN, in October 2024, was resolved by the directors to merge with its subsidiary, TUI, effective November 1, 2024. TFN was the surviving entity.

As a result of the above mergers, the surviving companies assumed the TWM shares previously held by the dissolved companies. TCC, TFN, and TID collectively owned 698,752 thousand shares of TWM, representing 18.77% of the total shares outstanding as of March 31, 2025.

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

Note 5: During 2024, momo gradually bought back the minority interest of Bebe Poshe, resulting in an increase in its ownership. In February 2025, the Board of Directors resolved to dissolve the company. The liquidation process is still in progress.

Note 6: The legal cancellation process was completed. The liquidation process is still in progress.

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

c. Financial Instruments

Convertible bonds

The component parts of compound financial instruments (convertible bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated at the prevailing market interest rate for similar non-convertible instruments. The amount is recognized as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be reclassified as capital surplus - additional paid-in capital. If the conversion option remains unexercised at maturity, the balance recognized in equity will be reclassified as capital surplus - expired share options.

Transaction costs that relate to the issuance of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

Derivative financial instruments

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period (reporting date). The resulting gain or loss is recognized in profit or loss immediately.

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

d. Employee Benefits

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

e. Income Tax

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

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

The same material 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, 2024.

## 6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and revolving funds	\$ 114,251	\$ 54,983	\$ 106,826
Cash in banks	8,049,731	8,086,850	5,481,511
Time deposits	2,766,454	3,174,791	5,931,210
Government bonds with repurchase rights	630,568	629,060	2,439,634
	<u>\$ 11,561,004</u>	<u>\$ 11,945,684</u>	<u>\$ 13,959,181</u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Investments in equity instruments-current</u>			
Domestic investments			
Listed stocks	\$ 279,296	\$ 268,429	\$ 273,863
Foreign investments			
Listed stocks	167	162	187
	<u>\$ 279,463</u>	<u>\$ 268,591</u>	<u>\$ 274,050</u>
<u>Investments in equity instruments - non-current</u>			
Domestic investments			
Listed stocks	\$ 326,730	\$ 331,290	\$ 482,321
Unlisted stocks	1,142,673	1,159,659	1,234,406
Foreign investments			
Unlisted stocks	2,484,813	2,632,067	2,323,977
Limited partnerships	-	-	1,542,845
	<u>\$ 3,954,216</u>	<u>\$ 4,123,016</u>	<u>\$ 5,583,549</u>

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



## 8. NOTES AND ACCOUNTS RECEIVABLE, NET

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ 89,210	\$ 11,702	\$ 19,623
Accounts receivable	9,487,903	9,419,865	9,360,615
Less: Allowance for impairment loss	( 490,806)	( 487,947)	( 433,670)
	<u>\$ 9,086,307</u>	<u>\$ 8,943,620</u>	<u>\$ 8,946,568</u>

The main credit terms range from 30 to 90 days.

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

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

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

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

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

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

### March 31, 2025

	Not Past Due	Overdue			Total
		1 to 120 Days	121 to 365 Days	Over 365 Days	
Gross carrying amount	\$ 8,492,804	\$ 806,494	\$ 276,825	\$ 990	\$ 9,577,113
Loss allowance (Lifetime ECLs)	( 67,159)	( 163,386)	( 259,271)	( 990)	( 490,806)
Amortized cost	<u>\$ 8,425,645</u>	<u>\$ 643,108</u>	<u>\$ 17,554</u>	<u>\$ -</u>	<u>\$ 9,086,307</u>

## December 31, 2024

		Overdue			
	Not Past Due	1 to 120 Days	121 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 8,384,176	\$ 786,211	\$ 260,190	\$ 990	\$ 9,431,567
Loss allowance (Lifetime ECLs)	( 66,160)	( 177,346)	( 243,451)	( 990)	( 487,947)
Amortized cost	<u>\$ 8,318,016</u>	<u>\$ 608,865</u>	<u>\$ 16,739</u>	<u>\$ -</u>	<u>\$ 8,943,620</u>

For the aforementioned periods, the expected credit loss rates ranged from 0.02%~83.24% for trade receivables not past due and past due within 120 days, and from 65.5%~100% for trade receivables past due over 120 days.

## March 31, 2024

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

For the year ended March 31, 2024, the expected credit loss rates ranged from 0.02%~85.22% for trade receivables not past due and past due within 120 days, and from 65.5%~100% for trade receivables past due over 120 days.

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

	For the Three Months Ended March 31	
	2025	2024
Beginning balance	\$ 487,947	\$ 418,378
Add: Provision	85,088	84,337
Recovery	18,628	12,818
Less: Write-off	( 100,857)	( 81,863)
Ending balance	<u>\$ 490,806</u>	<u>\$ 433,670</u>

## 9. INVENTORIES

	March 31, 2025	December 31, 2024	March 31, 2024
Merchandise	\$ 7,378,099	\$ 8,819,717	\$ 6,504,544
Materials for maintenance	<u>14,134</u>	<u>13,890</u>	<u>11,779</u>
	<u>\$ 7,392,233</u>	<u>\$ 8,833,607</u>	<u>\$ 6,516,323</u>

For the three months ended March 31, 2025 and 2024, the cost of goods sold related to inventories amounted to \$28,659,848 thousand and \$28,737,410 thousand, respectively, which included the inventory write-down totaling \$1,077 thousand, and \$16,703 thousand, respectively.

## 10. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

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

Investee Company	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	% of Ownership	Amount	% of Ownership	Amount	% of Ownership
System Corporation (SYSTEX)	\$ 4,076,247	11.86	\$ 4,035,722	11.86	\$ -	-
AppWorks Ventures Co., Ltd. (AppWorks)	263,809	51.00	250,441	51.00	245,026	51.00
AppWorks Fund III Co., Ltd. (AppWorks Fund III)	556,628	20.14	664,448	20.14	571,114	20.14
Global Home Shopping Co., Ltd. (GHS)	320,940	20.00	310,504	20.00	402,804	20.00
AppWorks Fund IV L.P. (AppWorks Fund IV)	313,109	17.52	292,934	18.85	219,192	21.01
Uspace Tech Co., Ltd. (Uspace)	258,501	32.40	276,387	32.40	180,192	31.81
NADA Holdings Corp. (NADA)	107,603	18.64	126,903	23.92	98,551	31.90
kbro Media Co., Ltd. (kbro Media)	55,341	33.58	55,975	33.58	60,576	33.58
Mistake Entertainment Co., Ltd. (M.E.)	33,467	11.33	32,792	11.33	31,487	11.33
Wei Xiang Corp. (WeMo TW)	62,240	28.13	63,372	28.13	-	-
Tropics Entertainment Co., Ltd. (Tropics)	57,151	40.00	16,099	20.00	-	-
SK Biomedical INC. (SK Biomedical)	5,580	20.00	5,570	20.00	6,000	20.00
Fubon Green Power Co., Ltd. (Fubon Green Power)	<u>597,198</u>	15.00	<u>597,830</u>	15.00	<u>-</u>	-
	<u>\$ 6,707,814</u>		<u>\$ 6,728,977</u>		<u>\$ 1,814,942</u>	

a. SYSTEX

In September 2024, the Group acquired 11.86% equity interest of SYSTEX, and was assessed to have significant influence on SYSTEX.

b. AppWorks

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

c. AppWorks Fund III

In April 2020, the Group acquired 19.46% equity interest of AppWorks Fund III. The Group has significant influence on AppWorks Fund III since the president of TWM serves as the chairman of AppWorks Fund III. The Group'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.

d. GHS

In June 2015, the Group acquired 20% equity interest of GHS through its subsidiary. As the Group 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.

e. AppWorks Fund IV

As of December 2022, the Group subscribed 32.86% equity of AppWorks Fund IV and became the single largest limited partner. Since the management, control, operation and decision-making of the limited partnerships investments were executed by general partner, the Group had no control over AppWorks Fund IV but retained significant influence. Due to the non-proportionate subscription to AppWorks Fund IV's capital increase, the percentage of ownership interest in AppWorks Fund IV decreased, and was no longer the single largest limited partner.

f. Uspace

From October to November 2022, TVC acquired 32.9% equity interest of Uspace. Although the Group 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, the Group has no control over Uspace but retains significant influence. The Group's percentage of ownership interest in Uspace decreased due to non-proportionate subscription to Uspace's issuance of new capital stock.

g. NADA

In December 2021, TVC acquired 37.93% equity interest of NADA. Due to non-proportionate subscription to NADA's issuance of new capital stock, the percentage of ownership interest in NADA decreased. In March 2025, its percentage of ownership interest in NADA decreased to 18.64% due to the disposal of a portion of its equity interest of NADA.

h. Fubon Green Power

In June 2024, TWM and momo acquired 10% and 5% equity interest of Fubon Green Power, respectively, resulting in the Group's ownership percentage of 15%. The Group has significant influence on Fubon Green Power due to having a seat on its Board of directors.

## 11. SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Subsidiary	Proportion of Non-controlling Interests' Ownership and Voting Rights		
	March 31,	December 31,	March 31,
	2025	2024	2024
momo	54.99 %	54.99 %	54.99 %

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

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

	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 12,693,427	\$ 14,202,667	\$ 14,122,333
Non-current assets	22,617,094	22,368,395	21,470,887
Current liabilities	( 14,196,453)	( 16,127,320)	( 13,686,720)
Non-current liabilities	( 2,686,945)	( 2,883,602)	( 3,190,138)
Equity	<u>\$ 18,427,123</u>	<u>\$ 17,560,140</u>	<u>\$ 18,716,362</u>

Equity attributable to:

Owners of the parent	\$ 11,443,598	\$ 11,053,359	\$ 11,572,028
Non-controlling interests of momo	6,900,207	6,423,537	7,057,083
Non-controlling interests of momo's subsidiaries	<u>83,318</u>	<u>83,244</u>	<u>87,251</u>
	<u>\$ 18,427,123</u>	<u>\$ 17,560,140</u>	<u>\$ 18,716,362</u>

	For the Three Months Ended March 31	
	2025	2024
Operating revenue	<u>\$ 26,405,156</u>	<u>\$ 26,877,869</u>
Profit	<u>\$ 859,588</u>	<u>\$ 909,805</u>
Other comprehensive income	<u>7,395</u>	<u>153,122</u>
Comprehensive income	<u>\$ 866,983</u>	<u>\$ 1,062,927</u>

Profit attributable to:

Owners of the parent	\$ 386,915	\$ 409,165
Non-controlling interests of momo	472,611	499,790
Non-controlling interests of momo's subsidiaries	<u>62</u>	<u>850</u>
	<u>\$ 859,588</u>	<u>\$ 909,805</u>

		For the Three Months Ended March 31	
		2025	2024
Comprehensive income attributable to:			
Owners of the parent	\$	390,239	\$ 478,087
Non-controlling interests of momo		476,670	583,976
Non-controlling interests of momo's subsidiaries		74	864
	\$	<u>866,983</u>	<u>1,062,927</u>

  

		For the Three Months Ended March 31	
		2025	2024
Net cash generated from operating activities	\$	138,086	\$ 1,289,364
Net cash used in investing activities	(	502,617)	( 412,289)
Net cash used in financing activities	(	206,897)	( 229,220)
Effect of exchange rate changes		51	61
Net increase (decrease) in cash	\$(	<u>571,377)</u>	<u>647,916</u>

## 12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Telecommuni- cations Equipment and Machinery	Others	Construction in Progress and Equipment to be Inspected	Total
<u>Cost</u>						
Balance, January 1, 2025	\$ 11,337,067	\$ 8,656,679	\$ 124,950,727	\$ 10,078,230	\$ 3,064,860	\$ 158,087,563
Additions	-	-	37,752	83,642	1,488,756	1,610,150
Disposals and retirements	-	-	( 11,647,927)	( 85,257)	-	( 11,733,184)
Reclassification	( 4,192)	( 2,677)	1,459,123	83,765	( 1,534,727)	1,292
Balance, March 31, 2025	<u>\$ 11,332,875</u>	<u>\$ 8,654,002</u>	<u>\$ 114,799,675</u>	<u>\$ 10,160,380</u>	<u>\$ 3,018,889</u>	<u>\$ 147,965,821</u>
<u>Accumulated depreciation and impairment</u>						
Balance, January 1, 2025	\$ -	\$ 2,636,095	\$ 94,966,958	\$ 8,684,070	\$ -	\$ 106,287,123
Depreciation	-	61,307	2,407,262	181,672	-	2,650,241
Disposals and retirements	-	-	( 11,612,616)	( 84,921)	-	( 11,697,537)
Reclassification	-	158	-	-	-	158
Balance, March 31, 2025	<u>\$ -</u>	<u>\$ 2,697,560</u>	<u>\$ 85,761,604</u>	<u>\$ 8,780,821</u>	<u>\$ -</u>	<u>\$ 97,239,985</u>
Carrying amount, January 1, 2025	<u>\$ 11,337,067</u>	<u>\$ 6,020,584</u>	<u>\$ 29,983,769</u>	<u>\$ 1,394,160</u>	<u>\$ 3,064,860</u>	<u>\$ 51,800,440</u>
Carrying amount, March 31, 2025	<u>\$ 11,332,875</u>	<u>\$ 5,956,442</u>	<u>\$ 29,038,071</u>	<u>\$ 1,379,559</u>	<u>\$ 3,018,889</u>	<u>\$ 50,725,836</u>

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

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

#### Buildings

Primary buildings 20-55 years

Mechanical and electrical equipment 5-15 years

Telecommunications equipment and machinery 1-20 years

Others 1-15 years

### 13. LEASE ARRANGEMENTS

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Carrying amount</u>			
Land	\$ 637,491	\$ 607,854	\$ 687,864
Buildings	10,562,822	10,364,859	11,892,288
Telecommunications equipment and machinery	402,133	116,397	154,527
Others	83,153	98,290	84,337
	<u>\$ 11,685,599</u>	<u>\$ 11,187,400</u>	<u>\$ 12,819,016</u>

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Additions to right-of-use assets	\$ <u>1,729,719</u>	\$ <u>948,779</u>
Depreciation charge for right-of-use assets		
Land	\$ 66,568	\$ 87,590
Buildings	994,685	1,457,992
Telecommunications equipment and machinery	26,400	33,710
Others	<u>15,034</u>	<u>15,778</u>
	\$ <u>1,102,687</u>	\$ <u>1,595,070</u>

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2025 and 2024.

b. Lease liabilities

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
<u>Carrying amount</u>			
Current	\$ <u>4,040,781</u>	\$ <u>3,855,097</u>	\$ <u>5,084,619</u>
Non-current	\$ <u>7,698,039</u>	\$ <u>7,422,099</u>	\$ <u>7,786,601</u>

Range of discount rates for lease liabilities was as follows:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Land	0.61%~1.7%	0.61%~1.66%	0.61%~1.44%
Buildings	0.61%~1.7%	0.61%~1.66%	0.61%~1.44%
Telecommunications equipment and machinery	0.64%~1.44%	0.64%~1.44%	0.64%~4.38%
Others	0.62%~1.7%	0.62%~1.66%	0.61%~1.44%

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 March 31</b>	
	<b>2025</b>	<b>2024</b>
Expenses related to short-term leases	\$ <u>9,798</u>	\$ <u>10,472</u>
Expenses related to low-value asset leases	\$ <u>15,040</u>	\$ <u>22,101</u>
Expenses related to variable lease payments and not included in the measurement of lease liabilities	\$ <u>8,856</u>	\$ <u>10,427</u>
Total cash outflow for leases	\$ <u>1,212,220</u>	\$ <u>1,636,576</u>

#### 14. INVESTMENT PROPERTIES

The fair values of investment properties were measured using Level 3 inputs, arising from income approach, comparative approach, and cost approach adopted by a third party real estate appraiser, HomeBan Appraisers Joint Firm. As of March 31, 2025, December 31, 2024 and March 31, 2024, the fair values of investment properties were \$5,669,440 thousand, \$5,672,240 thousand and \$5,365,428 thousand, respectively, and the capitalization rates for the aforementioned financial reporting periods ranged from 0.96%~4.07%, 0.96%~4.07% and 1.47%~5.23%, respectively.

The amounts of depreciation recognized for the three months ended March 31, 2025 and 2024 were \$3,850 thousand and \$3,953 thousand, respectively.

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

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Year 1	\$ 112,639	\$ 108,558	\$ 86,895
Year 2	99,921	103,517	80,298
Year 3	85,344	83,709	70,245
Year 4	63,646	71,306	55,730
Year 5	18,861	27,782	32,855
Year 6 and thereafter	18,246	20,011	25,308
	\$ <u>398,657</u>	\$ <u>414,883</u>	\$ <u>351,331</u>

## 15. INTANGIBLE ASSETS

	Concessions			Other Intangible Assets				
	Concession Licenses	Service Concessions	Goodwill	Customer Relationships	Operating Rights	Trademarks	Computer Software and Others	Total
Cost								
Balance, January 1, 2025	\$ 92,149,830	\$ 8,180,078	\$ 33,254,687	\$ 3,599,602	\$ 1,382,000	\$ 2,495,133	\$ 4,938,680	\$ 146,000,010
Additions	-	-	-	-	-	-	99,566	99,566
Disposals and retirements	-	-	-	-	-	-	( 97,126)	( 97,126)
Reclassification	-	-	-	-	-	-	16,859	16,859
Balance, March 31, 2025	<u>\$ 92,149,830</u>	<u>\$ 8,180,078</u>	<u>\$ 33,254,687</u>	<u>\$ 3,599,602</u>	<u>\$ 1,382,000</u>	<u>\$ 2,495,133</u>	<u>\$ 4,957,979</u>	<u>\$ 146,019,309</u>
Accumulated amortization and impairment								
Balance, January 1, 2025	\$ 31,831,319	\$ 2,103,621	\$ 26,665	\$ 2,379,410	\$ -	\$ 787	\$ 4,213,285	\$ 40,555,087
Amortization	1,404,069	44,680	-	48,087	-	17	151,167	1,648,020
Disposals and retirements	-	-	-	-	-	-	( 97,126)	( 97,126)
Balance, March 31, 2025	<u>\$ 33,235,388</u>	<u>\$ 2,148,301</u>	<u>\$ 26,665</u>	<u>\$ 2,427,497</u>	<u>\$ -</u>	<u>\$ 804</u>	<u>\$ 4,267,326</u>	<u>\$ 42,105,981</u>
Carrying amount, January 1, 2025	<u>\$ 60,318,511</u>	<u>\$ 6,076,457</u>	<u>\$ 33,228,022</u>	<u>\$ 1,220,192</u>	<u>\$ 1,382,000</u>	<u>\$ 2,494,346</u>	<u>\$ 725,395</u>	<u>\$ 105,444,923</u>
Carrying amount, March 31, 2025	<u>\$ 58,914,442</u>	<u>\$ 6,031,777</u>	<u>\$ 33,228,022</u>	<u>\$ 1,172,105</u>	<u>\$ 1,382,000</u>	<u>\$ 2,494,329</u>	<u>\$ 690,653</u>	<u>\$ 103,913,328</u>
Cost								
Balance, January 1, 2024	\$ 92,206,064	\$ 8,180,078	\$ 33,281,509	\$ 3,599,602	\$ 1,382,000	\$ 2,495,200	\$ 4,284,623	\$ 145,429,076
Additions	-	-	-	-	-	18	59,324	59,342
Disposals and retirements	-	-	-	-	-	( 97)	( 10,277)	( 10,374)
Reclassification	-	-	-	-	-	-	1,530	1,530
Balance, March 31, 2024	<u>\$ 92,206,064</u>	<u>\$ 8,180,078</u>	<u>\$ 33,281,509</u>	<u>\$ 3,599,602</u>	<u>\$ 1,382,000</u>	<u>\$ 2,495,121</u>	<u>\$ 4,335,200</u>	<u>\$ 145,479,574</u>
Accumulated amortization and impairment								
Balance, January 1, 2024	\$ 26,223,074	\$ 1,924,901	\$ 53,487	\$ 2,187,062	\$ -	\$ 820	\$ 3,626,459	\$ 34,015,803
Amortization	1,428,170	44,680	-	48,087	-	15	165,715	1,686,667
Disposals and retirements	-	-	-	-	-	( 97)	( 10,170)	( 10,267)
Balance, March 31, 2024	<u>\$ 27,651,244</u>	<u>\$ 1,969,581</u>	<u>\$ 53,487</u>	<u>\$ 2,235,149</u>	<u>\$ -</u>	<u>\$ 738</u>	<u>\$ 3,782,004</u>	<u>\$ 35,692,203</u>
Carrying amount, March 31, 2024	<u>\$ 64,554,820</u>	<u>\$ 6,210,497</u>	<u>\$ 33,228,022</u>	<u>\$ 1,364,453</u>	<u>\$ 1,382,000</u>	<u>\$ 2,494,383</u>	<u>\$ 553,196</u>	<u>\$ 109,787,371</u>

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

Concession licenses	14-21 years
Service concessions	44-50 years
Customer relationships	17-20 years
Trademarks	10 years
Computer software	1-10 years
Other intangible assets	
Copyrights	Amortized over the broadcast period

a. Service concessions

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

b. Customer relationships, operating rights, and trademarks

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

- 1) On April 17, 2007, TFN, one of TWM's wholly-owned subsidiaries, acquired more than 50% of the former Taiwan Fixed Network Co., Ltd. (formerly "TFN") through a public tender offer. TWM split the former TFN and its subsidiaries into two cash-generating units, i.e., fixed network services and cable television and broadband business. Accordingly, customer relationships and operating rights were identified and separately disclosed.
- 2) On July 13, 2011, WMT, one of TWM's wholly-owned subsidiaries, acquired control over momo. In the assessment of momo's retail business, based on the analysis results, trademarks were identified and separately disclosed.
- 3) On December 1, 2023, TWM completed the absorption merger with TST. In the assessment of TST's mobile communication services, based on the analysis results, customer relationships were identified and separately disclosed.

c. Goodwill

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

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Mobile communication services	\$ 24,620,850	\$ 24,620,850	\$ 24,620,850
Fixed network services	357,970	357,970	357,970
Retail business	4,979,566	4,979,566	4,979,566
Cable television and broadband business	<u>3,269,636</u>	<u>3,269,636</u>	<u>3,269,636</u>
	<u>\$ 33,228,022</u>	<u>\$ 33,228,022</u>	<u>\$ 33,228,022</u>

d. Impairment of assets

See Note 15(d) to the consolidated financial statements for the year ended December 31, 2024 for the related information on impairment of assets. There was no significant evidence indicating impairment of intangible assets as of March 31, 2025.

## 16. OTHER NON-CURRENT ASSETS

	March 31, 2025	December 31, 2024	March 31, 2024
Long-term accounts receivable	\$ 149,156	\$ 196,948	\$ 154,526
Refundable deposits	941,866	851,557	941,711
Other prepayments	553,402	423,652	394,623
Prepayments for investment	17,451	49,088	63,661
Others	463,409	463,958	463,415
	<u>\$ 2,125,284</u>	<u>\$ 1,985,203</u>	<u>\$ 2,017,936</u>

## 17. BORROWINGS

### a. Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured loans	<u>\$ 12,655,000</u>	<u>\$ 19,290,000</u>	<u>\$ 17,100,000</u>
Annual interest rates	1.765%~1.933636%	1.75%~1.931057%	1.55%~1.785%

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

### b. Short-term notes and bills payable

	March 31, 2025	December 31, 2024	March 31, 2024
Short-term notes and bills payable	\$ 1,300,000	\$ 5,100,000	\$ 7,500,000
Less: Discounts on short-term notes and bills payable	( 2,933)	( 7,080)	( 14,886)
	<u>\$ 1,297,067</u>	<u>\$ 5,092,920</u>	<u>\$ 7,485,114</u>
Annual interest rates	1.758%	1.788%~1.838%	1.508%~1.538%

### c. Long-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured loans	\$ 14,400,000	\$ 14,400,000	\$ 15,000,000
Secured loans	1,579,243	1,611,774	1,822,845
Commercial papers payable	13,000,000	12,000,000	9,000,000
Less: Unamortized expenses on unsecured loans	( 8,310)	( 8,989)	( 11,138)
Less: Discounts on commercial papers payable	( 10,051)	( 14,607)	( 13,757)
Less: Current portion	( 2,826,342)	( 3,320,450)	( 4,217,972)
	<u>\$ 26,134,540</u>	<u>\$ 24,667,728</u>	<u>\$ 21,579,978</u>
Annual interest rates:			
Unsecured loans	1.9135%	1.9119%	1.7895%
Secured loans	2.105%~2.3526%	2.105%~2.3526%	2.22%~2.3526%
Commercial papers payable	1.535%~1.9333%	1.535%~2.1905%	1.535%~2.1372%

1) Unsecured loans

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

2) Secured loans

TNH entered into a syndicated loan agreement, with respect to the investment under the aforementioned BOT contract. The credit agreement originally signed in 2017 had been terminated in advance. In 2023, TNH signed another credit agreement with Bank of Taiwan for a credit amount and a guarantee amount totaling \$2,558,000 thousand with interest payments made on a regular basis. The maturity date of the main agreement is in November 2030. Certain loan agreements allow for revolving utilization within the financing limit, and the maturity date is disclosed based on the expiration date of the revolving utilization agreement. In accordance with the loan agreement, the regular financial covenants, e.g., current ratio, equity ratio, and interest protection multiples, must be complied with during the loan term. For property under the BOT contract and its superficies that have been pledged as collateral, see Note 30.

3) Commercial papers payable

TWM's commercial papers payable are treated as revolving credit facilities under the contracts. The last repayment date of the commercial papers payable is in February 2028.

## 18. BONDS PAYABLE

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
5th domestic unsecured straight corporate bonds	\$ 8,999,931	\$ 8,999,605	\$ 8,998,610
6th domestic unsecured straight corporate bonds	14,994,528	19,993,807	19,991,542
7th domestic unsecured straight corporate bonds	2,498,342	2,498,217	2,497,838
1st domestic unsecured straight corporate bonds in 2023	6,495,380	6,495,017	6,493,912
1st domestic unsecured straight corporate bonds in 2024	1,997,678	1,997,550	-
4th domestic unsecured convertible bonds	6,363,139	-	-
5th domestic unsecured convertible bonds	2,743,714	-	-
Less: Current portion	( 8,999,931)	( 13,999,373)	( 4,998,995)
	<u>\$ 35,092,781</u>	<u>\$ 25,984,823</u>	<u>\$ 32,982,907</u>

a. 5th domestic unsecured straight corporate bonds

On April 20, 2018, TWM issued the 5th domestic unsecured straight corporate bonds. The bonds included seven-year bonds, with the principal amount of \$9,000,000 thousand, having a face value of \$10,000 thousand, and coupon rate of 1% per annum, with simple interest due annually. Repayment will be made in full at maturity. As of March 31, 2025, the amount of unamortized bond issue cost was \$69 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>
2025Q2	\$ <u>9,000,000</u>

b. 6th domestic unsecured straight corporate bonds

On March 24, 2020, TWM issued the 6th domestic unsecured straight corporate bonds. The bonds included five-year, seven-year, and ten-year bonds, with the principal amount of \$5,000,000 thousand, \$10,000,000 thousand and \$5,000,000 thousand, each having a face value of \$10,000 thousand, and coupon rates of 0.64%, 0.66% and 0.72% per annum, respectively, with simple interest due annually. Repayment will be made in full at maturity. As of March 31, 2025, the amount of unamortized bond issue cost was \$5,472 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 March 2025.

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

<b>Year</b>	<b>Amount</b>
2027	\$ 10,000,000
2030	<u>5,000,000</u>
	\$ <u>15,000,000</u>

c. 7th domestic unsecured straight corporate bonds

On July 13, 2021, TWM issued the 7th domestic unsecured straight corporate bonds. The bond was seven-year bond, with the principal amount of \$2,500,000 thousand, having a face value of \$10,000 thousand, and coupon rate of 0.53% per annum, with simple interest due annually. Repayment will be made in full at maturity. As of March 31, 2025, the amount of unamortized bond issue cost was \$1,658 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 March 31, 2025, the amount of unamortized bond issue cost was \$4,620 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>

e. 1st domestic unsecured straight corporate bonds in 2024

On September 27, 2024, TWM issued the 1st domestic unsecured straight corporate bonds in 2024 and obtained Social Bond accreditation. The bond was five-year bond, with the principal amount of \$2,000,000 thousand, having a face value of \$10,000 thousand, and coupon rate of 1.89% per annum, with simple interest due annually. Repayment will be made in full at maturity. As of March 31, 2025, the amount of unamortized bond issue cost was \$2,322 thousand. The trustee of bond holders is Bank of Taiwan.

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

Year	Amount
2029	\$ <u><u>2,000,000</u></u>

f. 4th domestic unsecured convertible bonds

On February 24, 2025, TWM issued its 4th domestic five-year unsecured zero-coupon convertible bonds with an aggregate principal amount of \$7,000,000 thousand and a par value of \$100 thousand per bond certificate at 100%. The conversion price is set initially at \$123 per share. Except for the book closure period, bondholders are entitled to convert bonds into TWM's common stock from May 25, 2025 to February 24, 2030. The trustee of bond holders is Mega International Commerical Bank Co., Ltd.

If the closing price of TWM's common stock continues being at least 130% of the conversion price then in effect for 30 consecutive trading days or the aggregate outstanding balance of bonds payable is less than 10% of the original issuance amount, TWM has the right to redeem the outstanding bonds payable at par value in cash during the period from three month after the issuance date to the date 40 days prior to the maturity date.

At the end of the third year from the bond issuance date, bondholders have the right to request TWM to redeem the convertible bonds at par value in cash.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - option. The effective interest rate of the liability component was 1.9462% per annum on initial recognition. As of March 31, 2025, the amount of unamortized bond discount was \$636,861 thousand.

Proceeds from the issuance ( minus transaction costs \$4,035 thousand )	\$ 6,995,965
Equity component	( 591,159)
Financial liabilities	( <u>53,869</u> )
Liability component at the date of issuance	6,350,937
Interest charged at the effective interest rate	<u>12,202</u>
Liability component on March 31, 2025	\$ <u><u>6,363,139</u></u>

g. 5th domestic unsecured convertible bonds

On February 25, 2025, TWM issued its 5th domestic five-year unsecured zero-coupon convertible bonds with an aggregate principal amount of \$3,000,000 thousand and a par value of \$100 thousand per bond certificate at 100.63%. The conversion price is set intially at \$115.8 per share. Except for the book closure period, bondholders are entitled to convert bonds into TWM's common stock from May 26, 2025 to February 25, 2030. The trustee of bond holders is Mega International Commerical Bank Co., Ltd.

If the closing price of TWM's common stock continues being at least 130% of the conversion price then in effect for 30 consecutive trading days or the aggregate outstanding balance of bonds payable is less than 10% of the original issuance amount, TWM has the right to redeem the outstanding bonds payable at par value in cash during the period from three month after the issuance date to the date 40 days prior to the maturity date.

At the end of the third year from the bond issuance date, bondholders have the right to request TWM to redeem the convertible bonds at par value in cash.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - option. The effective interest rate of the liability component was 1.821% per annum on initial recognition. As of March 31, 2025, the amount of unamortized bond discount was \$256,286 thousand.

Proceeds from the issuance ( minus transaction costs \$1,815 thousand )	\$	3,017,105
Equity component	(	260,188)
Financial liabilities	(	17,989)
Liability component at the date of issuance		2,738,928
Interest charged at the effective interest rate		4,786
Liability component on March 31, 2025	\$	<u>2,743,714</u>

## 19. PROVISIONS

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Restoration	\$ 1,132,477	\$ 1,172,174	\$ 1,358,659
Replacement	596,244	584,823	578,612
Warranties	<u>12,986</u>	<u>14,085</u>	<u>18,094</u>
	<u>\$ 1,741,707</u>	<u>\$ 1,771,082</u>	<u>\$ 1,955,365</u>
Current	\$ 113,583	\$ 159,460	\$ 427,592
Non-current	<u>1,628,124</u>	<u>1,611,622</u>	<u>1,527,773</u>
	<u>\$ 1,741,707</u>	<u>\$ 1,771,082</u>	<u>\$ 1,955,365</u>

	<b>Restoration</b>	<b>Replacement</b>	<b>Warranties</b>	<b>Total</b>
Balance, January 1, 2025	\$ 1,172,174	\$ 584,823	\$ 14,085	\$ 1,771,082
Provision	9,189	14,649	5,118	28,956
Payment/Reversal	( 49,549)	( 7,683)	( 6,217)	( 63,449)
Unwinding of discount	<u>663</u>	<u>4,455</u>	<u>-</u>	<u>5,118</u>
Balance, March 31, 2025	<u>\$ 1,132,477</u>	<u>\$ 596,244</u>	<u>\$ 12,986</u>	<u>\$ 1,741,707</u>
Balance, January 1, 2024	\$ 1,368,089	\$ 562,791	\$ 17,091	\$ 1,947,971
Provision	10,568	14,278	7,859	32,705
Payment/Reversal	( 20,641)	( 2,437)	( 6,856)	( 29,934)
Unwinding of discount	<u>643</u>	<u>3,980</u>	<u>-</u>	<u>4,623</u>
Balance, March 31, 2024	<u>\$ 1,358,659</u>	<u>\$ 578,612</u>	<u>\$ 18,094</u>	<u>\$ 1,955,365</u>



## 20. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

Domestic firms of the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed and defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. In accordance with the above provisions, the Group's contributions to the pension plan amounted to \$113,207 thousand and \$106,758 thousand for the three months ended March 31, 2025 and 2024, respectively.

### b. Defined benefit plans

The Group recognized pension amounts of \$176 thousand as a reduction in expense and \$449 thousand as an expense for the three months ended March 31, 2025 and 2024, respectively, by using the actuarially determined pension cost rate.

## 21. EQUITY

### a. Common stock

As of March 31, 2025, December 31, 2024 and March 31, 2024, TWM's authorized capital was \$60,000,000 thousand and capital issued and outstanding were both \$37,232,618 thousand, divided into 3,723,262 thousand shares, at a par value of \$10 each.

### b. Capital surplus

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
From business combinations	\$ 18,190,446	\$ 18,190,446	\$ 18,190,446
Additional paid-in capital	5,268,728	5,268,728	7,309,970
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	89,973	87,895	41,094
Convertible bonds payable options	851,347	-	-
Expired share options	13,269	13,269	13,269
Others	30,154	30,154	28,890
	<u>\$ 30,190,801</u>	<u>\$ 29,337,376</u>	<u>\$ 31,330,553</u>

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

c. Appropriation of earnings and dividend policy

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

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

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

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

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

The appropriations of earnings for 2024 and 2023, which have been proposed by the Board of Directors on February 27, 2025 and resolved in the AGM on June 21, 2024, respectively, were as follows:

	<b>For Fiscal Year 2024</b>	<b>For Fiscal Year 2023</b>
Legal reserve	\$ 1,396,607	\$ 1,218,244
Special reserve	135,582	-
Cash dividends	12,434,064	10,964,152
Cash dividends per share (NT\$)	4.1111	3.6251

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 \$1,176,232 thousand and \$2,041,242 thousand and representing \$0.3889 and \$0.6749 per share, were proposed by the Board of Directors and resolved in the AGM; thus, total distributions were \$4.5 and \$4.3 per share for 2024 and 2023, respectively.

The appropriation of earnings and cash distribution arising from capital surplus for 2024 will be resolved in the AGM to be held on May 29, 2025.

d. Other equity interests

	Exchange Differences on Translation	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Total
Balance, January 1, 2025	\$( 18,142)	\$( 117,440)	\$( 135,582)
Exchange differences on translation	4,338	-	4,338
Changes in fair value of financial assets at FVTOCI	-	( 205,700)	( 205,700)
Changes in other comprehensive income (loss) of associates accounted for using equity method	8,138	( 102,646)	( 94,508)
Income tax effect	-	39,569	39,569
Balance, March 31, 2025	<u>\$( 5,666)</u>	<u>\$( 386,217)</u>	<u>\$( 391,883)</u>
Balance, January 1, 2024	\$( 38,219)	\$ 362,335	\$ 324,116
Exchange differences on translation	6,935	-	6,935
Changes in fair value of financial assets at FVTOCI	-	( 12,112)	( 12,112)
Changes in other comprehensive income (loss) of associates accounted for using equity method	( 946)	9,995	9,049
Income tax effect	-	13,283	13,283
Balance, March 31, 2024	<u>\$( 32,230)</u>	<u>\$ 373,501</u>	<u>\$ 341,271</u>

e. Treasury stock

Subsidiaries held 698,752 thousand shares of TWM for investment purposes. As of March 31, 2025 and December 31, 2024, TWM's stocks were held by TCC, TFN and TID, and as of March 31, 2024, TWM's stocks were held by TCCI, TUI and TID, with the market values \$81,404,562 thousand, \$79,308,307 thousand and \$71,971,415 thousand, respectively. Since TWM's stocks held by its subsidiaries are regarded as treasury stock, TWM recognized \$29,717,344 thousand as treasury stock. For those treasury stockholders, they have the same rights as the other stockholders, except that they are not allowed to subscribe new shares issued by TWM for cash and exercise the voting rights over such treasury stock.

## 22. OPERATING REVENUE

	For the Three Months Ended March 31	
	2025	2024
Revenue from contracts with customers		
Telecommunications and value-added services	\$ 15,170,779	\$ 15,041,984
Sales revenue	31,201,884	31,627,227
Cable TV and broadband services	1,379,334	1,374,225
Others	383,321	206,211
Other operating revenue	<u>32,035</u>	<u>26,984</u>
	<u>\$ 48,167,353</u>	<u>\$ 48,276,631</u>

a. Contract information

Refer to Note 36 and to Note 4(u) to the consolidated financial statements for the year ended December 31, 2024.

b. Contract balances

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>	<b>January 1, 2024</b>
Contract assets				
Bundle sales	\$ 14,642,838	\$ 14,123,577	\$ 12,442,734	\$ 11,996,749
Less: Allowance for impairment loss	( 109,752)	( 105,849)	( 89,870)	( 85,364)
	<u>\$ 14,533,086</u>	<u>\$ 14,017,728</u>	<u>\$ 12,352,864</u>	<u>\$ 11,911,385</u>
Current	\$ 6,983,307	\$ 6,780,457	\$ 6,226,677	\$ 6,100,164
Non-current	<u>7,549,779</u>	<u>7,237,271</u>	<u>6,126,187</u>	<u>5,811,221</u>
	<u>\$ 14,533,086</u>	<u>\$ 14,017,728</u>	<u>\$ 12,352,864</u>	<u>\$ 11,911,385</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>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>	<b>January 1, 2024</b>
Contract liabilities				
Telecommunications and value-added services	\$ 1,652,476	\$ 1,692,729	\$ 1,769,621	\$ 2,018,224
Sales of goods	402,109	549,942	341,171	422,087
Cable TV and broadband services	580,789	556,569	604,956	573,442
Others	<u>6,826</u>	<u>4,213</u>	<u>7,296</u>	<u>4,061</u>
	<u>\$ 2,642,200</u>	<u>\$ 2,803,453</u>	<u>\$ 2,723,044</u>	<u>\$ 3,017,814</u>
Current	\$ 2,244,786	\$ 2,677,430	\$ 2,572,569	\$ 2,608,499
Non-current	<u>397,414</u>	<u>126,023</u>	<u>150,475</u>	<u>409,315</u>
	<u>\$ 2,642,200</u>	<u>\$ 2,803,453</u>	<u>\$ 2,723,044</u>	<u>\$ 3,017,814</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>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Incremental costs of obtaining a contract - non-current	\$ <u>2,618,420</u>	\$ <u>2,616,905</u>	\$ <u>2,492,353</u>

The Group considered the past experience and the default clauses in the sale contracts and believed the commission and the subsidy paid for obtaining a contract are wholly recoverable, therefore, such costs are capitalized. The amounts of amortization recognized for the three months ended March 31, 2025 and 2024 were \$466,737 thousand and \$472,617 thousand, respectively.

## 23. NON-OPERATING INCOME AND EXPENSES

a. Other gains and losses, net

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Loss on disposal and retirement of property, plant and equipment, net	\$( 17,283)	\$( 114,350)
Gain on disposal of property, plant and equipment held for sale	1,689	258
Net gain on financial assets at fair value through profit and loss (FVTPL)	91,543	44,340
Gain on financial liabilities at FVTPL	9,300	-
Gain on disposal of investments accounted for using equity method	17,014	-
Gain on disposal of intangible assets, net	-	30
Gain (loss) on foreign exchange, net	( 7,575)	44,636
Others	( 265)	( 165)
	<u>\$ 94,423</u>	<u>\$( 25,251)</u>

b. Finance costs

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Interest expense		
Corporate bonds	\$ 110,404	\$ 85,406
Bank loans	153,830	136,677
Commercial papers payable	68,516	75,057
Interest on lease liabilities	35,502	32,483
Other financial costs	15,889	6,880
	<u>\$ 384,141</u>	<u>\$ 336,503</u>

## 24. INCOME TAX

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

	For the Three Months Ended March 31	
	2025	2024
Current income tax expense		
Current period	\$ 872,314	\$ 799,127
Prior years' adjustments	( 13)	( 20)
	<u>872,301</u>	<u>799,107</u>
Deferred income tax expense		
Temporary differences	( 107,452)	40,163
Income tax expense	<u>\$ 764,849</u>	<u>\$ 839,270</u>

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

	For the Three Months Ended March 31	
	2025	2024
Deferred income tax income		
Unrealized gain/loss on financial assets at FVTOCI	<u>\$( 39,569)</u>	<u>\$( 13,330)</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	2022
TCC	2022
WMT	2023
TNH	2023
FSD	2023
TPC	2023
FSNR	2023
TWMFM	2023
TFN	2023 (Exclude 2021)
TT&T	2023
TDS	2023
TPIA	2023
TFC	2022
TID	2023
SFF	2023
TFNM	2022
GFMT	2023
GWMT	2023
WTVB	2022
YJCTV	2022

<u>Company</u>	<u>Year</u>
MCTV	2023
PCTV	2022
UCTV	2022
GCTV	2022
momo	2022
FI	2023
FST	2023
Bebe Poshe	2023
FSL	2022
MFS	2023
Prosperous Living	2023
TST (Dissolved)	2022
TVC (Dissolved)	2022
TCCI (Dissolved)	2022
TUI (Dissolved)	2022

## 25. EARNINGS PER SHARE

<u>For the Three Months Ended March 31, 2025</u>			
	<u>Amount After</u>	<u>Weighted- average Number of Shares (In Thousands)</u>	<u>EPS (NT\$)</u>
	<u>Income Tax</u>		
Basic EPS			
Profit attributable to owners of the parent	\$ 3,655,199	3,024,510	\$ <u>1.21</u>
Effect of dilutive potential common stock:			
Employees' compensation	-	3,739	
Convertible bonds	<u>7,688</u>	<u>32,839</u>	
Diluted EPS			
Profit attributable to owners of the parent (adjusted for potential effect of common stock)	\$ <u>3,662,887</u>	<u>3,061,088</u>	\$ <u>1.20</u>

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

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

## 26. CASH FLOW INFORMATION

Changes in liabilities arising from financing activities:

For the Three Months Ended March 31, 2025

	<b>Opening Balance</b>	<b>Cash Flows</b>	<b>Non-cash Changes</b>		<b>Ending Balance</b>
			<b>New Leases</b>	<b>Others</b>	
Lease liabilities (including current and non-current portions)	\$ <u>11,277,196</u>	\$ <u>(1,156,123)</u>	\$ <u>1,727,850</u>	\$ <u>(110,103)</u>	\$ <u>11,738,820</u>

For the Three Months Ended March 31, 2024

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

## 27. CAPITAL MANAGEMENT

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

## 28. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
<u>Financial assets</u>			
Financial assets at FVTPL (including current and non-current portions) (Note 1)	\$ 2,100,565	\$ 1,996,448	\$ 1,900,018
Financial assets at FVTOCI (including current and non-current portions)	4,233,679	4,391,607	5,857,599
Financial assets measured at amortized cost (including current and non-current portions) (Note 2)	<u>28,186,252</u>	<u>29,084,209</u>	<u>30,252,146</u>
	<u>\$ 34,520,496</u>	<u>\$ 35,472,264</u>	<u>\$ 38,009,763</u>



	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost (including current and non-current portions) (Note 3)	\$ 111,861,033	\$ 121,152,481	\$ 114,268,075
Financial liabilities at FVTPL - non-current	62,558	-	-
	<u>\$ 111,923,591</u>	<u>\$ 121,152,481</u>	<u>\$ 114,268,075</u>

Note 1: Financial assets mandatorily measured at FVTPL.

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

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

b. Fair value of financial instruments

1) Financial instruments not measured at fair value

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

	<b>March 31, 2025</b>		<b>December 31, 2024</b>		<b>March 31, 2024</b>	
	<b>Carrying Amount</b>	<b>Fair Value</b>	<b>Carrying Amount</b>	<b>Fair Value</b>	<b>Carrying Amount</b>	<b>Fair Value</b>
<u>Financial liabilities</u>						
Bonds payable (including current portion)	\$ 44,092,712	\$ 44,939,057	\$ 39,984,196	\$ 39,769,797	\$ 37,981,902	\$ 37,669,873

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

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

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

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

March 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic unlisted stocks	\$ -	\$ -	\$ 287,500	\$ 287,500
Domestic limited partnerships	-	-	37,022	37,022
Foreign listed stocks	6,050	-	-	6,050
Foreign unlisted stocks	-	-	85,497	85,497
Foreign limited partnerships	-	-	955,173	955,173
Foreign convertible notes	-	-	676,697	676,697
Embedded rights	-	-	21,399	21,399
Other investment agreement	-	-	31,227	31,227
	<u>\$ 6,050</u>	<u>\$ -</u>	<u>\$ 2,094,515</u>	<u>\$ 2,100,565</u>

Financial assets at FVTOCI

Equity instruments				
Domestic listed stocks	\$ 606,026	\$ -	\$ -	\$ 606,026
Domestic unlisted stocks	-	-	1,142,673	1,142,673
Foreign listed stocks	167	-	-	167
Foreign unlisted stocks	-	-	2,484,813	2,484,813
	<u>\$ 606,193</u>	<u>\$ -</u>	<u>\$ 3,627,486</u>	<u>\$ 4,233,679</u>

Financial liabilities at FVTPL

	<u>\$ -</u>	<u>\$ 62,558</u>	<u>\$ -</u>	<u>\$ 62,558</u>
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December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic unlisted stocks	\$ -	\$ -	\$ 287,500	\$ 287,500
Domestic limited partnerships	-	-	37,345	37,345
Foreign listed stocks	6,851	-	-	6,851
Foreign unlisted stocks	-	-	99,582	99,582
Foreign limited partnerships	-	-	909,734	909,734
Foreign convertible notes	-	-	622,494	622,494
Embedded rights	-	-	4,157	4,157
Other investment agreement	-	-	28,785	28,785
	<u>\$ 6,851</u>	<u>\$ -</u>	<u>\$ 1,989,597</u>	<u>\$ 1,996,448</u>

Financial assets at FVTOCI

Equity instruments				
Domestic listed stocks	\$ 599,719	\$ -	\$ -	\$ 599,719
Domestic unlisted stocks	-	-	1,159,659	1,159,659
Foreign listed stocks	162	-	-	162
Foreign unlisted stocks	-	-	2,632,067	2,632,067
	<u>\$ 599,881</u>	<u>\$ -</u>	<u>\$ 3,791,726</u>	<u>\$ 4,391,607</u>

March 31, 2024

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

Financial assets at FVTOCI

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

There were no transfers between the fair value measurements of Levels 1 and 2 for the three months ended March 31, 2025 and 2024.

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 2 fair value measurement:

Call and put options of convertible bonds that adopted binomial tree valuation model were evaluated by the observable closing price of the stocks, volatility, risk-free interest rate, risk discount rate, and liquidity risk at the balance sheet date.

- c) 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%~29.5%, 10.3%~29.5% and 11.7%~32.7% as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively. The stock price volatilities were ranged from 42.8%~79.5%, 43.9%~83.9% and 43.3%~93.3% as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

The fair value of limited partnerships investments was evaluated through the income approach, market approach and asset approach. The evaluation and assumptions are mainly referenced to estimated future cash flows and related information of comparable transactions or companies. The unobservable input was liquidity discount rate, which was estimated to be 24.59% as of March 31, 2024.

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

For the Three Months Ended March 31, 2025

	<b>Financial Assets at FVTPL - Financial Instruments</b>	<b>Financial Assets at FVTOCI - Equity Instruments</b>
Balance, January 1, 2025	\$ 1,989,597	\$ 3,791,726
Additions / Reclassification increases	15,847	48,632
Decrease	( 3,169)	-
Recognized in profit or loss (gain on financial assets at FVTPL)	92,240	-
Recognized in other comprehensive income (unrealized loss on financial assets at FVTOCI)	-	( 212,872)
Balance, March 31, 2025	<u>\$ 2,094,515</u>	<u>\$ 3,627,486</u>

For the Three Months Ended March 31, 2024

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

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

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 regularly monitors and assesses potential and varying levels of risks that the Company might face and uses this information as a reference for drafting an annual audit plan. The Internal Audit Office reports any discrepancy to the concerned unit chief and ensures that remediation efforts are completed through performing audit procedures.

## 3) Credit risk

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

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

## 4) Liquidity risk

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

The Group manages and maintains a sufficient level of capital to ensure the requirements of paying estimated operating expenditures, including financial obligations on each contract. The Group also monitors its bank credit facilities to ensure that the Group fully complies with the provisions and financial covenants of loan contracts. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group had unused bank facilities of \$64,861,978 thousand, \$57,097,251 thousand and \$65,984,914 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>
<u>March 31, 2025</u>				
Unsecured loans	\$ 27,919,998	\$ 14,152,035	\$ 13,767,963	\$ -
Secured loans	1,739,791	165,720	621,414	952,657
Commercial papers payable	14,802,805	3,010,288	11,792,517	-
Bonds payable	46,043,620	9,342,955	36,700,665	-
Lease liabilities	11,997,067	4,153,850	7,143,624	699,593
Other non-current liabilities	219,375	73,125	146,250	-
	<u>\$ 102,722,656</u>	<u>\$ 30,897,973</u>	<u>\$ 70,172,433</u>	<u>\$ 1,652,250</u>
<u>December 31, 2024</u>				
Unsecured loans	\$ 34,643,163	\$ 20,813,446	\$ 13,829,717	\$ -
Secured loans	1,781,695	166,480	628,774	986,441
Commercial papers payable	17,570,681	7,285,299	10,285,382	-
Bonds payable	41,177,620	14,374,955	21,766,665	5,036,000
Lease liabilities	11,517,093	3,958,180	6,848,849	710,064
Other non-current liabilities	292,500	73,125	219,375	-
	<u>\$ 106,982,752</u>	<u>\$ 46,671,485</u>	<u>\$ 53,578,762</u>	<u>\$ 6,732,505</u>
<u>March 31, 2024</u>				
Unsecured loans	\$ 33,186,919	\$ 18,009,869	\$ 15,177,050	\$ -
Secured loans	2,032,656	260,797	604,672	1,167,187
Commercial papers payable	16,747,926	11,126,347	5,621,579	-
Bonds payable	39,191,775	5,337,155	28,818,620	5,036,000
Lease liabilities	13,103,476	5,179,179	7,044,516	879,781
Other non-current liabilities	292,500	73,125	219,375	-
	<u>\$ 104,555,252</u>	<u>\$ 39,986,472</u>	<u>\$ 57,485,812</u>	<u>\$ 7,082,968</u>

## 5) Market risk

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

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

### a) Exchange rate risk

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

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

#### Sensitivity analysis

The Group's exchange rate risk comes mainly from conversion gains and losses of accounts denominated in monetary items of foreign currencies. If there had been an unfavorable 5% movement in the levels of foreign exchanges against NTD at the end of the reporting period (with other factors remaining constant at the end of the reporting period and with analyses of the two periods on the same basis), profit would have increased by \$2,162 thousand and decreased by \$26,671 thousand for the three months ended March 31, 2025 and 2024, 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>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Fair value interest rate risk			
Financial assets	\$ 6,146,480	\$ 6,743,973	\$ 10,379,116
Financial liabilities	54,288,551	66,738,591	69,876,430
Cash flow interest rate risk			
Financial assets	8,884,859	9,010,006	6,258,482
Financial liabilities	36,124,660	37,787,818	31,865,245

#### 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 \$34,050 thousand and \$32,008 thousand for the three months ended March 31, 2025 and 2024, 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 \$105,028 thousand and \$95,001 thousand since the fair value of financial assets at FVTPL decreased for the three months ended March 31, 2025 and 2024, respectively. Other comprehensive income would have decreased by \$211,684 thousand and \$292,880 thousand since the fair value of financial assets at FVTOCI decreased for the three months ended March 31, 2025 and 2024, respectively.

## **29. RELATED-PARTY TRANSACTIONS**

a. Parent company and ultimate controlling party

TWM is the ultimate controlling party of the Group.

b. Related party name and nature of relationship

<b>Related Party</b>	<b>Nature of Relationship</b>
SYSTEX	Associate
AppWorks	Associate
AppWorks Fund III	Associate
GHS	Associate
AppWorks Fund IV	Associate
Uospace	Associate
NADA	Associate
kbros Media	Associate
M.E.	Associate
WeMo TW	Associate
Tropics	Associate
SK Biomedical	Associate
Concord System Management Corporation	Associate (subsidiary of SYSTEX)
System Software & Service Corporation	Associate (subsidiary of SYSTEX)
Taifon Computer Co., Ltd.	Associate (subsidiary of SYSTEX)
Syspower Corporation	Associate (subsidiary of SYSTEX)
System Fintech Corporation	Associate (subsidiary of SYSTEX)
System Solutions Corporation	Associate (subsidiary of SYSTEX)
E-Service Information Corporation	Associate (subsidiary of SYSTEX)
uniXecure Technology Corporation	Associate (subsidiary of SYSTEX)
Docutek Solutions, Inc.	Associate (subsidiary of SYSTEX)
SoftMobile Technology Corporation	Associate (subsidiary of SYSTEX)
Top Information Technologies Corporation	Associate (subsidiary of SYSTEX)
Dawning Technology Inc.	Associate (subsidiary of SYSTEX)
Palsys Digital Technology Corporation	Associate (subsidiary of SYSTEX)
Caresys Information, Inc.	Associate (subsidiary of SYSTEX)
AppWorks School Co., Ltd.	Associate (subsidiary of AppWorks)
Shoei Contents Corporation	Associate (subsidiary of NADA)



<b>Related Party</b>	<b>Nature of Relationship</b>
Brilliant Creative Co., Ltd.	Associate (subsidiary of kbro Media)
Mepay Co., Ltd.	Associate (subsidiary of M.E.)
EnVision Concept Co., Ltd.	Associate (subsidiary of M.E.)
Good Image Co., Ltd.	Associate (subsidiary of kbro Media, not a related party since the second quarter of 2024)
Fansta Co., Ltd.	Associate (subsidiary of M.E., not a related party since the second quarter of 2024)
Fubon Life Insurance Co., Ltd.	Other related party
Fubon Insurance Co., Ltd. (Fubon Insurance)	Other related party
Fubon Asset Management Co., Ltd.	Other related party
Fubon Sports & Entertainment Co., Ltd.	Other related party
Taipei Fubon Commercial Bank Co., Ltd. (TFCB)	Other related party
Fubon Financial Holding Co., Ltd.	Other related party
Fubon Life Insurance (HK) Ltd.	Other related party
Fubon Securities Co., Ltd.	Other related party
Fubon Futures Co., Ltd.	Other related party
Fubon Investment Services Co., Ltd.	Other related party
Fubon Securities Venture Capital Co., Ltd.	Other related party
Fubon Insurance Agency Co., Ltd.	Other related party
Fubon Financial Holding Venture Capital Co., Ltd.	Other related party
Fubon Stadium Co., Ltd.	Other related party
Fubon AMC, Ltd.	Other related party
Fubon Bank (Hong Kong) Limited	Other related party
Fubon Bank (China) Co., Ltd.	Other related party
Fubon Land Development Co., Ltd.	Other related party
Fubon Property Management Co., Ltd.	Other related party
Fubon Security Service Co., Ltd.	Other related party
Fubon Real Estate Management Co., Ltd.	Other related party
Fubon Hospitality Management Co., Ltd.	Other related party
Fubon Private Equity Co., Ltd.	Other related party
TFB Capital Co., Ltd.	Other related party
P. League+ Co., Ltd.	Other related party
Chung Hsing Constructions Co., Ltd.	Other related party
Ming Dong Co., Ltd.	Other related party
Precision Health Inc.	Other related party
Harvard Health Inc.	Other related party (Formerly known as Fu Yi Health Management Co., Ltd.)
Fubon Xinji Investment Co., Ltd.	Other related party

<b>Related Party</b>	<b>Nature of Relationship</b>
Hung Fu Investment Co., Ltd	Other related party
Immanuel Investment Ltd.	Other related party
Dai-Ka Ltd.	Other related party
AppWorks Fund III Co., Ltd.	Other related party
Chen Yun Co., Ltd.	Other related party
ina space	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
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 (not a related party since the second quarter of 2024)
Taiwan Mobile Foundation (TMF)	Other related party
Taipei New Horizon Foundation (TNHF)	Other related party
Fubon Cultural & Educational Foundation	Other related party
Fubon Charity Foundation	Other related party
Fubon Art Foundation	Other related party
Fubon Life Art Museum Foundation	Other related party
Taipei Fubon Bank Charity Foundation	Other related party
Taipei New Horizon Management Agency	Other related party
Key management	Chairman, director, president, vice president, etc.

c. Significant transactions with related parties

1) Operating revenue

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Associates	\$ 21,679	\$ 5,735
Other related parties	390,397	382,444
	<u>\$ 412,076</u>	<u>\$ 388,179</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

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Associates	\$ 82,873	\$ 72
Other related parties	221,875	216,425
	<u>\$ 304,748</u>	<u>\$ 216,497</u>

The entities mentioned above provide broadband, purchases, 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>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Notes and accounts receivable	Associates	\$ 4,726	\$ 5,263	\$ 1,365
Notes and accounts receivable	Other related parties	416,626	480,543	536,896
		<u>\$ 421,352</u>	<u>\$ 485,806</u>	<u>\$ 538,261</u>
Other receivables	Other related parties			
	TFCB	\$ 208,331	\$ 221,205	\$ 476,436
	Others	6,135	11,438	27,092
		<u>\$ 214,466</u>	<u>\$ 232,643</u>	<u>\$ 503,528</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>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Notes and accounts payable	Associates	\$ 35,653	\$ 34,286	\$ 67
Notes and accounts payable	Other related parties	224,638	204,456	195,501
		<u>\$ 260,291</u>	<u>\$ 238,742</u>	<u>\$ 195,568</u>
Other payables	Associates	\$ 26,120	\$ 35,173	\$ -
Other payables	Other related parties	96,706	91,441	100,785
		<u>\$ 122,826</u>	<u>\$ 126,614</u>	<u>\$ 100,785</u>

5) Prepayments

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Other related parties	\$ <u>101,787</u>	\$ <u>16,082</u>	\$ <u>92,912</u>

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

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Other related parties			
TFCB	\$ <u>3,170,167</u>	\$ <u>3,116,429</u>	\$ <u>5,047,523</u>

7) Acquisition of investments accounted for using equity method

<b>Related Party Transaction</b>	<b>Transaction Period</b>	<b>Shares (In Thousands)</b>	<b>Purchase Price</b>
Participation in AppWorks Fund IV's capital increase	The first quarter of 2025	-	\$ 31,150
Contributions to Tropics's capital increase	The first quarter of 2025	4,400	<u>44,000</u>
			\$ <u>75,150</u>

8) Others

a) Refundable deposits

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Other related parties	\$ <u>65,058</u>	\$ <u>64,856</u>	\$ <u>80,679</u>

b) Other current liabilities - receipts under custody

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Other related parties	\$ <u>195,055</u>	\$ <u>189,664</u>	\$ <u>179,127</u>

c) Operating expenses

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Other related parties		
TMF	\$ 5,000	\$ 6,000
TNHF	3,000	3,000
TFCB	210,589	266,339
Others	<u>30,330</u>	<u>33,750</u>
	\$ <u>248,919</u>	\$ <u>309,089</u>

d) Other income

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Other related parties	\$ <u>2,371</u>	\$ <u>12,066</u>

e) Interest income

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Other related parties		
TFCB	\$ <u>1,520</u>	\$ <u>12,113</u>

f) mo-coin transactions

Subsidiary momo sold mo-coins to related parties amounting to \$257,839 thousand and \$329,616 thousand for the three month ended March 31, 2025 and 2024, respectively, mainly to provide rewards to users (consumers).

9) Lease arrangements

Acquisition of right-of-use assets

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Other related parties	\$ <u>112,024</u>	\$ <u>737</u>

Lease liabilities (including current and non-current portions)

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Other related parties	\$ <u>762,752</u>	\$ <u>710,250</u>	\$ <u>881,533</u>

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

d. Key management compensation

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

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Short-term employee benefits	\$ 94,881	\$ 96,018
Termination and post-employment benefits	933	1,017
	\$ <u>95,814</u>	\$ <u>97,035</u>

### 30. ASSETS PLEDGED

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

	March 31, 2025	December 31, 2024	March 31, 2024
Other current financial assets	\$ 147,235	\$ 149,182	\$ 146,930
Service concessions	6,031,777	6,076,457	6,210,497
Other non-current financial assets	382,617	383,141	437,273
	<u>\$ 6,561,629</u>	<u>\$ 6,608,780</u>	<u>\$ 6,794,700</u>

### 31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

#### a. Unrecognized commitments

	March 31, 2025	December 31, 2024	March 31, 2024
Purchases of property, plant and equipment	\$ <u>8,713,810</u>	\$ <u>9,464,188</u>	\$ <u>14,085,177</u>
Purchases of inventories and sales commitments	\$ <u>6,126,815</u>	\$ <u>7,018,765</u>	\$ <u>5,855,440</u>

As of March 31, 2025, December 31, 2024 and March 31, 2024, the amounts of lease commitments (the Group as a lessee) commencing after the balance sheet dates were \$326,476 thousand, \$612,354 thousand and \$299,449 thousand, respectively.

As of March 31, 2025, the amount of lease commitments (the Group as a lessor) commencing after the balance sheet dates was 105,365 thousand.

- b. As of March 31, 2025, December 31, 2024 and March 31, 2024, the amounts of endorsements and guarantees provided to entities in the Group were \$21,700,000 thousand, \$21,700,000 thousand and \$24,900,000 thousand, respectively.
- c. TWM entered into a long-term power purchase agreement with a wind power company. The relative fulfillment period, quantity and price are specified in the agreements.
- d. Subsidiary momo provided collection and payment services to contracted stores, guaranteed through an escrow arrangement. As of March 31, 2025, December 31, 2024 and March 31, 2024, the balance of the trust account held with financial institution was \$438,736 thousand, 390,375 thousand and \$18,325 thousand, respectively.
- e. On January 15, 2009, subsidiary TNH signed the BOT contract with the Department of Cultural Affairs of Taipei City Government. The primary terms of the contract are summarized as follows:

#### 1) Construction and operating period:

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

#### 2) Development concession:

The total initial amount of concession was \$1,238,095 thousand (tax excluded). According to the supplemental agreement signed in November 2014, the concession would be paid with additional business tax from the signing date of the supplemental agreement; thus, the concession was increased by \$48,750 thousand. The rest of the concession will be paid over 14 years from fiscal year 2015. As of March 31, 2025, \$1,120,844 thousand (tax included) of the concession had been paid.

3) Performance guarantee:

As of March 31, 2025, 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.

- f. In August 2015, Far EasTone Telecommunications Co., Ltd. (FET) filed a statement of civil complaint with the Taipei District Court, in which FET claimed that (i) TWM shall apply for the return of the C4 spectrum block; (ii) TWM shall not use the C4 spectrum block; (iii) TWM shall not use the C1 spectrum block until TWM's application for the return of the C4 spectrum block is approved by the NCC; and (iv) TWM shall provide \$1,005,800 thousand to FET as compensation. In May 2016, the Court decided in favor of FET regarding claims (i), (ii), and (iii) of the lawsuit, and against FET regarding claim (iv) of the lawsuit. TWM and FET appealed with the High Court the reversal of the aforementioned sentences. The High Court dismissed the appeal of TWM regarding claims (i), (ii), and (iii), and regarding claim (iv) of FET, TWM shall pay FET \$765,779 thousand, of which \$152,584 thousand of the above amount, TWM shall make 5% annual interest payment for the period starting from September 5, 2015 to the payment date. TWM and FET appealed the reversal of the aforementioned sentences. In May 2019, the Supreme Court dismissed the portion of the High Court's original judgment on other appeal of FET regarding, and dismissed TWM's payment obligation, and the Supreme Court remanded the case to the High Court. Under the first retrial of the High Court, TWM filed a counterclaim requesting that FET pay \$14,482 thousand, as well as a 5% annual interest payment for the period starting from the date following the service of the counterclaim until the settlement date. In August 2020, the High Court first retrial results were as follows: for the dismissed claim (iv) stated above, TWM shall pay FET \$242,154 thousand of which \$142,685 thousand shall have 5% annual interest for the period starting from September 30, 2016 to the payment date, and \$99,469 thousand shall have 5% annual interest for the period starting from July 21, 2017 to the payment date. TWM's counterclaim was denied. TWM and FET appealed the aforementioned sentences which were not favorable to them. In June 2023, the Supreme Court dismissed the first retrial of the High Court and remanded the case to the High Court. In December 2024, the High Court second retrial results were as follows: for the dismissed claim (iv) stated above, TWM shall pay FET \$720,916 thousand with 5% annual interest for the period starting from September 5, 2015 to the payment date. TWM's counterclaim was denied. TWM and FET have respectively appealed the aforementioned sentences which were not favorable to them. The case is now in process at the Supreme Court.

## **32. SIGNIFICANT EVENTS AFTER REPORTING PERIOD**

In May 2025, the Board of Directors resolved that TFN would enter into a long-term lease agreement with VDC TPE11 LLC, Taiwan Branch (US), effective from July 1, 2025, to September 30, 2035. The expected value of the right-of-use asset would be \$8,813,788 thousand.

### 33. OTHERS

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

	For the Three Months Ended March 31					
	2025			2024		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefits						
Salary	\$ 770,826	\$ 1,780,493	\$ 2,551,319	\$ 796,535	\$ 1,687,007	\$ 2,483,542
Insurance expenses	78,720	165,402	244,122	77,058	154,016	231,074
Pension	36,429	76,602	113,031	36,272	70,935	107,207
Others	43,156	93,142	136,298	38,860	78,651	117,511
Depreciation	3,532,619	224,159	3,756,778	4,000,349	245,164	4,245,513
Amortization	1,588,103	526,654	2,114,757	1,631,874	527,410	2,159,284

#### 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 \$127,410 thousand and \$99,343 thousand, and remuneration to directors were \$12,741 thousand and \$9,934 thousand, which were calculated by applying the aforementioned rates, for the three months ended March 31, 2025 and 2024, respectively.

In accordance with the amendments to the Securities and Exchange Act in August 2024, the Company expects to resolve the amendments to the Company's Articles of Incorporation at its 2025 AGM, specifying that a certain percentage of its annual earnings shall be allocated for compensation distributions for its non-executive employees.

The employees' compensation and remuneration of directors of 2024 and 2023 shown below were approved by the Board of Directors on February 27, 2025 and February 21, 2024, respectively. There was no difference between the approved amounts and the amounts recognized.

	For the Year Ended December 31			
	2024		2023	
	Employees' Compensation Paid in Cash	Remuneration of Directors	Employees' Compensation Paid in Cash	Remuneration of Directors
Amounts approved by the Board of Directors	\$ <u>473,986</u>	\$ <u>47,399</u>	\$ <u>405,977</u>	\$ <u>40,598</u>
Amounts recognized in the consolidated financial statements	\$ <u>473,986</u>	\$ <u>47,399</u>	\$ <u>405,977</u>	\$ <u>40,598</u>

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

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



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

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

March 31, 2025			
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 50,747	33.1	\$ 1,679,679
EUR	737	35.72	26,323
RMB	15,438	4.552	70,274
JPY	47,176	0.22	10,383
Non-monetary items			
USD	125,486	33.1	4,153,601
RMB	70,505	4.552	320,940
SGD	245	24.7	6,050
HKD	39	4.255	167
JPY	300,000	0.22	66,030
<u>Foreign currency liabilities</u>			
Monetary items			
USD	55,151	33.1	1,825,497
EUR	90	35.72	3,203
JPY	5,403	0.22	1,189
December 31, 2024			
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 60,980	32.725	\$ 1,995,975
EUR	669	34.13	22,825
RMB	17,614	4.478	78,877
Non-monetary items			
USD	129,894	32.725	4,250,775
RMB	69,340	4.478	310,504
SGD	284	24.13	6,851
HKD	39	4.215	162
JPY	300,000	0.207	62,190
<u>Foreign currency liabilities</u>			
Monetary items			
USD	54,378	32.725	1,779,907
EUR	86	34.13	2,950
JPY	2,426	0.207	503

March 31, 2024			
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 73,548	31.99	\$ 2,352,805
EUR	400	34.56	13,840
RMB	20,986	4.408	92,506
HKD	311	4.088	1,270
Non-monetary items			
USD	169,738	31.99	5,429,931
RMB	91,380	4.408	402,804
SGD	334	23.72	7,919
HKD	46	4.088	187
JPY	300,000	0.211	63,390
<u>Foreign currency liabilities</u>			
Monetary items			
USD	60,089	31.99	1,922,239
EUR	54	34.56	1,861
HKD	428	4.088	1,748
JPY	5,477	0.211	1,157

Refer to Note 23.a for the information related to the Group's realized and unrealized foreign exchange gains (losses) for the three months ended March 31, 2025 and 2024. Due to the variety of foreign currency transactions and functional currencies, the Group could not disclose the foreign exchange gains (losses) for each foreign currency with significant influence.

### 35. ADDITIONAL DISCLOSURES

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

- 1) Financing extended to other parties: Table 1 (attached)
- 2) Endorsements/guarantees provided to other parties: Table 2 (attached)
- 3) Significant marketable securities held (excluding investments in subsidiaries and associates): Table 3 (attached)
- 4) Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: Table 4 (attached)
- 5) Receivables from related parties of at least NT\$100 million or 20% of the paid-in capital: Table 5 (attached)
- 6) Names, locations and related information of investees on which TWM exercised significant influence (excluding information on investments in mainland China): Table 6 (attached)
- 7) Business relationships between the parent and the subsidiaries and significant intercompany transactions: Table 7 (attached)

c. Information on investments in mainland China:

- 1) The names of investees in mainland China, the main businesses and products, issued capital, method of investment, information on inflow or outflow of capital, ownership, net income or loss and recognized investment gain or loss, ending balance, amount received as earnings distributions from the investment, and limitation on investment: Table 8 (attached)
- 2) Significant direct or indirect transactions with the investee companies, the prices and terms of payment, unrealized gain or loss, and other related information, which is helpful to understand the impact of investment in mainland China on financial reports: None

### 36. SEGMENT INFORMATION

a. Segment revenue and operating results

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

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

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

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

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

For the Three Months Ended March 31, 2025	Telecommuni- cations	Retail	Cable Television and Broadband	Others	Adjustments and Eliminations	Total
Operating revenue	\$ 21,513,499	\$ 26,405,156	\$ 1,472,775	\$ 156,780	\$ ( 1,380,857)	\$ 48,167,353
Operating costs and expenses	18,059,083	25,644,800	900,877	97,176	( 1,349,979)	43,351,957
Operating income	3,772,288	785,990	574,411	60,246	( 43,377)	5,149,558

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

b. Geographical information

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

Consolidated geographic information for revenue was as follows:

	For the Three Months Ended March 31	
	2025	2024
Taiwan, ROC	\$ 47,360,469	\$ 47,515,350
Overseas	806,884	761,281
	<u>\$ 48,167,353</u>	<u>\$ 48,276,631</u>

TABLE 1

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

FINANCING EXTENDED TO OTHER PARTIES  
FOR THE THREE MONTHS ENDED MARCH 31, 2025

(In Thousands of New Taiwan Dollars)

No.	Lending Company	Borrowing Company	Financial Statement Account	Related Parties	Maximum Balance for the Period (Note 1)	Ending Balance (Note 1)	Drawdown Amounts	Interest Rate	Nature of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Lending Limit for Each Borrowing Company	Lending Company's Lending Amount Limits	Note
													Item	Value			
1	TCC	TWM	Other receivables	Yes	\$ 800,000	\$ 800,000	\$ 722,000	2.00733%~2.01033%	Short-term financing	\$ -	Operation requirements	\$ -	-	\$ -	\$ 40,502,160	\$ 40,502,160	Note 2
		TFC	Other receivables	Yes	300,000	300,000	-	-	Short-term financing	-	Operation requirements	-	-	-	40,502,160	40,502,160	Note 2
2	WMT	TWM	Other receivables	Yes	5,200,000	5,200,000	5,200,000	1.83500%~2.00956%	Short-term financing	-	Operation requirements	-	-	-	9,766,368	9,766,368	Note 3
		TFNM	Other receivables	Yes	1,800,000	1,800,000	-	-	Short-term financing	-	Operation requirements	-	-	-	9,766,368	9,766,368	Note 3
		WTVB	Other receivables	Yes	600,000	600,000	-	1.96000%	Short-term financing	-	Operation requirements	-	-	-	9,766,368	9,766,368	Note 3
		TWM	Other receivables	Yes	11,000,000	11,000,000	10,233,000	1.83500%~2.00944%	Short-term financing	-	Operation requirements	-	-	-	26,856,296	26,856,296	Note 3
4	PCTV	TFNM	Other receivables	Yes	430,000	430,000	430,000	2.00433%	Short-term financing	-	Repayment of financing	-	-	-	466,199	466,199	Note 4
5	GCTV	TFNM	Other receivables	Yes	260,000	260,000	260,000	2.00433%	Short-term financing	-	Repayment of financing	-	-	-	280,591	280,591	Note 4
6	YJCTV	TFNM	Other receivables	Yes	110,000	110,000	110,000	2.00433%	Short-term financing	-	Repayment of financing	-	-	-	130,720	130,720	Note 4
7	UCTV	TFNM	Other receivables	Yes	400,000	400,000	400,000	2.00433%	Short-term financing	-	Repayment of financing	-	-	-	735,455	735,455	Note 4

- 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 of loaned funds shall not exceed 40% of the lending company’s net worth and not subject to the restrictions in points (2) and (3) mentioned above.
- 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 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 where any of the following conditions are met, the individual lending amount of loaned funds shall not exceed 40% of the lending company’s net worth and not subject to the restrictions in points (2) and (3) mentioned above: (i) 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; or (ii) The ultimate parent company of the lending company directly or indirectly owns 100% of the borrowing company.
- Note 4: 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.

TABLE 2

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED TO OTHER PARTIES  
FOR THE THREE MONTHS ENDED MARCH 31, 2025

(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	\$ 7,500,000	\$ -	23.98	\$ 89,651,602	Y	N	N	Note 3
		FSNR	Note 2	200,000	200,000	200,000	200,000	-	0.22	89,651,602	Y	N	N	Note 3

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

Note 2: Direct/indirect subsidiary.

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

TABLE 3

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)  
MARCH 31, 2025

(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>Unlisted Stocks</u>							
	LINE Bank Taiwan Limited	-	Non-current financial assets at FVTOCI	75,000	\$ 560,443	5	\$ 560,443	
	KKCompany Technologies Inc.	-	Non-current financial assets at FVTOCI	4,547	407,395	2.77	407,395	
	Stampede Entertainment, Inc.	-	Non-current financial assets at FVTOCI	1,664	408,255	9.43	408,255	
	Cloud Mile Inc.	-	Non-current financial assets at FVTOCI	5,396	1,120,038	17.96	1,120,038	
	<u>Convertible Notes</u>							
	Manuscript Inc.	-	Non-current financial assets at FVTPL	-	478,097	-	478,097	
TCC/TFN/TID	<u>Listed Stocks</u>							
	TWM	TWM	Non-current financial assets at FVTOCI	698,752	81,404,562	18.77	81,404,562	

Note 1: For information on investment subsidiaries and associates, please refer to Table 6 and Table 8.

TABLE 4

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2025

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
TWM	TFN	Subsidiary	Purchase	\$ 1,326,529	9	Based on contract terms	-	-	\$( 501,165)	Note 2	Note 3
	momo	Subsidiary	Sale	834,525	4	Based on contract terms	-	-	284,472	4	
TFN	kbro	Other related party	Sale	112,256	5	Based on contract terms	-	-	73,501	6	
TT&T	TWM	Ultimate parent	Sale	320,527	92	Based on contract terms	-	-	107,469	92	
TPIA	Fubon Insurance	Other related party	Sale	104,316	98	Based on contract terms	-	-	128,601	98	
TFNM	PCTV	Subsidiary	Channel leasing fee	109,911	11	Based on contract terms	Note 1	Note 1	41,944	20	
momo	FSL	Subsidiary	Purchase	312,351	1	Based on contract terms	-	-	( 214,301)	2	

Note 1: The companies authorized a related party to deal with the copyrights transactions 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.

TABLE 5

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
MARCH 31, 2025

(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	\$ 284,472	10.13	\$ -	-	\$ 283,848	\$ -
			Other receivables	85,678		-	-	23,266	-
TCC	TWM	Parent	Other receivables	726,928		-	-	2,975	-
WMT	TWM	Parent	Other receivables	5,220,993		-	-	-	-
TFN	TWM	Ultimate parent	Notes and accounts receivable	510,228	10.32	-	-	464,864	-
			Other receivables	10,308,090		-	-	47,141	-
TPIA	Fubon Insurance	Other related party	Notes and accounts receivable	128,601	3.32	-	-	34,477	-
TT&T	TWM	Ultimate parent	Notes and accounts receivable	107,469	11.26	-	-	107,469	-
			Other receivables	4,318		-	-	4,318	-
TFNM	PCTV	Subsidiary	Notes and accounts receivable	41,944	22.86	-	-	41,944	-
			Other receivables	67,005		-	-	49,698	-
YJCTV	TFNM	Parent	Notes and accounts receivable	10,033	5.19	-	-	4,836	-
			Other receivables	110,545		-	-	-	-
PCTV	TFNM	Parent	Notes and accounts receivable	11,553	5.18	-	-	5,431	-
			Other receivables	432,160		-	-	90,034	-
UCTV	TFNM	Parent	Notes and accounts receivable	7,387	5.18	-	-	3,817	-
			Other receivables	403,003		-	-	-	-
GCTV	TFNM	Parent	Notes and accounts receivable	4,553	5.08	-	-	2,184	-
			Other receivables	261,286		-	-	-	-
momo	TWM	Ultimate parent	Notes and accounts receivable	140,761	11.48	-	-	140,578	-
			Other receivables	50,314		-	-	44,339	-
	TFCB	Other related party	Notes and accounts receivable	76,256	Note 1	-	-	76,176	-
			Other receivables	202,946		-	-	202,946	-
FSL	momo	Parent	Notes and accounts receivable	214,958	5.15	-	-	211,795	-

Note 1: Not applicable due to the transaction partners and the nature of transactions.



TABLE 6

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

**NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEEES ON WHICH TWM EXERCISED SIGNIFICANT INFLUENCE  
(EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)  
FOR THE THREE MONTHS ENDED MARCH 31, 2025**

(In Thousands of New Taiwan Dollars)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance at the End of the Period			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				March 31, 2025	December 31, 2024	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
TWM	TCC	Taiwan	Investment	\$ 40,397,288	\$ 40,397,288	502,970	100	\$ 21,574,283	\$ 956,331	\$ 956,594	Note 1
	WMT	Taiwan	Investment	16,871,894	16,871,894	42,065	100	24,413,696	842,025	842,019	Note 1
	TNH	Taiwan	Building and operating Songsshan Cultural and Creative Park BOT project	1,918,655	1,918,655	191,866	49.9	2,029,503	36,061	18,694	Note 1
	FSD	Taiwan	Virtual asset platform and transaction service provider	100,000	100,000	10,000	100	54,025	( 7,694)	( 7,333)	Note 1
	TPC	Taiwan	Information software service	200,000	100,000	20,000	100	165,085	( 8,039)	( 8,039)	
	FSNR	Taiwan	Branding agency and retail sales	100,000	100,000	10,000	100	63,789	( 4,081)	( 3,210)	Note 1
	TWMFM	Taiwan	Film production	11,300	11,300	1,130	100	11,299	( 46)	( 46)	
	SYSTEX	Taiwan	Information service	3,974,262	3,974,262	32,298	11.86	4,076,247	271,571	32,012	Note 1
	AppWorks	Taiwan	Venture capital, investment consulting, and management consulting	235,000	235,000	2,168	51	263,809	24,102	12,077	Note 1
	NADA	Taiwan	Animation production	110,000	110,000	5,002	18.64	107,603	( 14,358)	( 7,980)	Note 1
	Tropics	Taiwan	Animation investment, production, and distribution	60,000	16,000	6,000	40	57,151	( 4,598)	( 991)	
	AppWorks Fund III	Taiwan	Venture capital	583,292	583,292	57,877	20.14	556,628	( 18,672)	( 3,760)	
	AppWorks Fund IV	Taiwan	Venture capital	355,110	323,960	-	17.52	313,109	( 73,354)	( 10,975)	Note 2
	Uspace	Taiwan	Information software service	310,030	310,030	7,212	32.4	258,501	( 50,846)	( 23,261)	Note 1
	WeMo TW	Taiwan	Rental and leasing	64,000	64,000	6,400	28.13	62,240	3,383	( 1,132)	
	Fubon Green Power	Taiwan	Energy technical services	400,000	400,000	40,000	10	398,132	( 4,212)	( 421)	
TCC	TFN	Taiwan	Fixed line service provider	21,000,000	21,000,000	2,100,000	100	67,141,702	871,189	-	Note 3
	TT&T	Taiwan	Call center service and telephone marketing	56,210	56,210	2,484	100	141,523	16,184	-	Note 3
	TWM Holding	British Virgin Islands	Investment	Note 4	-	Note 4	Note 4	Note 4	Note 4	-	Note 4
	TDS	Taiwan	Commissioned maintenance services	25,000	25,000	2,500	100	106,121	2,342	-	Note 3
	TPIA	Taiwan	Property insurance agent	5,000	5,000	500	100	156,906	30,657	-	Note 3
	TFC	Taiwan	Cloud and information services	200,000	200,000	24,000	100	282,515	5,662	-	Note 3
	TID	Taiwan	Investment	3,603,149	3,603,149	104,712	100	9,095,868	692	-	Note 3
	TFNM	Taiwan	Broadcasting and TV program distribution and investment in cable TV service providers, etc	5,210,443	5,210,443	230,921	100	7,287,573	469,924	-	Note 3
WMT	GFMT	Taiwan	Investment	16,984	16,984	1,500	100	17,182	( 66)	-	Note 3
	GWMT	Taiwan	Investment	92,189	92,189	8,945	100	97,272	117	-	Note 3
	WTVB	Taiwan	TV program provider	222,417	222,417	18,177	100	299,150	( 794)	-	Note 3
	momo	Taiwan	Wholesale, retail, and retail sale no storefront	8,129,394	8,129,394	113,598	45.01	11,443,598	859,526	-	Note 3 and 5
TWMFM	SFF	Taiwan	Film production	300	300	30	100	236	( 35)	-	Note 3
TFNM	YJCTV	Taiwan	Cable TV service provider	2,355,998	2,355,998	33,940	100	1,731,167	( 469)	-	Note 3
	MCTV	Taiwan	Cable TV service provider	510,724	510,724	6,248	29.53	630,609	3,607	-	Note 3 and 6
	PCTV	Taiwan	Cable TV service provider	3,261,073	3,261,073	68,090	100	3,490,284	22,398	-	Note 3

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance at the End of the Period			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				March 31, 2025	December 31, 2024	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
TFNM	UCTV	Taiwan	Cable TV service provider	\$ 1,986,250	\$ 1,986,250	169,141	99.22	\$ 2,027,561	\$( 105)	\$ -	Note 3
	GCTV	Taiwan	Cable TV service provider	1,221,002	1,221,002	51,733	92.38	1,270,550	2,759	-	Note 3
	kbro Media	Taiwan	Film distribution, arts and literature services, and entertainment	341,250	341,250	6,884	33.58	55,341	( 1,965)	-	Note 3
	M.E.	Taiwan	Livestreaming artists management services and digital media production	30,628	30,628	537	11.33	33,467	5,965	-	Note 3
GFMT	UCTV	Taiwan	Cable TV service provider	16,218	16,218	1,300	0.76	15,588	( 105)	-	Note 3
GWMT	GCTV	Taiwan	Cable TV service provider	91,910	91,910	3,825	6.83	95,925	2,759	-	Note 3
momo	Asian Crown (BVI)	British Virgin Islands	Investment	885,285	885,285	9,735	81.99	13,962	17	-	Note 3
	Honest Development	Samoa	Investment	670,448	670,448	21,778	100	332,523	905	-	Note 3
	FI	Taiwan	Comprehensive insurance agent	8,000	8,000	1,000	100	15,236	275	-	Note 3
	FST	Taiwan	Travel agent	6,000	6,000	3,000	100	47,249	3,391	-	Note 3
	Bebe Poshe	Taiwan	Wholesale of cosmetics	109,000	109,000	10,000	100	32,284	31	-	Note 3 and 7
	FSL	Taiwan	Logistics and transport	250,000	250,000	25,000	100	284,428	( 1,232)	-	Note 3
	MFS	Taiwan	Wholesaling	100,000	100,000	10,000	100	108,059	5,042	-	Note 3
	Prosperous Living	Taiwan	Wholesale and retail sales	220,850	220,850	22,085	73.62	223,358	223	-	Note 3
	SK Biomedical	Taiwan	Wholesale and retail sales	6,000	6,000	600	20	5,580	( 82)	-	Note 3
	Fubon Green Power	Taiwan	Energy technical services	200,000	200,000	20,000	5	199,066	( 4,212)	-	Note 3
Asian Crown (BVI)	Fortune Kingdom	Samoa	Investment	1,132,789	1,132,789	11,594	100	12,256	49	-	Note 3
Fortune Kingdom	HK Fubon Multimedia	Hong Kong	Investment	1,132,789	1,132,789	11,594	100	12,256	49	-	Note 3
Honest Development	HK Yue Numerous	Hong Kong	Investment	670,448	670,448	16,600	100	332,521	905	-	Note 3

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

Note 2: Percentage of ownership is the percentage of capital contribution.

Note 3: The income/loss of the investee was already included in the income/loss of the investor, and is not presented in this table.

Note 4: The liquidation process was completed in March, 2025.

Note 5: Material non-controlling interests.

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

Note 7: In February 2025, the Board of Directors resolved to dissolve the company. The liquidation process is still in progress.

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

**TABLE 7**

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2025**

(In Thousands of New Taiwan Dollars)

Number	Company Name	Counterparty	Nature of Relationship (Note 1)	Transaction Details			
				Account	Amount	Transaction Terms (Note 2)	Percentage of Consolidated Total Operating Revenue or Total Assets
0	TWM	TFN	1	Notes and accounts receivable	\$ 33,361	-	-
		TPIA	1	Notes and accounts receivable	94,925	-	-
		momo	1	Notes and accounts receivable	284,472	-	-
		TFN	1	Other receivables	35,119	-	-
		momo	1	Other receivables	85,678	-	-
		TNH	1	Other non-current assets	19,973	-	-
		TFNM	1	Other non-current assets	25,554	-	-
		TCC	1	Short-term borrowings	722,000	-	-
		WMT	1	Short-term borrowings	5,200,000	-	2%
		TFN	1	Short-term borrowings	10,233,000	-	4%
		TFN	1	Notes and accounts payable	91,922	-	-
		FSNR	1	Notes and accounts payable	13,888	-	-
		TFNM	1	Notes and accounts payable	53,483	-	-
		momo	1	Notes and accounts payable	38,069	-	-
		WMT	1	Other payables	20,993	-	-
		TFN	1	Other payables	464,380	-	-
		TT&T	1	Other payables	111,787	-	-
		TDS	1	Other payables	16,124	-	-
		momo	1	Other payables	118,878	-	-
		TNH	1	Lease liabilities (current and non-current)	512,207	-	-
		TFN	1	Lease liabilities (current and non-current)	54,980	-	-
		YJCTV	1	Lease liabilities (current and non-current)	52,507	-	-
		GCTV	1	Lease liabilities (current and non-current)	30,983	-	-
		TFN	1	Other current liabilities	28,657	-	-
		momo	1	Other current liabilities	42,662	-	-
		TFN	1	Operating revenue	36,522	-	-
		TPIA	1	Operating revenue	60,693	-	-
		momo	1	Operating revenue	834,525	-	2%
		TFN	1	Operating costs	1,326,529	-	3%
		TDS	1	Operating costs	18,836	-	-
		FSNR	1	Operating costs	32,752	-	-
		TFNM	1	Operating costs	62,668	-	-

Number	Company Name	Counterparty	Nature of Relationship (Note 1)	Transaction Details			
				Account	Amount	Transaction Terms (Note 2)	Percentage of Consolidated Total Operating Revenue or Total Assets
0	TWM	momo	1	Operating costs	\$ 95,330	-	-
		TT&T	1	Operating expenses	320,120	-	1%
		WMT	1	Finance costs	24,573	-	-
		TFN	1	Finance costs	47,557	-	-
1	TNH	TWM	2	Operating revenue	35,763	-	-
2	TFN	TFC	3	Notes and accounts receivable	28,855	-	-
		TFNM	3	Notes and accounts receivable	33,326	-	-
		TWM	2	Lease liabilities (current and non-current)	82,572	-	-
		UCTV	3	Lease liabilities (current and non-current)	10,829	-	-
		TFC	3	Operating revenue	43,088	-	-
		TFNM	3	Operating revenue	53,299	-	-
		momo	3	Operating revenue	10,786	-	-
		TT&T	3	Operating expenses	26,229	-	-
3	FSNR	momo	3	Notes and accounts receivable	30,227	-	-
4	TFNM	momo	3	Operating revenue	76,815	-	-
		PCTV	1	Notes and accounts receivable	41,944	-	-
		YJCTV	1	Other receivables	48,962	-	-
		MCTV	1	Other receivables	22,150	-	-
		PCTV	1	Other receivables	67,005	-	-
		UCTV	1	Other receivables	39,172	-	-
		GCTV	1	Other receivables	23,162	-	-
		YJCTV	1	Short-term borrowings	110,000	-	-
		PCTV	1	Short-term borrowings	430,000	-	-
		UCTV	1	Short-term borrowings	400,000	-	-
		GCTV	1	Short-term borrowings	260,000	-	-
		PCTV	1	Notes and accounts payable	11,067	-	-
		TFN	3	Lease liabilities (current and non-current)	94,429	-	-
		YJCTV	1	Operating revenue	98,404	-	-
		PCTV	1	Operating revenue	119,839	-	-
		UCTV	1	Operating revenue	53,556	-	-
		GCTV	1	Operating revenue	44,144	-	-
		PCTV	1	Operating costs	10,928	-	-
5	WTVB	TFN	3	Lease liabilities (current and non-current)	22,563	-	-
6	YJCTV	TFNM	2	Notes and accounts receivable	10,033	-	-
		TFNM	2	Operating revenue	10,443	-	-
7	momo	TFNM	3	Notes and accounts receivable	12,296	-	-
		FSL	1	Notes and accounts payable	214,301	-	-
		MFS	1	Notes and accounts payable	23,379	-	-
		TWM	2	Lease liabilities (current and non-current)	18,894	-	-

Number	Company Name	Counterparty	Nature of Relationship (Note 1)	Transaction Details			
				Account	Amount	Transaction Terms (Note 2)	Percentage of Consolidated Total Operating Revenue or Total Assets
7	momo	FSL	1	Operating costs	\$ 312,351	-	1%
		MFS	1	Operating costs	47,295	-	-

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.

TABLE 8

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MARCH 31, 2025

(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							
FGE	Wholesaling	\$ 352,781 (RMB 77,500)	b	\$ 869,745 (USD 14,000) (RMB 89,267)	\$ -	\$ -	\$ 869,745 (USD 14,000) (RMB 89,267)	\$ -	76.7	\$ -	\$ 2,403	\$ -	Note 2
Haobo	Investment	50,072 (RMB 11,000)	b	-	-	-	-	754	100	754	323,870	-	
GHS	Wholesaling	227,601 (RMB 50,000)	b	-	-	-	-	( 24,577)	20	700	320,940	61,466 (RMB 13,503)	

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 3)
TWM and subsidiaries	\$ 1,586,879 (USD14,000, RMB89,267 and HKD168,539)	\$ 1,586,879 (USD14,000, RMB89,267 and HKD168,539)	\$ 59,204,681

Note 1: The investment types are as follows:

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

Note 2: The legal cancellation process was completed. The liquidation process is still in progress.

Note 3: The upper limit on investment in mainland China is calculated by 60% of the consolidated net worth.