

Taiwan Mobile Co., Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2024 and 2023 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Taiwan Mobile Co., Ltd. and its subsidiaries (collectively, the “ Group”) as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and the nine months ended September 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (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 September 30, 2024 and 2023, and of its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months then ended in accordance with the “ Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by 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

November 13, 2024

Notice to Readers

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

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023		LIABILITIES AND EQUITY	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash and cash equivalents (Notes 6 and 30)	\$ 9,475,265	4	\$ 13,244,266	5	\$ 11,016,201	6	Short-term borrowings (Note 18)	\$ 24,160,000	10	\$ 18,460,000	8	\$ 14,630,000	8
Financial assets at fair value through profit or loss	13,019	-	11,283	-	-	-	Short-term notes and bills payable (Note 18)	2,294,311	1	12,876,257	5	8,589,239	4
Financial assets at fair value through other comprehensive income (Note 7)	272,918	-	261,445	-	252,743	-	Contract liabilities (Note 23)	2,536,718	1	2,608,499	1	1,732,449	1
Financial assets at amortized cost	157,836	-	151,144	-	-	-	Notes payable	61,533	-	232,394	-	27,197	-
Contract assets (Note 23)	6,579,024	3	6,100,164	3	5,513,200	3	Accounts payable	14,846,232	6	13,245,827	5	13,916,843	7
Notes and accounts receivable, net (Note 8)	9,035,330	4	9,128,414	4	7,707,990	5	Notes and accounts payable due to related parties (Note 30)	240,656	-	131,492	-	216,061	-
Notes and accounts receivable due from related parties (Note 30)	569,023	-	589,232	-	560,100	-	Other payables (Note 30)	10,590,899	4	11,943,612	5	8,351,325	5
Other receivables (Note 30)	3,450,364	2	4,464,950	2	3,515,270	2	Current tax liabilities	1,550,171	1	2,274,634	1	1,834,998	1
Inventories (Note 9)	7,803,385	3	8,193,068	4	7,440,584	4	Provisions (Note 20)	204,625	-	461,400	-	73,838	-
Prepayments (Note 30)	1,360,697	1	1,030,527	-	827,435	-	Liabilities directly associated with disposal groups held for sale (Note 10)	-	-	-	-	41,460	-
Disposal groups held for sale (Note 10)	-	-	3,082	-	315,435	-	Lease liabilities (Notes 14, 27 and 30)	4,017,456	2	5,785,690	2	3,811,852	2
Other financial assets (Notes 30 and 31)	1,229,204	-	786,371	-	641,805	-	Advance receipts	131,494	-	94,817	-	123,788	-
Other current assets	172,591	-	194,218	-	160,718	-	Long-term liabilities, current portion (Notes 18 and 19)	20,325,436	9	3,713,406	2	3,796,081	2
Total current assets	40,118,656	17	44,158,164	18	37,951,481	20	Other current liabilities (Note 30)	4,105,581	2	3,900,314	2	3,418,176	2
							Total current liabilities	85,065,112	36	75,728,342	31	60,563,307	32
NON-CURRENT ASSETS							NON-CURRENT LIABILITIES						
Financial assets at fair value through profit or loss	1,931,973	1	1,821,715	1	1,338,714	-	Contract liabilities (Note 23)	134,551	-	409,315	-	377,845	-
Financial assets at fair value through other comprehensive income (Note 7)	4,140,021	2	5,530,350	2	4,492,165	3	Bonds payable (Note 19)	25,983,698	11	37,980,333	16	37,978,742	20
Financial assets at amortized cost	247,176	-	236,697	-	-	-	Long-term borrowings (Note 18)	22,297,807	9	20,118,833	8	6,569,729	4
Contract assets (Note 23)	6,896,844	3	5,811,221	2	5,408,860	3	Provisions (Note 20)	1,631,666	1	1,486,571	1	1,496,689	1
Investments accounted for using equity method (Notes 11 and 30)	6,685,786	3	1,793,865	1	1,775,310	1	Deferred tax liabilities	1,333,576	-	1,393,052	-	1,213,119	-
Property, plant and equipment (Note 13)	51,096,541	21	50,676,171	21	44,305,405	24	Lease liabilities (Notes 14, 27 and 30)	7,584,714	3	7,978,053	3	7,155,343	4
Right-of-use assets (Notes 14 and 30)	11,427,011	5	13,746,288	6	10,950,087	6	Net defined benefit liabilities	31,993	-	58,013	-	83,398	-
Investment properties (Note 15)	2,130,664	1	2,182,504	1	1,623,130	1	Guarantee deposits	1,365,824	1	1,425,121	1	1,349,264	1
Concessions (Notes 16 and 31)	67,843,718	29	72,238,167	30	52,941,644	28	Other non-current liabilities	2,456,878	1	3,002,574	1	2,185,406	1
Goodwill (Note 16)	33,228,022	14	33,228,022	14	15,729,043	8	Total non-current liabilities	62,820,707	26	73,851,865	30	58,409,535	31
Other intangible assets (Note 16)	5,866,816	2	5,947,084	2	4,782,907	3	Total liabilities	147,885,819	62	149,580,207	61	118,972,842	63
Deferred tax assets	770,608	-	730,251	-	589,227	-							
Incremental costs of obtaining a contract (Note 23)	2,597,753	1	2,492,742	1	1,991,397	1	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 22)						
Other financial assets (Notes 30 and 31)	382,773	-	427,014	-	434,721	-	Common stock	37,232,618	16	37,232,618	15	35,192,336	19
Other non-current assets (Notes 17 and 30)	2,103,224	1	1,944,106	1	3,244,848	2	Capital surplus	29,335,173	12	31,302,785	13	13,111,789	7
Total non-current assets	197,348,930	83	198,806,197	82	149,607,458	80	Retained earnings						
							Legal reserve	34,716,971	15	33,498,727	14	33,498,727	18
							Unappropriated earnings	10,361,009	4	12,182,646	5	8,589,572	5
							Other equity interests	(262,799)	-	324,116	-	9,151	-
							Treasury stock	(29,717,344)	(12)	(29,717,344)	(12)	(29,717,344)	(16)
							Total equity attributable to owners of the Corporation	81,665,628	35	84,823,548	35	60,684,231	33
							NON-CONTROLLING INTERESTS						
								7,916,139	3	8,560,606	4	7,901,866	4
							Total equity	89,581,767	38	93,384,154	39	68,586,097	37
TOTAL	\$ 237,467,586	100	\$ 242,964,361	100	\$ 187,558,939	100	TOTAL	\$ 237,467,586	100	\$ 242,964,361	100	\$ 187,558,939	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 September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUES (Notes 23, 30 and 37)	\$ 47,201,517	100	\$ 43,187,052	100	\$ 143,222,044	100	\$ 129,748,709	100
OPERATING COSTS (Notes 9, 30, 34 and 37)	<u>37,313,103</u>	<u>79</u>	<u>34,739,799</u>	<u>80</u>	<u>114,358,661</u>	<u>80</u>	<u>104,252,021</u>	<u>80</u>
GROSS PROFIT FROM OPERATIONS	<u>9,888,414</u>	<u>21</u>	<u>8,447,253</u>	<u>20</u>	<u>28,863,383</u>	<u>20</u>	<u>25,496,688</u>	<u>20</u>
OPERATING EXPENSES (Notes 30, 34 and 37)								
Marketing	3,101,337	7	2,608,207	6	9,031,318	7	7,979,180	6
Administrative	1,698,806	4	1,548,751	4	5,141,087	4	4,543,343	4
Research and development	172,112	-	128,749	-	497,754	-	366,786	-
Expected credit loss	<u>104,387</u>	<u>-</u>	<u>76,281</u>	<u>-</u>	<u>278,303</u>	<u>-</u>	<u>178,665</u>	<u>-</u>
Total operating expenses	<u>5,076,642</u>	<u>11</u>	<u>4,361,988</u>	<u>10</u>	<u>14,948,462</u>	<u>11</u>	<u>13,067,974</u>	<u>10</u>
OTHER INCOME AND EXPENSES, NET (Note 30)	<u>364,136</u>	<u>1</u>	<u>212,415</u>	<u>-</u>	<u>867,261</u>	<u>1</u>	<u>638,851</u>	<u>-</u>
OPERATING INCOME (Note 37)	<u>5,175,908</u>	<u>11</u>	<u>4,297,680</u>	<u>10</u>	<u>14,782,182</u>	<u>10</u>	<u>13,067,565</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income (Note 30)	61,051	-	42,239	-	201,764	-	153,379	-
Other income (Note 24)	822,042	2	23,265	-	846,888	1	34,687	-
Other gains and losses, net (Note 24)	9,078	-	31,371	-	(133,825)	-	1,214	-
Finance costs (Note 24)	(376,347)	(1)	(251,423)	-	(1,056,738)	(1)	(710,615)	-
Share of loss of associates accounted for using equity method	(11,848)	-	(10,055)	-	(79,836)	-	(7,806)	-
Total non-operating income and expenses	<u>503,976</u>	<u>1</u>	<u>(164,603)</u>	<u>-</u>	<u>(221,747)</u>	<u>-</u>	<u>(529,141)</u>	<u>-</u>
PROFIT BEFORE TAX	5,679,884	12	4,133,077	10	14,560,435	10	12,538,424	10
INCOME TAX EXPENSE (Note 25)	<u>1,128,160</u>	<u>2</u>	<u>764,384</u>	<u>2</u>	<u>2,850,527</u>	<u>2</u>	<u>2,438,850</u>	<u>2</u>
NET PROFIT	<u>4,551,724</u>	<u>10</u>	<u>3,368,693</u>	<u>8</u>	<u>11,709,908</u>	<u>8</u>	<u>10,099,574</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 22 and 25)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(724,089)	(2)	(686,597)	(2)	(644,442)	-	(331,273)	-
Share of other comprehensive income (loss) of associates accounted for using equity method	89,066	-	(2,293)	-	56,573	-	(47,122)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation	4,872	-	18,488	-	25,602	-	1,206	-
Share of other comprehensive income (loss) of associates accounted for using equity method	<u>3,193</u>	<u>-</u>	<u>(620)</u>	<u>-</u>	<u>2,019</u>	<u>-</u>	<u>(4,277)</u>	<u>-</u>
Other comprehensive income (after tax)	<u>(626,958)</u>	<u>(2)</u>	<u>(671,022)</u>	<u>(2)</u>	<u>(560,248)</u>	<u>-</u>	<u>(381,466)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 3,924,766</u>	<u>8</u>	<u>\$ 2,697,671</u>	<u>6</u>	<u>\$ 11,149,660</u>	<u>8</u>	<u>\$ 9,718,108</u>	<u>8</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of the parent	\$ 4,164,425	9	\$ 2,938,208	7	\$ 10,364,947	7	\$ 8,688,202	7
Non-controlling interests	<u>387,299</u>	<u>1</u>	<u>430,485</u>	<u>1</u>	<u>1,344,961</u>	<u>1</u>	<u>1,411,372</u>	<u>1</u>
	<u>\$ 4,551,724</u>	<u>10</u>	<u>\$ 3,368,693</u>	<u>8</u>	<u>\$ 11,709,908</u>	<u>8</u>	<u>\$ 10,099,574</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the parent	\$ 3,574,624	7	\$ 2,283,405	5	\$ 9,775,208	7	\$ 8,313,233	7
Non-controlling interests	<u>350,142</u>	<u>1</u>	<u>414,266</u>	<u>1</u>	<u>1,374,452</u>	<u>1</u>	<u>1,404,875</u>	<u>1</u>
	<u>\$ 3,924,766</u>	<u>8</u>	<u>\$ 2,697,671</u>	<u>6</u>	<u>\$ 11,149,660</u>	<u>8</u>	<u>\$ 9,718,108</u>	<u>8</u>
EARNINGS PER SHARE (Note 26)								
Basic earnings per share	<u>\$ 1.38</u>		<u>\$ 1.04</u>		<u>\$ 3.43</u>		<u>\$ 3.08</u>	
Diluted earnings per share	<u>\$ 1.37</u>		<u>\$ 1.04</u>		<u>\$ 3.42</u>		<u>\$ 3.08</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											
	Common Stock	Capital Surplus	Retained Earnings			Exchange Differences on Translation	Other Equity Interests		Treasury Stock	Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income					
BALANCE, JANUARY 1, 2023	\$ 35,192,336	\$ 15,326,778	\$ 32,603,345	\$ 1,823,415	\$ 8,954,012	\$ (27,862)	\$ 316,076	\$ (29,717,344)	\$ 64,470,756	\$ 8,380,024	\$ 72,850,780	
Distribution of 2022 earnings												
Legal reserve	-	-	895,382	-	(895,382)	-	-	-	-	-	-	
Reversal of special reserve	-	-	-	(1,823,415)	1,823,415	-	-	-	-	-	-	
Cash dividends	-	-	-	-	(9,881,841)	-	-	-	(9,881,841)	-	(9,881,841)	
Total distribution of earnings	-	-	895,382	(1,823,415)	(8,953,808)	-	-	-	(9,881,841)	-	(9,881,841)	
Cash dividends from capital surplus	-	(2,246,232)	-	-	-	-	-	-	(2,246,232)	-	(2,246,232)	
Profit for the nine months ended September 30, 2023	-	-	-	-	8,688,202	-	-	-	8,688,202	1,411,372	10,099,574	
Other comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	(2,907)	(372,062)	-	(374,969)	(6,497)	(381,466)	
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	8,688,202	(2,907)	(372,062)	-	8,313,233	1,404,875	9,718,108	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(95,906)	-	95,906	-	-	-	-	
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	-	(2,928)	-	-	-	(2,928)	(5,157)	(8,085)	
Changes in equity of associates accounted for using equity method	-	6,411	-	-	-	-	-	-	6,411	-	6,411	
Reorganization	-	24,832	-	-	-	-	-	-	24,832	(39,028)	(14,196)	
Cash dividends for non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	(1,838,848)	(1,838,848)	
BALANCE, SEPTEMBER 30, 2023	\$ 35,192,336	\$ 13,111,789	\$ 33,498,727	\$ -	\$ 8,589,572	\$ (30,769)	\$ 39,920	\$ (29,717,344)	\$ 60,684,231	\$ 7,901,866	\$ 68,586,097	
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	
Distribution of 2023 earnings												
Legal reserve	-	-	1,218,244	-	(1,218,244)	-	-	-	-	-	-	
Cash dividends	-	-	-	-	(10,964,152)	-	-	-	(10,964,152)	-	(10,964,152)	
Total distribution of earnings	-	-	1,218,244	-	(12,182,396)	-	-	-	(10,964,152)	-	(10,964,152)	
Cash dividends from capital surplus	-	(2,041,242)	-	-	-	-	-	-	(2,041,242)	-	(2,041,242)	
Profit for the nine months ended September 30, 2024	-	-	-	-	10,364,947	-	-	-	10,364,947	1,344,961	11,709,908	
Other comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	12,225	(601,964)	-	(589,739)	29,491	(560,248)	
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	10,364,947	12,225	(601,964)	-	9,775,208	1,374,452	11,149,660	
Disposal of investments in equity instruments designated at fair value through other comprehensive income by associates	-	-	-	-	(2,824)	-	2,824	-	-	-	-	
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	-	(1,364)	-	-	-	(1,364)	(2,434)	(3,798)	
Changes in equity of associates accounted for using equity method	-	73,630	-	-	-	-	-	-	73,630	-	73,630	
Cash dividends for non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	(2,016,485)	(2,016,485)	
BALANCE, SEPTEMBER 30, 2024	\$ 37,232,618	\$ 29,335,173	\$ 34,716,971	\$ -	\$ 10,361,009	\$ (25,994)	\$ (236,805)	\$ (29,717,344)	\$ 81,665,628	\$ 7,916,139	\$ 89,581,767	

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 14,560,435	\$ 12,538,424
Adjustments for:		
Depreciation expense	11,936,270	9,687,465
Amortization expense	4,977,307	3,584,221
Amortization of incremental costs of obtaining a contract	1,400,978	1,016,838
Loss on disposal and retirement of property, plant and equipment, net	214,361	72,156
Gain on disposal of property, plant and equipment held for sale	(258)	-
Expected credit loss	278,303	178,665
Other income and expenses	(648,860)	(423,131)
Finance costs	1,056,738	710,615
Interest income	(201,764)	(153,379)
Dividend income	(843,326)	(30,630)
Valuation loss (gain) on financial assets at fair value through profit or loss	350	(55,588)
Share of loss of associates accounted for using equity method	79,836	7,806
Net loss on disposal of investments accounted for using equity method	1,872	312
Others	(65,067)	(1,647)
Changes in operating assets and liabilities		
Contract assets	(1,579,071)	(424,090)
Notes and accounts receivable	(130,825)	(97,681)
Notes and accounts receivable due from related parties	20,209	16,660
Other receivables	1,072,522	(162,959)
Inventories	389,683	660,756
Prepayments	(325,955)	(833,102)
Other current assets	26,417	39,228
Other financial assets	(200,995)	(332)
Incremental costs of obtaining a contract	(1,505,989)	(1,094,480)
Contract liabilities	(346,545)	(66,169)
Notes payable	(170,861)	(493,572)
Accounts payable	1,617,121	616,121
Notes and accounts payable due to related parties	109,164	82,911
Other payables	(1,113,729)	(986,114)
Provisions	(156,897)	7,505
Advance receipts	36,546	(40,750)
Other current liabilities	205,267	175,884
Net defined benefit liabilities	(26,020)	(25,233)
Cash inflows generated from operating activities	30,667,217	24,506,710
Interest received	10,992	11,605
Interest paid	(1,432)	(1,321)
Income taxes paid	(3,524,864)	(3,145,672)
Net cash generated from operating activities	<u>27,151,913</u>	<u>21,371,322</u>

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TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	\$(8,486,071)	\$(6,434,499)
Acquisition of right-of-use assets	(22,405)	(19,548)
Acquisition of intangible assets	(398,313)	(234,046)
Increase in prepayments for equipment	(488,888)	(175,732)
Proceeds from disposal of property, plant and equipment	15,524	12,978
Proceeds from disposal of property, plant and equipment held for sale	3,340	-
Increase in advance receipts from asset disposals	131	64
Acquisition of financial assets at fair value through profit or loss	(131,501)	(103,742)
Acquisition of financial assets at fair value through other comprehensive income	(63,720)	(158,430)
Disposal of financial assets at fair value through other comprehensive income	-	16,199
Proceeds from capital reduction of financial assets at fair value through profit or loss	19,156	-
Proceeds from return of share capital of financial assets at fair value through other comprehensive income	685,513	-
Acquisition of investments accounted for using equity method	(4,813,872)	(35,000)
Increase in prepayments for investment	-	(775,779)
Other investing activities	169,575	176,376
Increase in refundable deposits	(241,390)	(226,880)
Decrease in refundable deposits	301,005	267,303
Increase in other financial assets	(373,815)	(150,599)
Decrease in other financial assets	179,788	102,124
Interest received	162,863	126,496
Dividends received from associates	-	1,673
Other dividends received	844,435	30,630
Net cash used in investing activities	<u>(12,638,645)</u>	<u>(7,580,412)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	5,700,000	(5,920,000)
Increase (decrease) in short-term notes and bills payable	(10,560,587)	5,486,483
Proceeds from issuance of bonds	1,997,415	6,492,645
Repayment of bonds	-	(6,000,000)
Proceeds from long-term borrowings	5,052,138	506,902
Repayment of long-term borrowings	(271,252)	(187,697)
Repayment of the principal portion of lease liabilities	(3,970,296)	(3,202,491)
Increase in guarantee deposits received	108,596	139,756

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
Decrease in guarantee deposits received	\$(172,644)	\$(102,197)
Cash dividends paid (including paid to non-controlling interests)	(15,021,812)	(13,966,853)
Interest paid	(1,140,174)	(773,522)
Acquisition of ownership interests in subsidiaries	(3,798)	(8,085)
Net cash used in financing activities	(18,282,414)	(17,535,059)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	145	145
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,769,001)	(3,744,004)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	13,244,266	14,934,740
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>\$ 9,475,265</u>	<u>\$ 11,190,736</u>
Cash and cash equivalents in the consolidated balance sheets	<u>\$ 9,475,265</u>	<u>\$ 11,016,201</u>
Cash and cash equivalents included in disposal groups held for sale	<u>\$ -</u>	<u>\$ 174,535</u>

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

(Concluded)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

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

TWM received a second-generation mobile telecommunications concession operation license issued by the Directorate General of Telecommunications (DGT) of the ROC. The license allows TWM to provide services for 15 years from 1997 onwards. The 2G concession license had been renewed by the National Communications Commission (NCC) and expired on June 30, 2017. TWM received a third-generation concession license issued by the DGT in March 2005, and the 3G concession license expired on December 31, 2018. TWM participated in the mobile spectrum auctions held by NCC for the need of long-term business development and from April 2014 to June 2018 acquired the concession licenses for the fourth-generation mobile broadband spectrum in the 700MHz, 1800MHz and 2100MHz frequency bands separately, and the aforementioned licenses are valid until December 2030 and December 2033, respectively. In June 2020, TWM acquired the concession licenses for the fifth-generation mobile broadband spectrum in the 3500MHz and 28000MHz frequency bands, and the aforementioned licenses are valid until December 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 November 13, 2024.

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

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

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

- b. The IFRS Accounting Standards issued by International Accounting Standards Board (IASB) and endorsed by the FSC for application starting from 2025.

<u>New IFRSs</u>	<u>Effective Date Announced by IASB</u>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

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

As of the date the consolidated financial statements were authorized for issue, the Group had assessed that the application of above standards would not have a material impact 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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</u>
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”	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, 2023.

a. Statement of Compliance

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

b. Basis of Consolidation

- 1) The basis of preparation of the consolidated financial statements is the same as that of the consolidated financial statements for the year ended December 31, 2023.
- 2) The subsidiaries included in the consolidated financial statements were as follows:

Investor	Subsidiary	Main Business and Products	Percentage of Ownership			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
TWM	Taiwan Cellular Co., Ltd. (TCC)	Investment	100.00%	100.00%	100.00%	-
	Wealth Media Technology Co., Ltd. (WMT)	Investment	100.00%	100.00%	100.00%	-
	TWM Venture Co., Ltd. (TVC)	Investment	100.00%	100.00%	100.00%	-
	Taipei New Horizon Co., Ltd. (TNH)	Building and operating Songshan Cultural and Creative Park BOT project	49.90%	49.90%	49.90%	-
	Fu Sheng Digital Co., Ltd. (FSD)	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%	-	Note 1
TCC	Taiwan Fixed Network Co., Ltd. (TFN)	Fixed-line service provider	100.00%	100.00%	100.00%	-

Investor	Subsidiary	Main Business and Products	Percentage of Ownership			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
TCC	Taiwan Teleservices & Technologies Co., Ltd. (TT&T)	Call center service and telephone marketing	100.00%	100.00%	100.00%	-
	TWM Holding Co. Ltd. (TWM Holding)	Investment	100.00%	100.00%	100.00%	-
	TCC Investment Co., Ltd. (TCCI)	Investment	100.00%	100.00%	100.00%	Note 2
	Taiwan Digital Service Co., Ltd. (TDS)	Commissioned maintenance services	100.00%	100.00%	100.00%	-
	Taihsin Property Insurance Agent Co., Ltd. (TPIA)	Property insurance agent	100.00%	100.00%	100.00%	-
	Tai-Fu Cloud Technology Co., Ltd. (TFC)	Cloud and information services	100.00%	100.00%	100.00%	-
WMT	TFN Media Co., Ltd. (TFNM)	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	Taiwan Mobile Film Co., Ltd. (TWMFM)	Film production	100.00%	100.00%	100.00%	-
TFN	TFN Union Investment Co., Ltd. (TUI)	Investment	100.00%	100.00%	100.00%	Note 2
TWM Holding	TWM Communications (Beijing) Co., Ltd. (TWMC)	Data communication application development	-	100.00%	100.00%	Note 3
TCCI	TCCI Investment and Development Co., Ltd. (TID)	Investment	100.00%	100.00%	100.00%	Note 2
TWMFM	Taiwan Stampede Franchise Film Co., Ltd. (SFF)	Film production	100.00%	100.00%	100.00%	-
TFNM	Taiwan Kuro Times Co., Ltd. (TKT)	Digital music services	-	-	100.00%	Note 4
	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 5
	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
			September 30, 2024	December 31, 2023	September 30, 2023	
GWMT	GCTV	Cable TV service provider	6.83%	6.83%	6.83%	-
momo	Asian Crown International Co., Ltd. (Asian Crown (BVI))	Investment	81.99%	81.99%	81.99%	-
	Honest Development Co., Ltd. (Honest Development)	Investment	100.00%	100.00%	100.00%	-
	Fuli Life Insurance Agent Co., Ltd. (FLI)	Life insurance agent	-	-	100.00%	Note 6
	Fuli Insurance Agent Co., Ltd. (FI)	Comprehensive insurance agent	100.00%	100.00%	100.00%	Note 6
	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	96.10%	93.73%	93.73%	Note 7
	Fu Sheng Logistics Co., Ltd. (FSL)	Logistics and transport	100.00%	100.00%	100.00%	-
	MFS Co., Ltd. (MFS)	Wholesaling	100.00%	100.00%	100.00%	-
	Prosperous Living Co., Ltd. (Prosperous Living)	Wholesale and retail sales	73.62%	73.62%	73.62%	-
	Asian Crown (BVI)	Fortune Kingdom Corporation (Fortune Kingdom)	Investment	100.00%	100.00%	100.00%
Fortune Kingdom	Hong Kong Fubon Multimedia Technology Co., Ltd. (HK Fubon Multimedia)	Investment	100.00%	100.00%	100.00%	-
Honest Development	Hongkong Yue Numerous Investment Co., Ltd. (HK Yue Numerous)	Investment	100.00%	100.00%	100.00%	-
HK Yue Numerous	Haobo Information Consulting (Shenzhen) Co., Ltd. (Haobo)	Investment	100.00%	100.00%	100.00%	-
HK Fubon Multimedia	Fubon Gehua (Beijing) Enterprise Ltd. (FGE)	Wholesaling	93.55%	93.55%	93.55%	Note 8

Note 1: Became a subsidiary in November 2023.

Note 2: TCCI, TUI and TID collectively owned 698,752 thousand shares of TWMM, representing 18.77% of total outstanding shares as of September 30, 2024.

Note 3: The liquidation process was completed in August 2024.

Note 4: In September 2023, TFNM resolved to dispose of 100% of the shares of TKT, and reclassified TKT as disposal groups held for sale. The disposal was completed in December 2023.

Note 5: The other 70.47% of shares were held under trustee accounts.

Note 6: In November 2023, FI merged with FLI.

Note 7: During the first three quarters of 2024, momo bought back minority interest of Bebe Poshe, resulting in the increase in its ownership.

Note 8: The legal cancellation process was completed, and the liquidation process was still in progress.

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

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

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

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

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

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

d. Employee Benefits

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

e. Income Tax

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same 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, 2023.

6. CASH AND CASH EQUIVALENTS

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Cash on hand and revolving funds	\$ 148,885	\$ 114,972	\$ 126,046
Cash in banks	6,453,384	5,950,870	5,014,463
Time deposits	2,245,459	5,278,986	3,706,686
Government bonds with repurchase rights	<u>627,537</u>	<u>1,899,438</u>	<u>2,169,006</u>
	<u>\$ 9,475,265</u>	<u>\$ 13,244,266</u>	<u>\$ 11,016,201</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Investments in equity instruments-current</u>			
Domestic investments			
Listed stocks	\$ 272,776	\$ 260,822	\$ 252,128
Foreign investments			
Listed stocks	<u>142</u>	<u>623</u>	<u>615</u>
	<u>\$ 272,918</u>	<u>\$ 261,445</u>	<u>\$ 252,743</u>
<u>Investments in equity instruments - non-current</u>			
Domestic investments			
Listed stocks	\$ 361,802	\$ 262,500	\$ 245,750
Unlisted stocks	1,183,916	1,342,512	1,328,966
Foreign investments			
Unlisted stocks	2,537,831	2,351,983	1,884,835
Limited partnerships	<u>56,472</u>	<u>1,573,355</u>	<u>1,032,614</u>
	<u>\$ 4,140,021</u>	<u>\$ 5,530,350</u>	<u>\$ 4,492,165</u>

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

8. NOTES AND ACCOUNTS RECEIVABLE, NET

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Notes receivable	\$ 11,850	\$ 14,171	\$ 21,816
Accounts receivable	9,473,722	9,532,621	8,078,065
Less: Allowance for impairment loss	(450,242)	(418,378)	(391,891)
	<u>\$ 9,035,330</u>	<u>\$ 9,128,414</u>	<u>\$ 7,707,990</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:

September 30, 2024

	<u>Not Past Due</u>	<u>Overdue</u>			<u>Total</u>
	<u>1 to 120 Days</u>	<u>121 to 365 Days</u>	<u>Over 365 Days</u>		<u>Total</u>
Gross carrying amount	\$ 8,393,812	\$ 802,383	\$ 289,142	\$ 235	\$ 9,485,572
Loss allowance (Lifetime ECLs)	(66,205)	(161,309)	(222,726)	(2)	(450,242)
Amortized cost	<u>\$ 8,327,607</u>	<u>\$ 641,074</u>	<u>\$ 66,416</u>	<u>\$ 233</u>	<u>\$ 9,035,330</u>

For the aforementioned period, 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.

December 31, 2023

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

September 30, 2023

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

For the aforementioned periods, 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 Nine Months Ended	
	September 30	
	2024	2023
Beginning balance	\$ 418,378	\$ 387,638
Add: Provision	261,920	184,001
Recovery	38,458	33,684
Less: Write-off	(268,514)	(213,432)
Ending balance	<u>\$ 450,242</u>	<u>\$ 391,891</u>

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

	For the Nine Months Ended	
	September 30	
	2024	2023
Amount of accounts receivable sold	<u>\$ 443,618</u>	<u>\$ 415,427</u>
Proceeds from the sale of accounts receivable	<u>\$ 56,850</u>	<u>\$ 46,578</u>

9. INVENTORIES

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Merchandise	\$ 7,790,653	\$ 8,182,624	\$ 7,431,946
Materials for maintenance	<u>12,732</u>	<u>10,444</u>	<u>8,638</u>
	<u>\$ 7,803,385</u>	<u>\$ 8,193,068</u>	<u>\$ 7,440,584</u>

For the three months and the nine months ended September 30, 2024, the cost of goods sold related to inventories amounted to \$27,599,791 thousand and \$84,451,763 thousand, respectively, which included the reversal of inventory write-down totaling \$14,167 thousand and the inventory write-down totaling \$7,617 thousand, respectively.

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

10. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

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

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

The net proceeds from the disposal were expected to exceed the carrying amount of the related net assets, and accordingly, no impairment loss was recognized while reclassifying the assets and liabilities to disposal groups held for sale. The disposal was completed in December 2023.

11. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

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

Investee Company	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	% of Ownership	Amount	% of Ownership	Amount	% of Ownership
Systemx Corporation (SYSTEX)	\$ 3,988,617	11.86	\$ -	-	\$ -	-
AppWorks Ventures Co., Ltd. (AppWorks)	244,212	51.00	244,983	51.00	269,947	51.00
AppWorks Fund III Co., Ltd. (AppWorks Fund III)	592,094	20.14	565,991	20.14	558,166	20.14
Global Home Shopping Co., Ltd. (GHS)	414,504	20.00	391,900	20.00	488,263	20.00
AppWorks Fund IV L.P. (AppWorks Fund IV)	256,830	21.01	227,530	21.01	131,300	32.86
Uospace Tech Co., Ltd. (Uospace)	291,650	32.40	164,588	32.90	172,756	32.90
NADA Holdings Corp. (NADA)	121,257	23.92	108,088	31.90	54,446	31.38
kbro Media Co., Ltd. (kbro Media)	59,683	33.58	60,032	33.58	67,166	33.58
Mistake Entertainment Co., Ltd. (M.E.)	32,660	11.33	30,753	11.33	33,266	11.33
Wei Xiang Corp. (WeMo TW)	63,323	28.13	-	-	-	-
Tropics Entertainment Co., Ltd. (Tropics)	16,189	20.00	-	-	-	-
SK Biomedical INC. (SK Biomedical)	5,838	20.00	-	-	-	-
Fubon Green Power Co., Ltd. (Fubon Green Power)	598,929	15.00	-	-	-	-
	<u>\$ 6,685,786</u>		<u>\$ 1,793,865</u>		<u>\$ 1,775,310</u>	

a. SYSTEX

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

b. AppWorks

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

c. AppWorks Fund III

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

d. GHS

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

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

e. AppWorks Fund IV

From December 2022 to May 2023, TVC subscribed 32.86% equity of AppWorks Fund IV and became the single largest limited partner. Since the management, control, operation and decision-making of the limited partnerships investments were executed by general partner, TVC had no control over AppWorks Fund IV but retained significant influence. TVC's percentage of ownership interest in AppWorks Fund IV decreased to 21.01% due to non-proportionate subscription to AppWorks Fund IV's issuance of new capital stock in October 2023, and TVC was no longer the single largest limited partner.

f. Uspace

From October to November 2022, TVC acquired 32.9% equity interest of Uspace. Although TVC was the single largest stockholder of Uspace, it only obtained one out of five seats of the board of directors. In addition, the management considered the size of ownership interest and the dispersion of shares owned by other stockholders, the other holdings were not extremely dispersed. Therefore, TVC has no control over Uspace but retains significant influence. TVC's percentage of ownership interest in Uspace decreased to 32.4% due to non-proportionate subscription to Uspace's issuance of new capital stock during the first three quarters of 2024.

g. NADA

In December 2021, TVC acquired 37.93% equity interest of NADA, and TVC's percentage of ownership interest in NADA decreased to 22.97% due to non-proportionate subscription to NADA's issuance of new capital stock during 2023. In October 2023, TWM acquired 8.93% equity interest of NADA by participating in NADA's capital increase. Along with TVC's percentage of ownership interest, the Group's ownership became 31.9%. The Group's percentage of ownership interest in NADA decreased to 23.92% due to non-proportionate subscription to NADA's issuance of new capital stock during the first three quarters of 2024. Although the Group was the single largest stockholder of NADA, it only obtained one out of five seats of the board of directors. In addition, the management considered the size of ownership interest and the dispersion of shares owned by other stockholders, the other holdings were not extremely dispersed. Therefore, the Group has no control over NADA but retains significant influence.

h. kbro Media

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

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

i. Fubon Green Power

In June 2024, TVC 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.

12. SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Subsidiary	Proportion of Non-controlling Interests' Ownership and Voting Rights		
	September 30,	December 31,	September 30,
	2024	2023	2023
momo	54.99 %	54.99 %	54.99 %

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

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

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 11,337,945	\$ 14,652,939	\$ 12,180,859
Non-current assets	22,219,539	21,142,086	19,682,858
Current liabilities	(13,976,987)	(14,878,533)	(12,992,450)
Non-current liabilities	(3,092,100)	(3,263,057)	(2,382,351)
Equity	<u>\$ 16,488,397</u>	<u>\$ 17,653,435</u>	<u>\$ 16,488,916</u>
Equity attributable to:			
Owners of the parent	\$ 10,570,355	\$ 11,093,941	\$ 10,570,161
Non-controlling interests of momo	5,833,554	6,473,107	5,833,316
Non-controlling interests of momo's subsidiaries	84,488	86,387	85,439
	<u>\$ 16,488,397</u>	<u>\$ 17,653,435</u>	<u>\$ 16,488,916</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Operating revenue	<u>\$ 25,552,937</u>	<u>\$ 25,074,675</u>	<u>\$ 79,087,752</u>	<u>\$ 76,407,130</u>
Profit	\$ 666,234	\$ 749,859	\$ 2,344,097	\$ 2,481,065
Other comprehensive income (loss)	(67,587)	(29,516)	53,607	(11,815)
Comprehensive income	<u>\$ 598,647</u>	<u>\$ 720,343</u>	<u>\$ 2,397,704</u>	<u>\$ 2,469,250</u>
Profit (loss) attributable to:				
Owners of the parent	\$ 299,865	\$ 337,605	\$ 1,054,860	\$ 1,116,957
Non-controlling interests of momo	366,283	412,379	1,288,498	1,364,347
Non-controlling interests of momo's subsidiaries	86	(125)	739	(239)
	<u>\$ 666,234</u>	<u>\$ 749,859</u>	<u>\$ 2,344,097</u>	<u>\$ 2,481,065</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Comprehensive income (loss) attributable to:				
Owners of the parent	\$ 269,436	\$ 324,308	\$ 1,078,976	\$ 1,111,639
Non-controlling interests of momo	329,113	396,137	1,317,954	1,357,852
Non-controlling interests of momo's subsidiaries	98	(102)	774	(241)
	<u>\$ 598,647</u>	<u>\$ 720,343</u>	<u>\$ 2,397,704</u>	<u>\$ 2,469,250</u>

	For the Nine Months Ended September 30	
	2024	2023
Net cash generated from operating activities	\$ 2,911,937	\$ 1,157,413
Net cash used in investing activities	(1,590,274)	(787,251)
Net cash used in financing activities	(4,267,245)	(3,844,077)
Effect of exchange rate changes	147	(10)
Net decrease in cash	<u>\$(2,945,435)</u>	<u>\$(3,473,925)</u>
Dividends paid to non-controlling interests	<u>\$ 1,955,841</u>	<u>\$ 1,802,064</u>

13. PROPERTY, PLANT AND EQUIPMENT

	Land		Buildings		Telecommunications Equipment and Machinery		Others		Construction in Progress and Equipment to be Inspected		Total
<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	-	24,764	523,876	345,825	7,463,529	8,357,994					
Disposals and retirements	-	(156)	(2,163,110)	(301,574)	(9)	(2,464,849)					
Reclassification	30,999	18,047	7,409,439	256,369	(7,619,700)	95,154					
Balance, September 30, 2024	<u>\$ 11,335,616</u>	<u>\$ 6,196,394</u>	<u>\$ 123,340,049</u>	<u>\$ 10,081,534</u>	<u>\$ 5,031,256</u>	<u>\$ 155,984,849</u>					
<u>Accumulated depreciation and impairment</u>											
Balance, January 1, 2024	\$ -	\$ 2,475,489	\$ 88,343,895	\$ 8,500,995	\$ -	\$ 99,320,379					
Depreciation	-	107,639	7,143,869	522,971	-	7,774,479					
Disposals and retirements	-	(156)	(1,916,275)	(299,058)	-	(2,215,489)					
Reclassification	-	8,939	-	-	-	8,939					
Balance, September 30, 2024	<u>\$ -</u>	<u>\$ 2,591,911</u>	<u>\$ 93,571,489</u>	<u>\$ 8,724,908</u>	<u>\$ -</u>	<u>\$ 104,888,308</u>					
Carrying amount, January 1, 2024	<u>\$ 11,304,617</u>	<u>\$ 3,678,250</u>	<u>\$ 29,225,949</u>	<u>\$ 1,279,919</u>	<u>\$ 5,187,436</u>	<u>\$ 50,676,171</u>					
Carrying amount, September 30, 2024	<u>\$ 11,335,616</u>	<u>\$ 3,604,483</u>	<u>\$ 29,768,560</u>	<u>\$ 1,356,626</u>	<u>\$ 5,031,256</u>	<u>\$ 51,096,541</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, 2023	\$ 10,290,697	\$ 5,667,344	\$ 107,475,035	\$ 9,410,610	\$ 3,880,214	\$ 136,723,900
Additions	-	-	193,752	260,247	5,062,872	5,516,871
Disposals and retirements	-	-	(1,321,931)	(290,527)	(59)	(1,612,517)
Reclassified as held for sale (Note 10)	-	-	-	(19,610)	-	(19,610)
Reclassification	<u>884,188</u>	<u>514,364</u>	<u>4,384,086</u>	<u>239,786</u>	<u>(4,638,677)</u>	<u>1,383,747</u>
Balance, September 30, 2023	<u>\$ 11,174,885</u>	<u>\$ 6,181,708</u>	<u>\$ 110,730,942</u>	<u>\$ 9,600,506</u>	<u>\$ 4,304,350</u>	<u>\$ 141,992,391</u>
<u>Accumulated depreciation and impairment</u>						
Balance, January 1, 2023	\$ -	\$ 2,131,858	\$ 82,115,130	\$ 8,228,919	\$ -	\$ 92,475,907
Depreciation	-	100,879	5,899,827	509,559	-	6,510,265
Disposals and retirements	-	-	(1,246,320)	(287,811)	-	(1,534,131)
Reclassified as held for sale (Note 10)	-	-	-	(14,741)	-	(14,741)
Reclassification	<u>-</u>	<u>299,647</u>	<u>(49,961)</u>	<u>-</u>	<u>-</u>	<u>249,686</u>
Balance, September 30, 2023	<u>\$ -</u>	<u>\$ 2,532,384</u>	<u>\$ 86,718,676</u>	<u>\$ 8,435,926</u>	<u>\$ -</u>	<u>\$ 97,686,986</u>
Carrying amount, September 30, 2023	<u>\$ 11,174,885</u>	<u>\$ 3,649,324</u>	<u>\$ 24,012,266</u>	<u>\$ 1,164,580</u>	<u>\$ 4,304,350</u>	<u>\$ 44,305,405</u>

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

Buildings

Primary buildings 20-55 years

Mechanical and electrical equipment 5-15 years

Telecommunications equipment and machinery 1-20 years

Others 1-15 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Carrying amount</u>			
Land	\$ 607,972	\$ 740,287	\$ 642,488
Buildings	10,583,769	12,739,097	10,002,621
Telecommunications equipment and machinery	143,694	187,213	223,395
Others	<u>91,576</u>	<u>79,691</u>	<u>81,583</u>
	<u>\$ 11,427,011</u>	<u>\$ 13,746,288</u>	<u>\$ 10,950,087</u>

	For the Nine Months Ended September 30	
	2024	2023
Additions to right-of-use assets	\$ <u>3,268,165</u>	\$ <u>4,571,401</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Depreciation charge for right-of-use assets				
Land	\$ 64,795	\$ 61,005	\$ 224,181	\$ 182,682
Buildings	1,040,631	956,023	3,774,141	2,830,640
Telecommunications equipment and machinery	34,678	36,620	104,902	110,066
Others	<u>15,559</u>	<u>13,767</u>	<u>46,835</u>	<u>41,418</u>
	<u>\$ 1,155,663</u>	<u>\$ 1,067,415</u>	<u>\$ 4,150,059</u>	<u>\$ 3,164,806</u>

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the nine months ended September 30, 2024 and 2023.

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amount</u>			
Current	\$ <u>4,017,456</u>	\$ <u>5,785,690</u>	\$ <u>3,811,852</u>
Non-current	\$ <u>7,584,714</u>	\$ <u>7,978,053</u>	\$ <u>7,155,343</u>

Range of discount rates for lease liabilities was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Land	0.61%~1.59%	0.61%~1.4%	0.61%~1.31%
Buildings	0.61%~1.59%	0.61%~1.4%	0.61%~1.31%
Telecommunications equipment and machinery	0.64%~4.38%	0.61%~4.38%	0.61%~4.38%
Others	0.62%~1.59%	0.61%~1.4%	0.61%~1.31%

c. Material lease-in activities and terms

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

d. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Expenses related to short-term leases	\$ <u>13,891</u>	\$ <u>9,224</u>	\$ <u>35,751</u>	\$ <u>27,702</u>
Expenses related to low-value asset leases	\$ <u>16,688</u>	\$ <u>22,627</u>	\$ <u>58,560</u>	\$ <u>74,029</u>
Expenses related to variable lease payments and not included in the measurement of lease liabilities	\$ <u>7,120</u>	\$ <u>5,991</u>	\$ <u>25,078</u>	\$ <u>19,296</u>
			For the Nine Months Ended September 30	
			2024	2023
Total cash outflow for leases			\$ <u>4,210,359</u>	\$ <u>3,407,084</u>

15. 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 September 30, 2024, December 31, 2023 and September 30, 2023, the fair values of investment properties were \$5,325,331 thousand, \$5,360,328 thousand and \$3,974,136 thousand, respectively, and the capitalization rates for the aforementioned financial reporting periods were all ranging from 1.47%~5.23%.

The amounts of depreciation recognized for the three months and the nine months ended September 30, 2024 and 2023 were \$3,860 thousand, \$2,849 thousand, \$11,732 thousand and \$12,394 thousand, respectively.

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

	September 30, 2024	December 31, 2023	September 30, 2023
Year 1	\$ 109,766	\$ 78,165	\$ 64,088
Year 2	105,076	71,659	58,493
Year 3	84,459	67,498	55,960
Year 4	75,440	50,147	37,731
Year 5	36,629	36,876	29,079
Year 6 and thereafter	<u>21,777</u>	<u>27,074</u>	<u>30,250</u>
	\$ <u>433,147</u>	\$ <u>331,419</u>	\$ <u>275,601</u>

16. INTANGIBLE ASSETS

	Concessions			Other Intangible Assets				Total
	Concession Licenses	Service Concessions	Goodwill	Customer Relationships	Operating Rights	Trademarks	Computer Software and Others	
Cost								
Balance, January 1, 2024	\$ 92,206,064	\$ 8,180,078	\$ 33,281,509	\$ 3,599,602	\$ 1,382,000	\$ 2,495,200	\$ 4,284,623	\$ 145,429,076
Additions	-	-	-	-	-	30	342,283	342,313
Disposals and retirements	(56,234)	-	(26,822)	-	-	(97)	(39,804)	(122,957)
Reclassification	-	-	-	-	-	-	160,277	160,277
Balance, September 30, 2024	<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>\$ 4,747,379</u>	<u>\$ 145,808,709</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	4,260,409	134,040	-	144,261	-	48	438,549	4,977,307
Disposals and retirements	(56,234)	-	(26,822)	-	-	(97)	(39,804)	(122,957)
Balance, September 30, 2024	<u>\$ 30,427,249</u>	<u>\$ 2,058,941</u>	<u>\$ 26,665</u>	<u>\$ 2,331,323</u>	<u>\$ -</u>	<u>\$ 771</u>	<u>\$ 4,025,204</u>	<u>\$ 38,870,153</u>
Carrying amount, January 1, 2024	<u>\$ 65,982,990</u>	<u>\$ 6,255,177</u>	<u>\$ 33,228,022</u>	<u>\$ 1,412,540</u>	<u>\$ 1,382,000</u>	<u>\$ 2,494,380</u>	<u>\$ 658,164</u>	<u>\$ 111,413,273</u>
Carrying amount, September 30, 2024	<u>\$ 61,722,581</u>	<u>\$ 6,121,137</u>	<u>\$ 33,228,022</u>	<u>\$ 1,268,279</u>	<u>\$ 1,382,000</u>	<u>\$ 2,494,362</u>	<u>\$ 722,175</u>	<u>\$ 106,938,556</u>
Cost								
Balance, January 1, 2023	\$ 71,699,375	\$ 8,180,078	\$ 15,872,595	\$ 2,643,826	\$ 1,382,000	\$ 2,517,164	\$ 3,832,774	\$ 106,127,812
Additions	-	-	-	-	-	20	175,913	175,933
Disposals and retirements	-	-	-	-	-	-	(116,018)	(116,018)
Reclassified as held for sale (Note 10)	-	-	(90,065)	-	-	(21,984)	(22,795)	(134,844)
Reclassification	-	-	-	-	-	-	103,270	103,270
Balance, September 30, 2023	<u>\$ 71,699,375</u>	<u>\$ 8,180,078</u>	<u>\$ 15,782,530</u>	<u>\$ 2,643,826</u>	<u>\$ 1,382,000</u>	<u>\$ 2,495,200</u>	<u>\$ 3,973,144</u>	<u>\$ 106,156,153</u>
Accumulated amortization and impairment								
Balance, January 1, 2023	\$ 21,955,149	\$ 1,746,182	\$ 53,487	\$ 2,046,000	\$ -	\$ 741	\$ 3,454,888	\$ 29,256,447
Amortization	3,102,438	134,040	-	102,300	-	63	245,380	3,584,221
Disposals and retirements	-	-	-	-	-	-	(116,018)	(116,018)
Reclassified as held for sale (Note 10)	-	-	-	-	-	-	(22,091)	(22,091)
Balance, September 30, 2023	<u>\$ 25,057,587</u>	<u>\$ 1,880,222</u>	<u>\$ 53,487</u>	<u>\$ 2,148,300</u>	<u>\$ -</u>	<u>\$ 804</u>	<u>\$ 3,562,159</u>	<u>\$ 32,702,559</u>
Carrying amount, September 30, 2023	<u>\$ 46,641,788</u>	<u>\$ 6,299,856</u>	<u>\$ 15,729,043</u>	<u>\$ 495,526</u>	<u>\$ 1,382,000</u>	<u>\$ 2,494,396</u>	<u>\$ 410,985</u>	<u>\$ 73,453,594</u>

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

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

a. Service concessions

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

b. Customer relationships, operating rights, and trademarks

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

- 1) On April 17, 2007, TFN, one of TWM's wholly-owned subsidiaries, acquired more than 50% of the former Taiwan Fixed Network Co., Ltd. (formerly "TFN") through a public tender offer. TWM split the former TFN and its subsidiaries into two cash-generating units, i.e., fixed network services and cable television and broadband business. Accordingly, customer relationships and operating rights were identified 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:

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Mobile communication services	\$ 24,620,850	\$ 24,620,850	\$ 7,121,871
Fixed network services	357,970	357,970	357,970
Retail business	4,979,566	4,979,566	4,979,566
Cable television and broadband business	<u>3,269,636</u>	<u>3,269,636</u>	<u>3,269,636</u>
	<u>\$ 33,228,022</u>	<u>\$ 33,228,022</u>	<u>\$ 15,729,043</u>

d. Impairment of assets

See Note 15(d) to the consolidated financial statements for the year ended December 31, 2023 for the related information on impairment of assets. There was no significant evidence indicating impairment of intangible assets as of September 30, 2024.

17. OTHER NON-CURRENT ASSETS

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Long-term accounts receivable	\$ 189,844	\$ 218,805	\$ 224,988
Refundable deposits	849,815	931,812	802,374
Other prepayments	600,008	329,709	963,107
Prepayments for investment	-	-	790,003
Others	463,557	463,780	464,376
	<u>\$ 2,103,224</u>	<u>\$ 1,944,106</u>	<u>\$ 3,244,848</u>

18. BORROWINGS

a. Short-term borrowings

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Unsecured loans	\$ 24,160,000	\$ 18,460,000	\$ 14,630,000
Annual interest rates	1.725%~1.86%	1.55%~1.79%	1.47%~1.81%

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

b. Short-term notes and bills payable

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Short-term notes and bills payable	\$ 2,300,000	\$ 12,900,000	\$ 8,600,000
Less: Discounts on short-term notes and bills payable	(5,689)	(23,743)	(10,761)
	<u>\$ 2,294,311</u>	<u>\$ 12,876,257</u>	<u>\$ 8,589,239</u>
Annual interest rates	1.788%~1.808%	1.548%~1.608%	1.488%~1.538%

c. Long-term borrowings

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Unsecured loans	\$ 15,000,000	\$ 15,000,000	\$ -
Secured loans	1,642,845	1,851,000	1,876,512
Commercial papers payable	12,000,000	7,000,000	8,500,000
Less: Unamortized expenses on unsecured loans	(9,704)	(11,851)	-
Less: Discounts on commercial papers payable	(8,680)	(6,910)	(10,702)
Less: Current portion	(6,326,654)	(3,713,406)	(3,796,081)
	<u>\$ 22,297,807</u>	<u>\$ 20,118,833</u>	<u>\$ 6,569,729</u>
Annual interest rates:			
Unsecured loans	1.8822%	1.7895%	-
Secured loans	2.105%~2.3526%	2.095%~2.2211%	2.2211%
Commercial papers payable	1.535%~2.3113%	1.535%~2.138%	0.688%~2.108%

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 31.

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 August 2027.

19. BONDS PAYABLE

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
5th domestic unsecured straight corporate bonds	\$ 8,999,272	\$ 8,998,281	\$ 8,997,947
6th domestic unsecured straight corporate bonds	19,993,049	19,990,793	19,990,033
7th domestic unsecured straight corporate bonds	2,498,090	2,497,712	2,497,585
1st domestic unsecured straight corporate bonds in 2023	6,494,648	6,493,547	6,493,177
1st domestic unsecured straight corporate bonds in 2024	1,997,421	-	-
Less: Current portion	<u>(13,998,782)</u>	<u>-</u>	<u>-</u>
	<u>\$ 25,983,698</u>	<u>\$ 37,980,333</u>	<u>\$ 37,978,742</u>

a. 5th domestic unsecured straight corporate bonds

On April 20, 2018, TWM issued the 5th domestic unsecured straight corporate bonds. The bonds included five-year and seven-year bonds, with the principal amount of \$6,000,000 thousand and \$9,000,000 thousand, each having a face value of \$10,000 thousand, and coupon rates of 0.848% and 1% per annum, respectively, with simple interest due annually. Repayment will be made in full at maturity. As of September 30, 2024, the amount of unamortized bond issue cost was \$728 thousand. The trustee of bond holders is Bank of Taiwan.

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

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

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

b. 6th domestic unsecured straight corporate bonds

On March 24, 2020, TWM issued the 6th domestic unsecured straight corporate bonds. The bonds included five-year, seven-year, and ten-year bonds, with the principal amount of \$5,000,000 thousand, \$10,000,000 thousand and \$5,000,000 thousand, each having a face value of \$10,000 thousand, and coupon rates of 0.64%, 0.66% and 0.72% per annum, respectively, with simple interest due annually. Repayment will be made in full at maturity. As of September 30, 2024, the amount of unamortized bond issue cost was \$6,951 thousand. The trustee of bond holders is Bank of Taiwan.

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

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

c. 7th domestic unsecured straight corporate bonds

On July 13, 2021, TWM issued the 7th domestic unsecured straight corporate bonds. The bond was seven-year bond, with the principal amount of \$2,500,000 thousand, having a face value of \$10,000 thousand, and coupon rate of 0.53% per annum, with simple interest due annually. Repayment will be made in full at maturity. As of September 30, 2024, the amount of unamortized bond issue cost was \$1,910 thousand. The trustee of bond holders is Bank of Taiwan.

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

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

d. 1st domestic unsecured straight corporate bonds in 2023

On May 22, 2023, TWM issued the 1st domestic unsecured straight corporate bonds in 2023 and obtained Social Bond accreditation. The bond was five-year bond, with the principal amount of \$6,500,000 thousand, having a face value of \$10,000 thousand, and coupon rate of 1.537% per annum, with simple interest due annually. Repayment will be made in full at maturity. As of September 30, 2024, the amount of unamortized bond issue cost was \$5,352 thousand. The trustee of bond holders is Bank of Taiwan.

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

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

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 September 30, 2024, the amount of unamortized bond issue cost was \$2,579 thousand. The trustee of bond holders is Bank of Taiwan.

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

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

20. PROVISIONS

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Restoration	\$ 1,235,310	\$ 1,368,089	\$ 1,006,266
Replacement	584,972	562,791	548,602
Warranties	<u>16,009</u>	<u>17,091</u>	<u>15,659</u>
	<u>\$ 1,836,291</u>	<u>\$ 1,947,971</u>	<u>\$ 1,570,527</u>
Current	\$ 204,625	\$ 461,400	\$ 73,838
Non-current	<u>1,631,666</u>	<u>1,486,571</u>	<u>1,496,689</u>
	<u>\$ 1,836,291</u>	<u>\$ 1,947,971</u>	<u>\$ 1,570,527</u>

	<u>Restoration</u>	<u>Replacement</u>	<u>Warranties</u>	<u>Total</u>
Balance, January 1, 2024	\$ 1,368,089	\$ 562,791	\$ 17,091	\$ 1,947,971
Provision	31,396	42,835	18,240	92,471
Payment/Reversal	(166,089)	(32,594)	(19,322)	(218,005)
Unwinding of discount	<u>1,914</u>	<u>11,940</u>	<u>-</u>	<u>13,854</u>
Balance, September 30, 2024	<u>\$ 1,235,310</u>	<u>\$ 584,972</u>	<u>\$ 16,009</u>	<u>\$ 1,836,291</u>
Balance, January 1, 2023	\$ 999,153	\$ 505,570	\$ 16,334	\$ 1,521,057
Provision	29,493	41,749	18,488	89,730
Payment/Reversal	(24,295)	(9,297)	(19,163)	(52,755)
Unwinding of discount	<u>1,915</u>	<u>10,580</u>	<u>-</u>	<u>12,495</u>
Balance, September 30, 2023	<u>\$ 1,006,266</u>	<u>\$ 548,602</u>	<u>\$ 15,659</u>	<u>\$ 1,570,527</u>

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

Domestic firms of the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed and defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The employees of the Group's subsidiaries in other countries are participants of state-managed retirement benefit plans operated by local governments. In accordance with the above provisions, the Group's contributions to the pension plan amounted to \$107,826 thousand and \$95,508 thousand for the three months ended September 30, 2024 and 2023, respectively, and \$321,258 thousand and \$287,951 thousand for the nine months ended September 30, 2024 and 2023, respectively.

b. Defined benefit plans

The Group recognized pension amounts of \$503 thousand and \$675 thousand for the three months ended September 30, 2024 and 2023, respectively, and \$1,455 thousand and \$1,966 thousand for the nine months ended September 30, 2024 and 2023, respectively, by using the actuarially determined pension cost rate.

22. EQUITY

a. Common stock

As of September 30, 2024, December 31, 2023 and September 30, 2023, TWM's authorized capital was \$60,000,000 thousand and capital issued and outstanding were \$37,232,618 thousand, \$37,232,618 thousand and \$35,192,336 thousand, respectively, divided into 3,723,262 thousand shares, 3,723,262 thousand shares and 3,519,234 thousand shares, respectively, at a par value of \$10 each.

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

b. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
From business combinations	\$ 18,190,446	\$ 18,190,446	\$ -
Additional paid-in capital	5,268,728	7,309,970	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	86,956	13,326	15,015
Expired share options	13,269	13,269	13,269
Others	28,890	28,890	26,651
	<u>\$ 29,335,173</u>	<u>\$ 31,302,785</u>	<u>\$ 13,111,789</u>

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

c. Appropriation of earnings and dividend policy

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

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

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

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

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

The appropriations of earnings for 2023 and 2022, which have been resolved in the AGM on June 21, 2024 and June 13, 2023, respectively, were as follows:

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

In addition, cash distributions arising from capital surplus with respect to the excess of stock issuance price over the par value of capital stock, totaling \$2,041,242 thousand and \$2,246,232 thousand and representing \$0.6749 and \$0.7964 per share, were also resolved in the AGM; thus, total distributions were \$4.3 per share, respectively, for 2023 and 2022.

d. Other equity interests

	Exchange Differences on Translation	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Total
Balance, January 1, 2024	\$(38,219)	\$ 362,335	\$ 324,116
Exchange differences on translation	10,366	-	10,366
Changes in fair value of financial assets at FVTOCI	-	(812,788)	(812,788)
Changes in other comprehensive income (loss) of associates accounted for using equity method	1,859	56,573	58,432
Valuation loss (gain) of equity instruments transferred to retained earnings due to disposal by associates	-	2,824	2,824
Income tax effect	-	154,251	154,251
Balance, September 30, 2024	<u>\$(25,994)</u>	<u>\$(236,805)</u>	<u>\$(262,799)</u>
Balance, January 1, 2023	\$(27,862)	\$ 316,076	\$ 288,214
Exchange differences on translation	629	-	629
Changes in fair value of financial assets at FVTOCI	-	(399,980)	(399,980)
Changes in other comprehensive income (loss) of associates accounted for using equity method	(3,536)	(47,122)	(50,658)
Valuation loss (gain) of equity instruments transferred to retained earnings due to disposal	-	35,770	35,770
Valuation loss (gain) of equity instruments transferred to retained earnings due to disposal by associates	-	60,136	60,136
Income tax effect	-	75,040	75,040
Balance, September 30, 2023	<u>\$(30,769)</u>	<u>\$ 39,920</u>	<u>\$ 9,151</u>

e. Treasury stock

As of September 30, 2024, December 31, 2023 and September 30, 2023, TWM's stocks held for the investment purposes by TCCI, TUI and TID, which are all wholly-owned by TWM, were 698,752 thousand shares, and the market values were \$80,356,434 thousand, \$68,896,908 thousand and \$66,101,901 thousand, respectively. Since TWM's stocks held by its subsidiaries are regarded as treasury stock, TWM recognized \$29,717,344 thousand as treasury stock. For those treasury stockholders, they have the same rights as the other stockholders, except that they are not allowed to subscribe new shares issued by TWM for cash and exercise the voting rights over such treasury stock.

23. OPERATING REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Revenue from contracts with customers				
Telecommunications and value-added services	\$ 15,266,657	\$ 12,442,364	\$ 45,478,712	\$ 36,729,413
Sales revenue	30,220,849	29,025,460	92,759,045	87,833,083
Cable TV and broadband services	1,391,917	1,473,315	4,151,857	4,429,400
Others	291,041	220,869	746,502	651,405
Other operating revenue	<u>31,053</u>	<u>25,044</u>	<u>85,928</u>	<u>105,408</u>
	<u>\$ 47,201,517</u>	<u>\$ 43,187,052</u>	<u>\$ 143,222,044</u>	<u>\$ 129,748,709</u>

a. Contract information

Refer to Note 37 and to Note 4 to the consolidated financial statements for the year ended December 31, 2023.

b. Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023	January 1, 2023
Contract assets				
Bundle sales	\$ 13,575,820	\$ 11,996,749	\$ 11,004,474	\$ 10,580,384
Less: Allowance for impairment loss	<u>(99,952)</u>	<u>(85,364)</u>	<u>(82,414)</u>	<u>(89,820)</u>
	<u>\$ 13,475,868</u>	<u>\$ 11,911,385</u>	<u>\$ 10,922,060</u>	<u>\$ 10,490,564</u>
Current	\$ 6,579,024	\$ 6,100,164	\$ 5,513,200	\$ 5,092,822
Non-current	<u>6,896,844</u>	<u>5,811,221</u>	<u>5,408,860</u>	<u>5,397,742</u>
	<u>\$ 13,475,868</u>	<u>\$ 11,911,385</u>	<u>\$ 10,922,060</u>	<u>\$ 10,490,564</u>

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

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>	<u>January 1, 2023</u>
Contract liabilities				
Telecommunications and value-added services	\$ 1,659,752	\$ 2,018,224	\$ 1,107,042	\$ 1,289,461
Sales of goods	414,045	422,087	379,168	255,349
Cable TV and broadband services	587,319	573,442	616,614	628,941
Others	<u>10,153</u>	<u>4,061</u>	<u>7,470</u>	<u>4,093</u>
	<u>\$ 2,671,269</u>	<u>\$ 3,017,814</u>	<u>\$ 2,110,294</u>	<u>\$ 2,177,844</u>
Current	\$ 2,536,718	\$ 2,608,499	\$ 1,732,449	\$ 2,079,999
Non-current	<u>134,551</u>	<u>409,315</u>	<u>377,845</u>	<u>97,845</u>
	<u>\$ 2,671,269</u>	<u>\$ 3,017,814</u>	<u>\$ 2,110,294</u>	<u>\$ 2,177,844</u>

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

c. Assets related to contract costs

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Incremental costs of obtaining a contract - non-current	\$ <u>2,597,753</u>	\$ <u>2,492,742</u>	\$ <u>1,991,397</u>

The Group considered the past experience and the default clauses in the sale contracts and believed the commission and the subsidy paid for obtaining a contract are wholly recoverable, therefore, such costs are capitalized. The amounts of amortization recognized for the three months ended September 30, 2024 and 2023 were \$466,010 thousand and \$346,591 thousand, respectively, and for the nine months ended September 30, 2024 and 2023 were \$1,400,978 thousand and \$1,016,838 thousand, respectively.

24. NON-OPERATING INCOME AND EXPENSES

a. Other income

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Dividend income	\$ 820,339	\$ 21,982	\$ 843,326	\$ 30,630
Other income	<u>1,703</u>	<u>1,283</u>	<u>3,562</u>	<u>4,057</u>
	<u>\$ 822,042</u>	<u>\$ 23,265</u>	<u>\$ 846,888</u>	<u>\$ 34,687</u>

b. Other gains and losses, net

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Loss on disposal and retirement of property, plant and equipment, net	\$(24,664)	\$(24,159)	\$(214,361)	\$(72,156)
Gain on disposal of property, plant and equipment held for sale	-	-	258	-
Net gain (loss) on financial assets at fair value through profit and loss (FVTPL)	4,408	37,442	(350)	55,588
Net loss on disposal of investments accounted for using equity method	(421)	-	(1,872)	(312)
Gain on foreign exchange, net	28,612	18,022	81,135	18,342
Others	1,143	66	1,365	(248)
	<u>\$ 9,078</u>	<u>\$ 31,371</u>	<u>\$(133,825)</u>	<u>\$ 1,214</u>

c. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest expense				
Corporate bonds	\$ 86,987	\$ 86,341	\$ 257,960	\$ 233,028
Bank loans	185,848	84,685	475,490	248,082
Commercial papers payable	65,334	50,079	208,428	146,579
Lease liabilities	31,257	23,566	94,131	62,507
Others	6,921	6,752	20,729	20,419
	<u>\$ 376,347</u>	<u>\$ 251,423</u>	<u>\$ 1,056,738</u>	<u>\$ 710,615</u>

25. INCOME TAX

a. Income tax recognized in profit or loss

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current income tax expense				
Current period	\$ 1,115,157	\$ 773,219	\$ 2,820,523	\$ 2,461,063
Prior years' adjustments	<u>1,129</u>	<u>-</u>	<u>(24,467)</u>	<u>(18,885)</u>
	<u>1,116,286</u>	<u>773,219</u>	<u>2,796,056</u>	<u>2,442,178</u>
Deferred income tax expense (income)				
Temporary differences	<u>11,874</u>	<u>(8,835)</u>	<u>54,471</u>	<u>(3,328)</u>
Income tax expense	<u>\$ 1,128,160</u>	<u>\$ 764,384</u>	<u>\$ 2,850,527</u>	<u>\$ 2,438,850</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current income tax income				
Realized gain/loss on financial assets at FVTOCI	\$ -	\$ -	\$ -	\$ (14,997)
Deferred income tax income				
Unrealized gain/loss on financial assets at FVTOCI	<u>(149,648)</u>	<u>(145,944)</u>	<u>(154,304)</u>	<u>(75,072)</u>
Income tax income	<u>\$(149,648)</u>	<u>\$(145,944)</u>	<u>\$(154,304)</u>	<u>\$(90,069)</u>

c. Income tax examinations

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

Company	Year
TWM	2021
TST (Dissolved)	2021
TCC	2022
WMT	2022
TVC	2022
TNH	2022
FSD	2022
TFN	2022 (Exclude 2021)
TT&T	2022
TCCI	2022
TDS	2022
TPIA	2022
TFC	2022
TWMFM	2022

<u>Company</u>	<u>Year</u>
TUI	2022
TID	2022
SFF	2022
TFNM	2021
GFMT	2022
GWMT	2022
WTVB	2022
YJCTV	2021
MCTV	2022
PCTV	2021
UCTV	2021
GCTV	2021
momo	2022
FLI (Dissolved)	2022
FI	2022
FST	2022
Bebe Poshe	2022
FSL	2022
MFS	2021
Prosperous Living	2022

26. EARNINGS PER SHARE

	<u>For the Three Months Ended September 30, 2024</u>		
	<u>Amount After</u>	<u>Weighted-</u>	
	<u>Income Tax</u>	<u>average</u>	
		<u>Number of</u>	
		<u>Shares</u>	
		<u>(In Thousands)</u>	<u>EPS (NT\$)</u>
Basic EPS			
Profit attributable to owners of the parent	\$ 4,164,425	3,024,510	\$ <u>1.38</u>
Effect of dilutive potential common stock:			
Employees' compensation	<u>-</u>	<u>3,107</u>	
Diluted EPS			
Profit attributable to owners of the parent (adjusted for potential effect of common stock)	\$ <u>4,164,425</u>	<u>3,027,617</u>	\$ <u>1.37</u>

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

For the Nine Months Ended September 30, 2024			
	Amount After Income Tax	Weighted- average Number of Shares (In Thousands)	EPS (NT\$)
Basic EPS			
Profit attributable to owners of the parent	\$ 10,364,947	3,024,510	\$ <u>3.43</u>
Effect of dilutive potential common stock:			
Employees' compensation	-	3,874	
Diluted EPS			
Profit attributable to owners of the parent (adjusted for potential effect of common stock)	\$ <u>10,364,947</u>	<u>3,028,384</u>	\$ <u>3.42</u>

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

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.

27. CASH FLOW INFORMATION

Changes in liabilities arising from financing activities:

For the Nine Months Ended September 30, 2024

	<u>Opening Balance</u>	<u>Cash Flows</u>	<u>Non-cash Changes</u>		<u>Ending Balance</u>
			<u>New Leases</u>	<u>Others</u>	
Lease liabilities (including current and non-current portions)	\$ <u>13,763,743</u>	\$ <u>(4,064,289)</u>	\$ <u>3,262,719</u>	\$ <u>(1,360,003)</u>	\$ <u>11,602,170</u>

For the Nine Months Ended September 30, 2023

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

28. CAPITAL MANAGEMENT

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

29. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Financial assets</u>			
Financial assets at FVTPL (including current and non-current portions) (Note 1)	\$ 1,944,992	\$ 1,832,998	\$ 1,338,714
Financial assets at FVTOCI (including current and non-current portions)	4,412,939	5,791,795	4,744,908
Financial assets measured at amortized cost (including current and non-current portions) (Note 2)	<u>25,586,630</u>	<u>30,178,705</u>	<u>25,090,257</u>
	<u>\$ 31,944,561</u>	<u>\$ 37,803,498</u>	<u>\$ 31,173,879</u>
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost (including current and non-current portions) (Note 3)	<u>\$ 123,420,225</u>	<u>\$ 121,357,242</u>	<u>\$ 96,497,147</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. The balance included the assets

transferred to the disposal groups held for sale.

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

b. Fair value of financial instruments

1) Financial instruments not measured at fair value

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

	<u>September 30, 2024</u>		<u>December 31, 2023</u>		<u>September 30, 2023</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
<u>Financial liabilities</u>						
Bonds payable (including current portion)	\$ 39,982,480	\$ 39,717,000	\$ 37,980,333	\$ 37,627,421	\$ 37,978,742	\$ 37,591,343

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).

September 30, 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	-	-	37,508	37,508
Foreign listed stocks	9,086	-	-	9,086
Foreign unlisted stocks	-	-	110,883	110,883
Foreign limited partnerships	-	-	886,352	886,352
Foreign convertible notes	-	-	583,730	583,730
Embedded rights	-	-	3,933	3,933
Other investment agreement	-	-	26,000	26,000
	<u>\$ 9,086</u>	<u>\$ -</u>	<u>\$ 1,935,906</u>	<u>\$ 1,944,992</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTOCI</u>				
Equity instruments				
Domestic listed stocks	\$ 634,578	\$ -	\$ -	\$ 634,578
Domestic unlisted stocks	-	-	1,183,916	1,183,916
Foreign listed stocks	142	-	-	142
Foreign unlisted stocks	-	-	2,537,831	2,537,831
Foreign limited partnerships	-	-	56,472	56,472
	<u>\$ 634,720</u>	<u>\$ -</u>	<u>\$ 3,778,219</u>	<u>\$ 4,412,939</u>

December 31, 2023

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

Financial assets at FVTOCI

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

September 30, 2023

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTOCI</u>				
Equity instruments				
Domestic listed stocks	\$ 497,878	\$ -	\$ -	\$ 497,878
Domestic unlisted stocks	-	-	1,328,966	1,328,966
Foreign listed stocks	615	-	-	615
Foreign unlisted stocks	-	-	1,884,835	1,884,835
Foreign limited partnerships	-	-	1,032,614	1,032,614
	<u>\$ 498,493</u>	<u>\$ -</u>	<u>\$ 4,246,415</u>	<u>\$ 4,744,908</u>

There were no transfers between the fair value measurements of Levels 1 and 2 for the nine months ended September 30, 2024 and 2023.

Valuation techniques and assumptions used in fair value determination

a) The fair value of financial instruments traded in active markets is based on quoted market prices (including stocks of publicly traded companies).

b) Valuation techniques and inputs applied for Level 3 fair value measurement:

The evaluations of fair value of unlisted stocks and convertible notes were mainly referenced to the valuation of the same type of companies or the transaction prices of recent financing activities and estimated free cash flows through the market approach, income approach and asset approach. The unobservable inputs were the liquidity discount rate and the stock price volatility. The liquidity discount rates were ranged from 11.1%~36.7%, 11.7%~32.7% and 11.7%~32.7% as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively. The stock price volatilities were ranged from 42.7%~81.8%, 25.42%~98.8% and 37.6%~112.1% as of September 30, 2024, December 31, 2023 and September 30, 2023, 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 were estimated to be 23.4% as of December 31, 2023 and September 30, 2023.

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

For the Nine Months Ended September 30, 2024

	<u>Financial Assets at FVTPL - Financial Instruments</u>	<u>Financial Assets at FVTOCI - Equity Instruments</u>
Balance, January 1, 2024	\$ 1,821,715	\$ 5,267,850
Additions	131,501	63,720
Decrease	(19,156)	(643,829)
Recognized in profit or loss (gain on financial assets at FVTPL)	1,846	-
Recognized in other comprehensive income (unrealized loss on financial assets at FVTOCI)	-	(812,707)
Transferred out of Level 3 (Note)	-	(96,815)
Balance, September 30, 2024	<u>\$ 1,935,906</u>	<u>\$ 3,778,219</u>

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

For the Nine Months Ended September 30, 2023

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

c. Financial risk management

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

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

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

2) Risk management framework

a) Decision-making mechanism

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

b) Risk management policies

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

c) Monitoring mechanism

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

3) Credit risk

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

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

4) Liquidity risk

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

The Group manages and maintains a sufficient level of capital to ensure the requirements of paying estimated operating expenditures, including financial obligations on each contract. The Group also monitors its bank credit facilities to ensure that the Group fully complies with the provisions and financial covenants of loan contracts. As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group had unused bank facilities of \$57,148,564 thousand, \$61,155,846 thousand and \$59,833,453 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:

	<u>Contractual Cash Flows</u>	<u>Within 1 Year</u>	<u>1-5 Years</u>	<u>5-10 Years</u>
<u>September 30, 2024</u>				
Unsecured loans	\$ 40,188,959	\$ 25,704,142	\$ 14,484,817	\$ -
Secured loans	1,822,264	167,207	634,665	1,020,392
Commercial papers payable	14,655,696	7,452,326	7,203,370	-
Bonds payable	41,177,620	14,374,955	21,766,665	5,036,000
Lease liabilities	11,835,952	4,115,379	6,955,167	765,406
Other non-current liabilities	<u>292,500</u>	<u>73,125</u>	<u>219,375</u>	<u>-</u>
	<u>\$ 109,972,991</u>	<u>\$ 51,887,134</u>	<u>\$ 51,264,059</u>	<u>\$ 6,821,798</u>

	<u>Contractual Cash Flows</u>	<u>Within 1 Year</u>	<u>1-5 Years</u>	<u>5-10 Years</u>
<u>December 31, 2023</u>				
Unsecured loans	\$ 34,625,679	\$ 19,385,090	\$ 15,240,589	\$ -
Secured loans	2,074,109	156,913	613,434	1,303,762
Commercial papers payable	20,093,546	16,016,630	4,076,916	-
Bonds payable	39,325,775	337,155	33,916,620	5,072,000
Lease liabilities	14,004,859	5,885,768	7,223,670	895,421
Other non-current liabilities	<u>365,625</u>	<u>73,125</u>	<u>292,500</u>	<u>-</u>
	<u>\$ 110,489,593</u>	<u>\$ 41,854,681</u>	<u>\$ 61,363,729</u>	<u>\$ 7,271,183</u>
<u>September 30, 2023</u>				
Unsecured loans	\$ 14,660,055	\$ 14,660,055	\$ -	\$ -
Secured loans	1,929,501	342,367	1,587,134	-
Commercial papers payable	17,219,895	12,190,538	5,029,357	-
Bonds payable	39,325,775	337,155	33,916,620	5,072,000
Lease liabilities	11,150,840	3,885,990	6,809,172	455,678
Other non-current liabilities	<u>365,625</u>	<u>73,125</u>	<u>292,500</u>	<u>-</u>
	<u>\$ 84,651,691</u>	<u>\$ 31,489,230</u>	<u>\$ 47,634,783</u>	<u>\$ 5,527,678</u>

5) Market risk

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

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

a) Exchange rate risk

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

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

Sensitivity analysis

The Group's exchange rate risk comes mainly from conversion gains and losses of accounts denominated in monetary items of foreign currencies. If there had been an unfavorable 5% movement in the levels of foreign exchanges against NTD at the end of the reporting period (with other factors remaining constant at the end of the reporting period and with analyses of the two periods on the same basis), profit would have decreased by \$30,730 thousand and \$2,830 thousand for the nine months ended September 30, 2024 and 2023, respectively.

b) Interest rate risk

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

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

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Fair value interest rate risk			
Financial assets	\$ 5,212,716	\$ 9,270,060	\$ 6,981,049
Financial liabilities	71,695,160	79,685,007	71,542,259
Cash flow interest rate risk			
Financial assets	7,223,270	6,531,680	6,240,959
Financial liabilities	35,466,415	27,883,607	11,511,829

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 \$105,912 thousand and \$19,766 thousand for the nine months ended September 30, 2024 and 2023, respectively.

c) Other market price risk

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

Sensitivity analysis

If the prices of financial instruments had decreased by 5% (with other factors remaining constant and with the analyses of the two periods on the same basis), net income would have decreased by \$97,250 thousand and \$66,936 thousand since the fair value of financial assets at FVTPL decreased for the nine months ended September 30, 2024 and 2023, respectively. Other comprehensive income would have decreased by \$220,647 thousand and \$237,245 thousand since the fair value of financial assets at FVTOCI decreased for the nine months ended September 30, 2024 and 2023, respectively.

30. RELATED-PARTY TRANSACTIONS

- a. Parent company and ultimate controlling party
TWM is the ultimate controlling party of the Group.
- b. Related party name and nature of relationship

<u>Related Party</u>	<u>Nature of Relationship</u>
SYSTEX	Associate
AppWorks	Associate
AppWorks Fund III	Associate
GHS	Associate
AppWorks Fund IV	Associate
Uspace	Associate
NADA	Associate
kbro Media	Associate
M.E.	Associate
Tropics	Associate
Fubon Green Power	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)
Docutek Solutions, Inc.	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)
Beijing Global JiuSha Media Technology Co., Ltd.	Associate (subsidiary of GHS)
Shoei Contents Corporation	Associate (subsidiary of NADA)
Brilliant Creative Co., Ltd.	Associate (subsidiary of kbro Media)
More Sounds Film Production Co., Ltd.	Associate (subsidiary of M.E.)
Mepay Co., Ltd.	Associate (subsidiary of M.E.)
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)

Related Party	Nature of Relationship
Fansta Co., Ltd.	Associate (subsidiary of M.E., not a related party since the second quarter of 2024)
Fubon Life Insurance Co., Ltd. (Fubon Life Insurance)	Other related party
Fubon Insurance Co., Ltd. (Fubon Insurance)	Other related party
Fubon Asset Management Co., Ltd.	Other related party
Fubon Sports & Entertainment Co., Ltd.	Other related party
Taipei Fubon Commercial Bank Co., Ltd. (TFCB)	Other related party
Fubon Financial Holding Co., Ltd.	Other related party
Fubon Life Insurance (HK) Ltd.	Other related party
Fubon Securities Co., Ltd.	Other related party
Fubon Futures Co., Ltd.	Other related party
Fubon Investment Services Co., Ltd.	Other related party
Fubon Marketing Co., Ltd.	Other related party (not a related party since the third quarter of 2023)
Fubon Insurance Agency Co., Ltd.	Other related party
Fubon Insurance Agency Co., Ltd.	Other related party (not a related party since the third quarter of 2023)
Fubon Financial Venture Capital Co., Ltd.	Other related party
Fubon Stadium Co., Ltd.	Other related party
Fubon AMC, Ltd.	Other related party
One Production Film Co., Ltd.	Other related party (not a related party since the second quarter of 2023)
Fubon Bank (China) Co., Ltd.	Other related party
Fubon Land Development Co., Ltd.	Other related party
Fubon Property Management Co., Ltd.	Other related party
Fubon Security Service Co., Ltd.	Other related party
Fubon Real Estate Management Co., Ltd.	Other related party
Fubon Hospitality Management Co., Ltd.	Other related party
Fubon Private Equity Co., Ltd.	Other related party
TFB Capital Co., Ltd.	Other related party
P. League+ Co., Ltd.	Other related party
Jih Sun Securities Co., Ltd.	Other related party (not a related party since the second quarter of 2023)
Jih Sun International Bank, Ltd.	Other related party (not a related party since the second quarter of 2023)
Jih Sun International Property Insurance Agent Co., Ltd.	Other related party (not a related party since the second quarter of 2023)
Jih Sun Life Insurance Agent Co., Ltd.	Other related party (not a related party since the second quarter of 2023)

Related Party	Nature of Relationship
Jih Sun Futures Co., Ltd.	Other related party (not a related party since the second quarter of 2023)
Chung Hsing Constructions Co., Ltd.	Other related party
Ming Dong Co., Ltd.	Other related party
Harvard Health Inc.	Other related party (Formerly known as Fu Yi Health Management Co., Ltd.)
Fubon Xinji Investment Co., Ltd.	Other related party
Hung Fu Investment Co., Ltd.	Other related party
Immanuel Investment Ltd.	Other related party
Dai-Ka Ltd. (Dai-Ka)	Other related party
AppWorks Fund III Co., Ltd.	Other related party
Chen Feng Investment Ltd.	Other related party
Chen Yun Co., Ltd.	Other related party
Cho Pharma Inc.	Other related party
kbro Co., Ltd. (kbro)	Other related party
Daanwenshan CATV Co., Ltd.	Other related party
North Taoyuan CATV Co., Ltd.	Other related party
Yangmingshan CATV Co., Ltd.	Other related party
Hsin Taipei CATV Co., Ltd.	Other related party
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

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Associates	\$ 7,905	\$ 3,454	\$ 18,851	\$ 4,490
Other related parties	432,480	438,466	1,239,266	1,240,643
	<u>\$ 440,385</u>	<u>\$ 441,920</u>	<u>\$ 1,258,117</u>	<u>\$ 1,245,133</u>

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

2) Purchases

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Associates	\$ 18,410	\$ 197	\$ 18,715	\$ 1,746
Other related parties	285,839	260,930	789,686	736,467
	<u>\$ 304,249</u>	<u>\$ 261,127</u>	<u>\$ 808,401</u>	<u>\$ 738,213</u>

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

3) Receivables due from related parties

Account	Related Party Categories	September 30, 2024	December 31, 2023	September 30, 2023
Notes and accounts receivable	Associates	\$ 2,293	\$ 1,274	\$ 1,063
Notes and accounts receivable	Other related parties	566,730	587,958	559,037
		<u>\$ 569,023</u>	<u>\$ 589,232</u>	<u>\$ 560,100</u>
Other receivables	Other related parties			
	TFCB	\$ 243,391	\$ 480,025	\$ 375,000
	Others	30,820	80,225	71,073
		<u>\$ 274,211</u>	<u>\$ 560,250</u>	<u>\$ 446,073</u>

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

4) Payables due to related parties

<u>Account</u>	<u>Related Party Categories</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Notes and accounts payable	Associates	\$ 33,091	\$ 72	\$ 2
Notes and accounts payable	Other related parties	<u>207,565</u>	<u>131,420</u>	<u>216,059</u>
		<u>\$ 240,656</u>	<u>\$ 131,492</u>	<u>\$ 216,061</u>
Other payables	Associates	\$ 28,469	\$ -	\$ -
Other payables	Other related parties	<u>76,333</u>	<u>62,243</u>	<u>66,557</u>
		<u>\$ 104,802</u>	<u>\$ 62,243</u>	<u>\$ 66,557</u>

5) Prepayments

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Other related parties	<u>\$ 58,601</u>	<u>\$ 14,819</u>	<u>\$ 52,413</u>

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Other related parties			
TFCB	<u>\$ 2,908,673</u>	<u>\$ 5,651,090</u>	<u>\$ 2,527,903</u>

7) Acquisition of investments accounted for using equity method

<u>Related Party Transaction</u>	<u>Transaction Period</u>	<u>Shares (In Thousands)</u>	<u>Purchase Price</u>
Participation in AppWorks Fund IV's capital increase	The first three quarters of 2024	-	\$ 43,610
Contributions to Uspace's capital increase	The first three quarters of 2024	529	60,000
Contributions to Tropics's capital increase	The first three quarters of 2024	1,600	16,000
Contributions to Fubon Green Power's capital increase	The first three quarters of 2024	60,000	<u>600,000</u>
			<u>\$ 719,610</u>
Participation in AppWorks Fund IV's capital increase	The first three quarters of 2023	-	<u>\$ 35,000</u>

8) Others

a) Refundable deposits

	September 30, 2024	December 31, 2023	September 30, 2023
Other related parties	\$ <u>64,658</u>	\$ <u>80,479</u>	\$ <u>74,389</u>

b) Other current liabilities - receipts under custody

	September 30, 2024	December 31, 2023	September 30, 2023
Other related parties	\$ <u>183,814</u>	\$ <u>178,790</u>	\$ <u>173,509</u>

c) Operating expenses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Other related parties				
TMF	\$ 2,400	\$ 6,000	\$ 12,000	\$ 15,000
TNHF	-	-	5,000	5,000
TFCB	256,465	241,725	793,893	711,244
Others	<u>73,546</u>	<u>72,399</u>	<u>208,975</u>	<u>188,869</u>
	<u>\$ 332,411</u>	<u>\$ 320,124</u>	<u>\$ 1,019,868</u>	<u>\$ 920,113</u>

d) Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Other related parties	\$ <u>11,692</u>	\$ <u>14,330</u>	\$ <u>35,552</u>	\$ <u>44,534</u>

e) Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Other related parties				
TFCB	\$ <u>5,240</u>	\$ <u>1,860</u>	\$ <u>35,569</u>	\$ <u>14,350</u>

f) mo-coin transactions

Subsidiary momo sold mo-coins to related parties amounting to \$962,608 thousand for the nine months ended September 30, 2024, mainly to provide rewards to users (consumers).

9) Lease arrangements

Acquisition of right-of-use assets

	For the Nine Months Ended September 30	
	2024	2023
Other related parties		
Fubon Life Insurance	\$ <u>128,921</u>	\$ <u>776,877</u>

Lease liabilities (including current and non-current portions)

	September 30, 2024	December 31, 2023	September 30, 2023
Other related parties	\$ <u>756,924</u>	\$ <u>926,286</u>	\$ <u>979,342</u>

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

d. Key management compensation

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 79,839	\$ 74,204	\$ 260,269	\$ 244,288
Termination and post-employment benefits	<u>1,987</u>	<u>855</u>	<u>18,799</u>	<u>10,458</u>
	<u>\$ 81,826</u>	<u>\$ 75,059</u>	<u>\$ 279,068</u>	<u>\$ 254,746</u>

31. ASSETS PLEDGED

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

	September 30, 2024	December 31, 2023	September 30, 2023
Other current financial assets	\$ 147,881	\$ 147,415	\$ 164,704
Service concessions	6,121,137	6,255,177	6,299,856
Other non-current financial assets	<u>382,773</u>	<u>427,014</u>	<u>434,721</u>
	<u>\$ 6,651,791</u>	<u>\$ 6,829,606</u>	<u>\$ 6,899,281</u>

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. Unrecognized commitments

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Purchases of property, plant and equipment	\$ <u>10,797,820</u>	\$ <u>9,424,213</u>	\$ <u>5,788,436</u>
Purchases of inventories and sales commitments	\$ <u>11,533,742</u>	\$ <u>6,032,088</u>	\$ <u>10,177,176</u>

As of September 30, 2024, December 31, 2023 and September 30, 2023, the amounts of lease commitments commencing after the balance sheet dates were \$339,181 thousand, \$640,307 thousand and \$1,521,495 thousand, respectively.

- b. As of September 30, 2024, December 31, 2023 and September 30, 2023, the amounts of endorsements and guarantees provided to entities in the Group were \$24,900,000 thousand, \$24,700,000 thousand and \$24,750,000 thousand, respectively.
- c. Subsidiary momo provided collection and payment services to contracted stores, guaranteed through an escrow arrangement. As of September 30, 2024, the balance of the trust account held with financial institution was \$199,469 thousand.
- d. 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 September 30, 2024, \$1,044,062 thousand (tax included) of the concession had been paid.

3) Performance guarantee:

As of September 30, 2024, TNH had provided a \$32,500 thousand performance guarantee regarding the BOT contract.

4) Rental of land:

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

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

- e. In August 2015, Far EastOne Telecommunications Co., Ltd. (FET) filed a statement of civil complaint with the Taipei District Court, in which FET claimed that (i) TWM shall apply for the return of the C4 spectrum block; (ii) TWM shall not use the C4 spectrum block; (iii) TWM shall not use the C1 spectrum block until TWM's application for the return of the C4 spectrum block is approved by the NCC; and (iv) TWM shall provide \$1,005,800 thousand to FET as compensation. In May 2016, the Court decided in favor of FET regarding claims (i), (ii), and (iii) of the lawsuit, and against FET regarding claim (iv) of the lawsuit. TWM and FET appealed with the High Court the reversal of the aforementioned sentences. The High Court dismissed the appeal of TWM regarding claims (i), (ii), and (iii), and regarding claim (iv) of FET, TWM shall pay FET \$765,779 thousand, of which \$152,584 thousand of the above amount, TWM shall make 5% annual interest payment for the period starting from September 5, 2015 to the payment date. TWM and FET appealed the reversal of the aforementioned sentences. In May 2019, the Supreme Court dismissed the portion of the High Court's original judgment on other appeal of FET regarding, and dismissed TWM's payment obligation, and the Supreme Court remanded the case to the High Court. Under the first retrial of the High Court, TWM filed a counterclaim requesting that FET pay \$14,482 thousand, as well as a 5% annual interest payment for the period starting from the date following the service of the counterclaim until the settlement date. In August 2020, the High Court first retrial results were as follows: for the dismissed claim (iv) stated above, TWM shall pay FET \$242,154 thousand of which \$142,685 thousand shall have 5% annual interest for the period starting from September 30, 2016 to the payment date, and \$99,469 thousand shall have 5% annual interest for the period starting from July 21, 2017 to the payment date. TWM's counterclaim was denied. TWM and FET appealed the aforementioned sentences which were not favorable to them. In June 2023, the Supreme Court dismissed the first retrial of the High Court and remanded the case to the High Court. The case is now in process at the second retrial of the High Court, with a verdict scheduled to be announced on December 31, 2024.
- f. Regarding to the merger between FET and Asia Pacific Telecom Co., Ltd. (APT), TWM exercised the dissenting shareholder's appraisal right to request APT to buy back TWM's shares in accordance with the Business Mergers And Acquisitions Act, and had deposited all of the held shares to APT in the second quarter of 2022. In July 2022, APT had paid the fair price it has recognized of \$671,375 thousand to TWM in accordance with the Business Mergers And Acquisitions Act. However, TWM disagreed with such the fair price recognized by APT, and therefore, APT applied to the court for a ruling on the fair price. In October 2023, the Intellectual Property and Commercial Court ruled the price to be \$7.95 per share. TWM has filed an interlocutory appeal. In January 2024, FET declared its assumption of the procedure. The Supreme Court reversed the original ruling, and remanded the case to the Intellectual Property and Commercial Court in March 2024. On August 27, 2024, the Intellectual Property and Commercial Court in its first retrial ruled the price at \$7.84 per share. FET has filed an appeal, and the case is now in process at the Supreme Court.

33. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

In November 2024, the Board of Directors of subsidiary momo resolved that momo would enter into a twenty-year warehouse lease agreement with Fubon Life Insurance, commencing in the third quarter of 2027. The expected value of the right-of-use asset would be \$10,775,298 thousand, and the lease agreement will be signed following approval at the AGM.

34. OTHERS

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

	For the Three Months Ended September 30					
	2024			2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefits						
Salary	\$ 790,531	\$ 1,721,623	\$ 2,512,154	\$ 755,862	\$ 1,421,515	\$ 2,177,377
Insurance expenses	75,057	152,751	227,808	70,369	130,753	201,122
Pension	36,056	72,273	108,329	33,830	62,353	96,183
Others	43,479	90,726	134,205	35,838	71,743	107,581
Depreciation	3,469,738	241,771	3,711,509	3,021,988	231,910	3,253,898
Amortization	1,577,980	522,481	2,100,461	1,165,380	379,790	1,545,170

	For the Nine Months Ended September 30					
	2024			2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefits						
Salary	\$ 2,367,769	\$ 5,093,521	\$ 7,461,290	\$ 2,207,530	\$ 4,282,323	\$ 6,489,853
Insurance expenses	226,814	456,020	682,834	211,605	396,582	608,187
Pension	108,650	214,063	322,713	101,895	188,022	289,917
Others	123,421	252,380	375,801	107,519	217,884	325,403
Depreciation	11,209,018	727,252	11,936,270	8,994,864	692,601	9,687,465
Amortization	4,815,251	1,563,034	6,378,285	3,487,528	1,113,531	4,601,059

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 \$147,645 thousand, \$99,461 thousand, \$357,319 thousand and \$291,405 thousand, and remuneration to directors were \$14,765 thousand, \$9,946 thousand, \$35,732 thousand and \$29,140 thousand, which were calculated by applying the aforementioned rates, for the three months and the nine months ended September 30, 2024 and 2023, respectively.

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

	For the Year Ended December 31			
	2023		2022	
	Employees' Compensation Paid in Cash	Remuneration of Directors	Employees' Compensation Paid in Cash	Remuneration of Directors
Amounts approved by the Board of Directors	\$ <u>405,977</u>	\$ <u>40,598</u>	\$ <u>305,936</u>	\$ <u>30,594</u>
Amounts recognized in the consolidated financial statements	\$ <u>405,977</u>	\$ <u>40,598</u>	\$ <u>305,936</u>	\$ <u>30,594</u>

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

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

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	September 30, 2024		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 73,478	31.69	\$ 2,328,535
EUR	626	35.28	22,084
RMB	19,981	4.531	90,534
Non-monetary items			
USD	129,659	31.69	4,108,878
RMB	91,482	4.531	414,504
SGD	368	24.68	9,086
HKD	35	4.073	142
JPY	300,000	0.221	66,390
<u>Foreign currency liabilities</u>			
Monetary items			
USD	57,565	31.69	1,824,233
EUR	31	35.28	1,084
HKD	98	4.073	400
JPY	3,787	0.221	838

December 31, 2023			
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 89,410	30.705	\$ 2,745,333
EUR	330	34.14	11,251
RMB	20,934	4.319	90,412
Non-monetary items			
USD	176,448	30.705	5,417,838
RMB	90,739	4.319	391,900
SGD	484	23.33	11,283
HKD	159	3.929	623
<u>Foreign currency liabilities</u>			
Monetary items			
USD	57,174	30.705	1,755,517
EUR	34	34.14	1,169
HKD	660	3.929	2,593
JPY	7,397	0.218	1,614

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

Refer to Note 24.b for the information related to the Group's realized and unrealized foreign exchange gains (losses) for the three months and the nine months ended September 30, 2024 and 2023. Due to the variety of foreign currency transactions and functional currencies, the Group could not disclose the foreign exchange gains (losses) for each foreign currency with significant influence.

36. ADDITIONAL DISCLOSURES

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

37. SEGMENT INFORMATION

- a. Segment revenue and operating results

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

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

Retail: providing E-commerce shopping, multimedia shopping, 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 September 30, 2024	Telecommuni- cations	Retail	Cable Television and Broadband	Others	Adjustments and Eliminations	Total
Operating revenue	\$ 20,993,165	\$ 25,552,937	\$ 1,484,237	\$ 161,528	\$(990,350)	\$ 47,201,517
Operating costs and expenses	17,661,399	24,764,194	899,189	94,092	(1,029,129)	42,389,745
Operating income	3,673,139	822,553	586,405	67,620	26,191	5,175,908

For the Three Months Ended September 30, 2023	Telecommuni- cations	Retail	Cable Television and Broadband	Others	Adjustments and Eliminations	Total
Operating revenue	\$ 17,222,425	\$ 25,074,675	\$ 1,563,420	\$ 155,193	\$(828,661)	\$ 43,187,052
Operating costs and expenses	14,625,727	24,192,413	1,016,986	93,486	(826,825)	39,101,787
Operating income	2,790,312	913,199	548,086	61,707	(15,624)	4,297,680

For the Nine Months Ended September 30, 2024	Telecommuni- cations	Retail	Cable Television and Broadband	Others	Adjustments and Eliminations	Total
Operating revenue	\$ 62,145,558	\$ 79,087,752	\$ 4,428,819	\$ 470,433	\$(2,910,518)	\$ 143,222,044
Operating costs and expenses	53,041,149	76,325,003	2,680,246	290,286	(3,029,561)	129,307,123
Operating income	9,898,764	2,864,163	1,753,620	183,979	81,656	14,782,182

For the Nine Months Ended September 30, 2023	Telecommuni- cations	Retail	Cable Television and Broadband	Others	Adjustments and Eliminations	Total
Operating revenue	\$ 50,862,024	\$ 76,407,130	\$ 4,693,796	\$ 452,490	\$(2,666,731)	\$ 129,748,709
Operating costs and expenses	43,192,242	73,519,763	3,042,084	286,925	(2,721,019)	117,319,995
Operating income	8,222,643	3,005,798	1,657,587	166,650	14,887	13,067,565

b. 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 Nine Months Ended September 30	
	2024	2023
Taiwan, ROC	\$ 140,905,588	\$ 127,821,046
Overseas	2,316,456	1,927,663
	<u>\$ 143,222,044</u>	<u>\$ 129,748,709</u>

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

FINANCING EXTENDED TO OTHER PARTIES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars)

No.	Lending Company	Borrowing Company	Financial Statement Account	Related Parties	Maximum Balance for the Period (Note 1)	Ending Balance (Note 1)	Drawdown Amounts	Interest Rate	Nature of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Lending Limit for Each Borrowing Company	Lending Company's Lending Amount Limits	Note
													Item	Value			
1	TCC	TWM	Other receivables	Yes	\$ 500,000	\$ 500,000	\$ 392,000	1.83378%~1.97000%	Short-term financing	\$ -	Operation requirements	\$ -	-	\$ -	\$ 36,832,735	\$ 36,832,735	Note 2
		TFC	Other receivables	Yes	300,000	300,000	-	1.83500%	Short-term financing	-	Operation requirements	-	-	-	36,832,735	36,832,735	Note 2
2	WMT	TWM	Other receivables	Yes	4,700,000	4,700,000	4,490,000	1.83500%~1.99301%	Short-term financing	-	Operation requirements	-	-	-	9,035,253	9,035,253	Note 2
		TFNM	Other receivables	Yes	2,000,000	2,000,000	600,000	1.83378%~1.97111%	Short-term financing	-	Operation requirements	-	-	-	9,035,253	9,035,253	Note 2
		WTVB	Other receivables	Yes	1,000,000	600,000	110,000	1.83378%~1.96000%	Short-term financing	-	Operation requirements	-	-	-	9,035,253	9,035,253	Note 2
3	TFN	TWM	Other receivables	Yes	11,000,000	11,000,000	10,233,000	1.83378%~1.83500%	Short-term financing	-	Operation requirements	-	-	-	23,661,451	23,661,451	Note 2
4	PCTV	TFNM	Other receivables	Yes	450,000	445,000	445,000	1.83500%	Transactions	448,690	-	-	-	-	448,690	448,690	Note 3 and 4
5	GCTV	TFNM	Other receivables	Yes	250,000	250,000	250,000	1.83500%	Short-term financing	-	Repayment of financing	-	-	-	277,046	277,046	Note 3
6	YJCTV	TFNM	Other receivables	Yes	100,000	100,000	100,000	1.83500%	Short-term financing	-	Repayment of financing	-	-	-	128,639	128,639	Note 3
7	UCTV	TFNM	Other receivables	Yes	400,000	400,000	400,000	1.83500%~1.97111%	Short-term financing	-	Repayment of financing	-	-	-	736,186	736,186	Note 3

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

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

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

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED TO OTHER PARTIES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars)

No.	Company Providing Endorsements/ Guarantees	Receiving Party		Limits on Endorsements/ Guarantees Amount Provided to Each Entity	Maximum Balance for the Period (Note 1)	Ending Balance (Note 1)	Drawdown Amounts (Note 1)	Amount of Endorsements/ Guarantees Collateralized by Property	Ratio of Accumulated Endorsements/ Guarantees to Net Worth of the Guarantor (Note 1)	Maximum Endorsements/ Guarantees Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by a Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship											
0	TWM	TFN	Note 2	\$ 42,000,000	\$ 21,500,000	\$ 21,500,000	\$ 7,500,000	\$ -	26.33	\$ 81,665,628	Y	N	N	Note 3
		TVC	Note 2	9,950,000	3,200,000	3,200,000	1,949,500	-	3.92	81,665,628	Y	N	N	Note 3
		FSNR	Note 2	200,000	200,000	200,000	200,000	-	0.24	81,665,628	Y	N	N	Note 3

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

Note 2: Direct/indirect subsidiary.

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)
SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars)

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	At the End of the Period				Note
				Units/Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
TWM	<u>Listed Stocks</u>							
	Chunghwa Telecom Co., Ltd.	-	Current financial assets at FVTOCI	2,174	\$ 272,776	0.028	\$ 272,776	
	<u>Unlisted Stocks</u>							
	LINE Bank Taiwan Limited	-	Non-current financial assets at FVTOCI	75,000	578,252	5	578,252	
	Bridge Mobile Pte Ltd.	-	Non-current financial assets at FVTOCI	800	30,378	10	30,378	
	KKCompany Technologies Inc.	-	Non-current financial assets at FVTOCI	4,547	363,928	2.77	363,928	
	Taiwan Mobile Communication Inc.	-	Non-current financial assets at FVTOCI	400	2,492	0.99	2,492	
	<u>Limited Partnerships</u>							
Grand Academy Investment, L.P.	-	Non-current financial assets at FVTOCI	-	13,595	21.67	13,595	Note 1	
Starview Heights Investment, L.P.	-	Non-current financial assets at FVTOCI	-	42,877	21.67	42,877	Note 1	
TCC	<u>Unlisted Stocks</u>							
	Arcoa Communication Co., Ltd.	-	Non-current financial assets at FVTOCI	6,998	116,939	5.21	116,939	
WMT	<u>Limited Partnerships</u>							
	The Last Thieves, L.P.	-	Current financial assets at FVTPL	-	-	7.14	-	Note 1
TVC	<u>Listed Stocks</u>							
	17LIVE Group Limited	-	Current financial assets at FVTPL	312	9,086	0.18	9,086	Note 2
	91APP, Inc.	-	Non-current financial assets at FVTOCI	2,500	219,500	2.12	219,500	
	<u>Unlisted Stocks</u>							
	Jayawijaya Finance Limited	-	Non-current financial assets at FVTPL	5	110,883	6.24	110,883	
	FIGMENT INC.	-	Non-current financial assets at FVTOCI	269	6,993	0.11	6,993	
	Stampede Entertainment, Inc.	-	Non-current financial assets at FVTOCI	1,664	541,772	9.43	541,772	
	TIKI GLOBAL PTE. LTD.	-	Non-current financial assets at FVTOCI	760	139,436	2.39	139,436	
	CARSOME GROUP INC.	-	Non-current financial assets at FVTOCI	733	14,641	0.36	14,641	
	Cloud Mile Inc.	-	Non-current financial assets at FVTOCI	5,396	974,151	18.2	974,151	
	BAM Management US Holdings Inc.	-	Non-current financial assets at FVTOCI	246	67,246	0.11	67,246	

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	At the End of the Period				Note	
				Units/Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value		
TVC	LINE MAN CORPORATION PTE. LTD.	-	Non-current financial assets at FVTOCI	1,100	\$ 280,932	0.94	\$ 280,932		
	Swift Navigation, Inc.	-	Non-current financial assets at FVTOCI	214	12,309	0.3	12,309		
	Swift Navigation, Inc.	-	Non-current financial assets at FVTOCI	364	20,926	0.5	20,926		
	Partipost Pte. Ltd.	-	Non-current financial assets at FVTOCI	899	18,729	2.53	18,729		
	Taiwan Web Service Corporation	-	Non-current financial assets at FVTOCI	1,500	4,155	4.48	4,155		
	SoundOn Inc.	-	Non-current financial assets at FVTOCI	2,623	155,780	12.79	155,780		
	REMOV Co., Ltd.	-	Non-current financial assets at FVTOCI	-	66,390	2.11	66,390	Note 3	
	<u>Limited Partnerships</u>								
	AUM CREATIVE FUND II	-	Non-current financial assets at FVTPL	-	19,470	16.38	19,470	Note 1	
	Linse Capital Fund I, L.P.	-	Non-current financial assets at FVTPL	-	102,616	0.89	102,616	Note 1	
	LINSE CAPITAL SKY II LLC	-	Non-current financial assets at FVTPL	-	95,247	2.67	95,247	Note 1	
	Northstar Equity Partners V Limited	-	Non-current financial assets at FVTPL	-	218,581	1.72	218,581	Note 1	
	Northstar Ventures I, L.P.	-	Non-current financial assets at FVTPL	-	33,698	3.62	33,698	Note 1	
	Pantera Blockchain Offshore Fund L.P.	-	Non-current financial assets at FVTPL	-	164,026	0.32	164,026	Note 1	
	Pioneer Fund II L.P.	-	Non-current financial assets at FVTPL	-	160,356	13.58	160,356	Note 1	
	Soma Capital Fund III, L.P.	-	Non-current financial assets at FVTPL	-	92,358	1.21	92,358	Note 1	
	TOMORROW TOGETHER FUND	-	Non-current financial assets at FVTPL	-	37,508	16	37,508	Note 1	
	<u>Convertible Notes</u>								
	CARSOME GROUP INC.	-	Non-current financial assets at FVTPL	-	154,901	-	154,901		
	Manuscript Inc.	-	Non-current financial assets at FVTPL	-	428,829	-	428,829		
TCCI	<u>Listed Stocks</u>								
	TWM	TWM	Non-current financial assets at FVTOCI	200,497	23,057,128	5.38	23,057,128		
TUI	<u>Unlisted Stocks</u>								
	Great Taipei Broadband Co., Ltd.	-	Non-current financial assets at FVTOCI	10,000	37,275	6.67	37,275		
TUI	<u>Listed Stocks</u>								
	TWM	TWM	Non-current financial assets at FVTOCI	410,665	47,226,507	11.03	47,226,507		
TID	<u>Listed Stocks</u>								
	TWM	TWM	Non-current financial assets at FVTOCI	87,590	10,072,799	2.36	10,072,799		
momo	<u>Listed Stocks</u>								
	eSun Holdings Limited	-	Current financial assets at FVTOCI	728	142	0.04	142	Note 2	
	We Can Medicines Co., Ltd.	-	Non-current financial assets at FVTOCI	3,073	142,302	6.94	142,302		
	<u>Unlisted Stocks</u>								
	Gaius Automotive Inc.	-	Non-current financial assets at FVTPL	5,750	287,500	7.07	287,500		
	LINE Bank Taiwan Limited	-	Non-current financial assets at FVTOCI	37,500	289,023	2.5	289,023		

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

Note 2: Foreign listed stock.

Note 3: The shares held as of the period ended were fewer than 1,000 shares.

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal			Ending Balance		
					Units/Shares (In Thousands)	Amount	Units/Shares (In Thousands)	Amount	Units/Shares (In Thousands)	Amount	Carrying Amount	Gain (Loss) on Disposal	Units/Shares (In Thousands)	Amount (Note 1)
TWM	<u>Listed Stocks</u> SYSTEX	Investment accounted for using equity method	Note 2	-	-	\$ -	32,298	\$ 3,974,262	-	\$ -	\$ -	\$ -	32,298	\$ 3,988,617
TVC	<u>Unlisted Stocks</u> Fubon Green Power	Investment accounted for using equity method	-	Note 3	-	-	40,000	400,000	-	-	-	-	40,000	399,286
momo	Fubon Green Power	Investment accounted for using equity method	-	Note 3	-	-	20,000	200,000	-	-	-	-	20,000	199,643

Note 1: The ending balance included the relevant adjustments to share of loss of investments accounted for using equity method.

Note 2: Acquired from Hanmore Investment Corporation and Ching Pu Investment Corporation via block trade.

Note 3: Contributions to related party Fubon Green Power's capital increase.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
TWM	TFN	Subsidiary	Sale	\$ 118,028	-	Based on contract terms	-	-	\$ 31,175	-	Note 3
			Purchase	4,016,577	9	Based on contract terms	-	-	(515,715)	Note 2	Note 3
	TPIA	Subsidiary	Sale	170,024	-	Based on contract terms	-	-	89,226	1	
	TFNM	Subsidiary	Purchase	173,098	-	Based on contract terms	-	-	(51,444)	Note 2	
	momo	Subsidiary	Sale	1,920,436	3	Based on contract terms	-	-	253,831	3	
			Purchase	210,132	-	Based on contract terms	-	-	(26,513)	1	
TWM&TDS	Fubon Insurance	Other related party	Sale	232,374	-	Based on contract terms	-	-	57,956	1	
TNH	TWM	Parent	Sale	108,737	23	Based on contract terms	-	-	3,852	41	
TFN	TFC	Fellow subsidiary	Sale	116,681	2	Based on contract terms	-	-	26,485	2	
	TFNM	Fellow subsidiary	Sale	166,176	2	Based on contract terms	-	-	35,846	3	
	kbro	Other related party	Sale	318,824	4	Based on contract terms	-	-	71,048	6	
TT&T	TWM	Ultimate parent	Sale	850,399	92	Based on contract terms	-	-	99,509	92	
TPIA	Fubon Insurance	Other related party	Sale	287,463	97	Based on contract terms	-	-	150,156	97	
TFNM	YJCTV	Subsidiary	Channel leasing fee	269,781	9	Based on contract terms	Note 1	Note 1	-	-	
			Channel leasing fee	329,733	12	Based on contract terms	Note 1	Note 1	-	-	
			Channel leasing fee	160,668	6	Based on contract terms	Note 1	Note 1	-	-	
			Channel leasing fee	121,101	4	Based on contract terms	Note 1	Note 1	-	-	
MCTV	Dai-Ka	Other related party	Royalty for copyright	100,808	46	Based on contract terms	-	-	(78,406)	90	
momo	FSL	Subsidiary	Purchase	925,714	1	Based on contract terms	-	-	(214,894)	2	
	MFS	Subsidiary	Purchase	126,833	-	Based on contract terms	-	-	(17,305)	-	

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.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss	
					Amount	Action Taken			
TWM	momo	Subsidiary	Notes and accounts receivable	\$ 253,831	9.23	\$ -	-	\$ 252,000	\$ -
			Other receivables	91,213		-	-	12,906	-
TCC	TWM	Parent	Other receivables	392,873		-	-	-	-
WMT	TWM	Parent	Other receivables	4,497,929		-	-	-	-
	WTVB	Subsidiary	Other receivables	110,975		-	-	975	-
	TFNM	Subsidiary	Other receivables	602,009		-	-	100,335	-
TFN	TWM	Ultimate parent	Notes and accounts receivable	524,394	10.62	-	-	474,786	-
			Other receivables	10,326,569		-	-	62,794	-
TPIA	Fubon Insurance	Other related party	Notes and accounts receivable	150,156	2.91	-	-	63,219	-
TT&T	TWM	Ultimate parent	Notes and accounts receivable	99,509	12.35	-	-	99,509	-
			Other receivables	1,718		-	-	825	-
YJCTV	TFNM	Parent	Notes and accounts receivable	5,729	7.13	-	-	3,700	-
			Other receivables	100,463		-	-	100,001	-
PCTV	TFNM	Parent	Notes and accounts receivable	6,415	7.23	-	-	4,078	-
			Other receivables	447,110		-	-	445,035	-
UCTV	TFNM	Parent	Notes and accounts receivable	4,874	6.72	-	-	3,230	-
			Other receivables	402,320		-	-	400,001	-
GCTV	TFNM	Parent	Notes and accounts receivable	2,643	6.98	-	-	1,661	-
			Other receivables	251,155		-	-	250,001	-
momo	TFCB	Other related party	Notes and accounts receivable	145,272	Note 1	-	-	143,551	-
			Other receivables	240,966		-	-	240,966	-
FSL	momo	Parent	Notes and accounts receivable	215,407	5	-	-	212,239	-

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEEES ON WHICH TWM EXERCISED SIGNIFICANT INFLUENCE
(EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance at the End of the Period			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				September 30, 2024	December 31, 2023	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
TWM	TCC	Taiwan	Investment	\$ 40,397,288	\$ 40,397,288	502,970	100	\$ 19,596,355	\$ 2,884,271	\$ 2,884,689	Note 1
	WMT	Taiwan	Investment	16,871,894	16,871,894	42,065	100	22,586,076	2,447,231	2,446,828	Note 1
	TVC	Taiwan	Investment	4,975,000	4,975,000	512,260	100	5,296,986	(64,670)	(64,670)	
	TNH	Taiwan	Building and operating Songshan Cultural and Creative Park BOT project	1,918,655	1,918,655	191,866	49.9	1,986,982	110,974	57,429	Note 1
	FSD	Taiwan	Virtual asset platform and transaction service provider	35,000	30,000	3,500	100	(263)	(8,515)	(10,417)	Note 1
	TPC	Taiwan	Information software service	100,000	100,000	10,000	100	84,191	(14,913)	(14,913)	
	FSNR	Taiwan	Branding agency and retail sales	100,000	100,000	10,000	100	74,198	(18,566)	(25,655)	Note 1
	SYSTEX	Taiwan	Information service	3,974,262	-	32,298	11.86	3,988,617	1,575,070	14,355	Note 2
	AppWorks	Taiwan	Venture capital, investment consulting, and management consulting	235,000	235,000	2,168	51	244,212	(14,517)	(8,050)	Note 1
	NADA	Taiwan	Animation production	50,000	50,000	1,667	6.7	27,779	(29,604)	(3,150)	Note 1
	Tropics	Taiwan	Animation investment, production, and distribution	16,000	-	1,600	20	16,189	(3,944)	(688)	
TCC	TFN	Taiwan	Fixed line service provider	21,000,000	21,000,000	2,100,000	100	59,154,591	2,617,647	-	Note 3
	TT&T	Taiwan	Call center service and telephone marketing	56,210	56,210	2,484	100	102,969	43,498	-	Note 3
	TWM Holding	British Virgin Islands	Investment	347,951	347,951	-	100	259,621	14,346	-	Note 3 and 4
	TCCI	Taiwan	Investment	17,285,441	17,285,441	154,721	100	31,485,621	2,750	-	Note 3
	TDS	Taiwan	Commissioned maintenance services	25,000	25,000	2,500	100	101,854	7,462	-	Note 3
	TPIA	Taiwan	Property insurance agent	5,000	5,000	500	100	95,396	85,396	-	Note 3
	TFC	Taiwan	Cloud and information services	200,000	200,000	24,000	100	266,838	20,136	-	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	6,387,108	1,435,446	-	Note 3
WMT	GFMT	Taiwan	Investment	16,984	16,984	1,500	100	17,273	(22)	-	Note 3
	GWMT	Taiwan	Investment	92,189	92,189	8,945	100	96,756	955	-	Note 3
	WTVB	Taiwan	TV program provider	222,417	222,417	18,177	100	291,113	5,156	-	Note 3
	momo	Taiwan	Wholesale, retail, and retail sale no storefront	8,129,394	8,129,394	113,598	45.01	10,570,355	2,343,358	-	Note 3 and 5
	TVC	Taiwan	Film production	11,300	11,300	1,130	100	11,300	(18)	-	Note 3
TVC	AppWorks Fund III	Taiwan	Venture capital	583,292	583,292	57,877	20.14	592,094	(116,343)	-	Note 3
	NADA	Taiwan	Animation production	60,000	60,000	4,286	17.22	93,478	(29,604)	-	Note 3
	AppWorks Fund IV	Taiwan	Venture capital	292,810	249,200	-	21.01	256,830	(21,499)	-	Note 3 and 6
	Uspace	Taiwan	Information software service	310,030	200,030	7,212	32.4	291,650	(69,954)	-	Note 3
	WeMo TW	Taiwan	Rental and leasing	64,000	-	6,400	28.13	63,323	(25,366)	-	Note 3
	Fubon Green Power	Taiwan	Energy technical services	400,000	-	40,000	10	399,286	(7,155)	-	Note 3 and 7
	TFN	Taiwan	Investment	22,314,609	22,314,609	400	100	41,579,334	(173)	-	Note 3
TCCI	Taiwan	Investment	3,603,149	3,603,149	104,712	100	8,876,968	3,616	-	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
				September 30, 2024	December 31, 2023	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
TWMFM	SFF	Taiwan	Film production	\$ 300	\$ 300	30	100	\$ 270	\$ (57)	\$ -	Note 3
TFNM	YJCTV	Taiwan	Cable TV service provider	2,355,998	2,355,998	33,940	100	1,725,964	8,157	-	Note 3
	MCTV	Taiwan	Cable TV service provider	510,724	510,724	6,248	29.53	621,187	16,065	-	Note 3 and 8
	PCTV	Taiwan	Cable TV service provider	3,261,073	3,261,073	68,090	100	3,441,003	83,615	-	Note 3
	UCTV	Taiwan	Cable TV service provider	1,986,250	1,986,250	169,141	99.22	2,029,374	11,468	-	Note 3
	GCTV	Taiwan	Cable TV service provider	1,221,002	1,221,002	51,733	92.38	1,262,362	15,849	-	Note 3
	kbro Media	Taiwan	Film distribution, arts and literature services, and entertainment	341,250	341,250	14,103	33.58	59,683	(678)	-	Note 3
	M.E.	Taiwan	Livestreaming artists management services and digital media production	30,628	30,628	537	11.33	32,660	16,844	-	Note 3
GFMT	UCTV	Taiwan	Cable TV service provider	16,218	16,218	1,300	0.76	15,601	11,468	-	Note 3
GWMT	GCTV	Taiwan	Cable TV service provider	91,910	91,910	3,825	6.83	95,320	15,849	-	Note 3
momo	Asian Crown (BVI)	British Virgin Islands	Investment	885,285	885,285	9,735	81.99	13,468	520	-	Note 3
	Honest Development	Samoa	Investment	670,448	670,448	21,778	100	426,026	(7,442)	-	Note 3
	FI	Taiwan	Comprehensive insurance agent	8,000	3,000	1,000	100	15,614	786	-	Note 3
	FST	Taiwan	Travel agent	6,000	6,000	3,000	100	51,230	8,496	-	Note 3
	Bebe Poshe	Taiwan	Wholesale of cosmetics	102,763	98,965	9,610	96.1	31,067	769	-	Note 3
	FSL	Taiwan	Logistics and transport	250,000	250,000	25,000	100	335,398	58,108	-	Note 3
	MFS	Taiwan	Wholesaling	100,000	100,000	10,000	100	114,042	12,612	-	Note 3
	Prosperous Living	Taiwan	Wholesale and retail sales	220,850	220,850	22,085	73.62	223,411	2,271	-	Note 3
	SK Biomedical	Taiwan	Wholesale and retail sales	6,000	-	600	20	5,838	(941)	-	Note 3
	Fubon Green Power	Taiwan	Energy technical services	200,000	-	20,000	5	199,643	(7,155)	-	Note 3 and 7
Asian Crown (BVI)	Fortune Kingdom	Samoa	Investment	1,132,789	1,132,789	11,594	100	11,819	366	-	Note 3
Fortune Kingdom	HK Fubon Multimedia	Hong Kong	Investment	1,132,789	1,132,789	11,594	100	11,819	366	-	Note 3
Honest Development	HK Yue Numerous	Hong Kong	Investment	670,448	670,448	16,600	100	426,024	(7,052)	-	Note 3

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

Note 2: Acquired in September 2024.

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: Held 1 share as of period end.

Note 5: Material non-controlling interests.

Note 6: Percentage of ownership is the percentage of capital contribution.

Note 7: Acquired in June 2024.

Note 8: 70.47% of stocks are held under trustee accounts.

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars)

Number	Company Name	Counterparty	Nature of Relationship (Note 1)	Transaction Details			
				Account	Amount	Transaction Terms (Note 2)	Percentage of Consolidated Total Operating Revenue or Total Assets
0	TWM	TFN	1	Notes and accounts receivable	\$ 31,643	-	-
		TPIA	1	Notes and accounts receivable	89,226	-	-
		momo	1	Notes and accounts receivable	253,831	-	-
		TFN	1	Other receivables	36,800	-	-
		momo	1	Other receivables	91,213	-	-
		TNH	1	Other non-current assets	19,969	-	-
		TFNM	1	Other non-current assets	24,990	-	-
		TCC	1	Short-term borrowings	392,000	-	-
		WMT	1	Short-term borrowings	4,490,000	-	2%
		TFN	1	Short-term borrowings	10,233,000	-	4%
		TFN	1	Notes and accounts payable	100,133	-	-
		TFNM	1	Notes and accounts payable	51,233	-	-
		momo	1	Notes and accounts payable	26,513	-	-
		TFN	1	Other payables	485,543	-	-
		TT&T	1	Other payables	101,226	-	-
		TDS	1	Other payables	18,015	-	-
		momo	1	Other payables	28,749	-	-
		TNH	1	Lease liabilities (current and non-current)	573,943	-	-
		TFN	1	Lease liabilities (current and non-current)	60,644	-	-
		YJCTV	1	Lease liabilities (current and non-current)	15,916	-	-
		GCTV	1	Lease liabilities (current and non-current)	10,306	-	-
		TFN	1	Other current liabilities	31,866	-	-
		momo	1	Other current liabilities	30,439	-	-
		TFN	1	Operating revenue	118,028	-	-
		TPIA	1	Operating revenue	170,024	-	-
		TFNM	1	Operating revenue	12,794	-	-
momo	1	Operating revenue	1,920,436	-	1%		

Number	Company Name	Counterparty	Nature of Relationship (Note 1)	Transaction Details					
				Account	Amount	Transaction Terms (Note 2)	Percentage of Consolidated Total Operating Revenue or Total Assets		
0	TWM	TFN	1	Operating costs	\$ 4,016,577	-	3%		
		TDS	1	Operating costs	50,272	-	-		
		FSNR	1	Operating costs	27,707	-	-		
		TFNM	1	Operating costs	173,098	-	-		
		YJCTV	1	Operating costs	12,153	-	-		
		momo	1	Operating costs	210,132	-	-		
		TFN	1	Operating expenses	28,430	-	-		
		TT&T	1	Operating expenses	849,180	-	1%		
		TFN	1	Other income and expenses, net	32,274	-	-		
		WMT	1	Finance costs	59,661	-	-		
		TFN	1	Finance costs	141,269	-	-		
		1	WMT	TFNM	1	Other receivables	602,009	-	-
				WTVB	1	Other receivables	110,975	-	-
2	TNH	TWM	2	Operating revenue	108,737	-	-		
3	TFN	TFC	3	Notes and accounts receivable	26,485	-	-		
		TFNM	3	Notes and accounts receivable	35,846	-	-		
		TWM	2	Lease liabilities (current and non-current)	90,413	-	-		
		TWM	2	Lease revenue	28,221	-	-		
		TFC	3	Operating revenue	116,681	-	-		
		TFNM	3	Operating revenue	166,176	-	-		
		momo	3	Operating revenue	55,209	-	-		
		TT&T	3	Operating expenses	76,572	-	-		
		4	FSNR	momo	3	Notes and accounts receivable	10,091	-	-
				momo	3	Operating revenue	19,387	-	-
5	TFNM	YJCTV	1	Other receivables	46,517	-	-		
		MCTV	1	Other receivables	21,479	-	-		
		PCTV	1	Other receivables	53,573	-	-		
		UCTV	1	Other receivables	36,438	-	-		
		GCTV	1	Other receivables	21,379	-	-		
		YJCTV	1	Short-term borrowings	100,000	-	-		
		PCTV	1	Short-term borrowings	445,000	-	-		
		UCTV	1	Short-term borrowings	400,000	-	-		
		GCTV	1	Short-term borrowings	250,000	-	-		
		WTVB	3	Notes and accounts payable	30,012	-	-		
		TFN	3	Lease liabilities (current and non-current)	97,174	-	-		
		YJCTV	1	Operating revenue	295,213	-	-		
		PCTV	1	Operating revenue	359,518	-	-		
		UCTV	1	Operating revenue	160,668	-	-		
		GCTV	1	Operating revenue	132,432	-	-		
momo	3	Operating revenue	26,772	-	-				

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
5	TFNM	WTVB	3	Operating costs	\$ 28,940	-	-
		YJCTV	1	Operating costs	27,365	-	-
		PCTV	1	Operating costs	31,657	-	-
		UCTV	1	Operating costs	19,896	-	-
		GCTV	1	Operating costs	12,721	-	-
6	WTVB	TFN	3	Lease liabilities (current and non-current)	25,551	-	-
7	MCTV	TFNM	2	Operating revenue	10,047	-	-
8	PCTV	TWM	2	Operating revenue	10,090	-	-
9	UCTV	TFN	3	Operating revenue	13,645	-	-
10	momo	FSL	1	Notes and accounts payable	214,894	-	-
		MFS	1	Notes and accounts payable	17,305	-	-
		TWM	2	Lease liabilities (current and non-current)	20,987	-	-
		Bebe Poshe	1	Operating costs	21,505	-	-
		FSL	1	Operating costs	925,714	-	1%
		MFS	1	Operating costs	126,833	-	-
		Prosperous Living	1	Operating costs	19,380	-	-

Note 1: 1. Parent to subsidiary.

2. Subsidiary to parent.

3. Between subsidiaries.

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

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars and Foreign Currencies)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (Note 1)	Accumulated Outflow of Investment from Taiwan at the Beginning of the Period	Investment Flows		Accumulated Outflow of Investment from Taiwan at the End of the Period	Net Income (Loss) of Investee	% Ownership through Direct or Indirect Investment	Investment Income (Loss)	Carrying Value at the End of the Period	Accumulated Inward Remittance of Earnings at the End of the Period	Note
					Outflow	Inflow							
TWMC	Data communication application development	\$ -	b	\$ 154,390 (USD 4,872)	\$ -	\$ -	\$ 154,390 (USD 4,872)	\$ 116	-	\$ 116	\$ -	\$ -	Note 2
FGE	Wholesaling	351,155 (RMB 77,500)	b	848,131 (USD 14,000) (RMB 89,267)	-	-	848,131 (USD 14,000) (RMB 89,267)	(14)	76.7	(11)	2,392	-	Note 3
Haobo	Investment	49,841 (RMB 11,000)	b	-	-	-	-	(4,796)	100	(4,796)	417,447	-	Note 4
GHS	Wholesaling	226,551 (RMB 50,000)	b	-	-	-	-	(20,392)	20	(5,222)	414,504	61,182 (RMB 13,503)	Note 4

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 5)
TWM and subsidiaries	\$ 1,688,981 (USD18,872, RMB89,267 and HKD168,539)	\$ 1,688,981 (USD18,872, RMB89,267 and HKD168,539)	\$ 53,749,060

Note 1: The investment types are as follows:

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

Note 2: The liquidation was completed in August 2024, and the remaining funds were remitted back to the parent company TWM Holding.

Note 3: The legal cancellation process was completed, and the liquidation process was still in progress.

Note 4: Earnings amounting to RMB13,503 thousand were remitted back to momo.

Note 5: The upper limit on investment in mainland China is calculated by 60% of the consolidated net worth.

TABLE 10

TAIWAN MOBILE CO., LTD.
INFORMATION OF MAJOR STOCKHOLDERS
SEPTEMBER 30, 2024

Name of Major Stockholder	Shares	
	Number of Shares	Percentage of Ownership (%)
TUI	410,665,284	11.03
TCCI	200,496,761	5.38
Fuh Hwa Taiwan Technology Dividend Highlight ETF	194,014,000	5.21

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