Taiwan Mobile Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2024 and 2023 and Independent Auditors' Report

REPRESENTATION LETTER

The entities that are required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2024 are all the same as those included in the consolidated financial statements of Taiwan Mobile Co., Ltd. and its subsidiaries prepared in conformity with the International Financial Reporting Standard 10 "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates is included in the consolidated financial statements of Taiwan Mobile Co., Ltd. and its subsidiaries. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

TAIWAN MOBILE CO., LTD.

By

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Daniel M. Tsai
Chairman

February 27, 2025

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Taiwan Mobile Co., Ltd. and its subsidiaries (collectively, the "Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China (ROC).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The descriptions of the key audit matters of the 2024 consolidated financial statements are as follows:

<u>Telecommunications and Value-added Services Revenue</u>

The description of key audit matter:

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

Corresponding audit procedures:

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

1. Review the contracts of mobile subscribers to ensure the accuracy of information in the accounting system.

2. Perform dialing tests and data usage tests to verify the completeness of the information in the telephone exchange system.

3. Perform system integration and test data usage from telephone-exchange to telephone traffic.

4. Test for the accuracy of call record charge rates, data usage and billing calculations.

5. Verify the accuracy of the billing amounts generated from monthly rentals, data usage as well as airtime accounting systems and the transfer to the accounting information system.

6. Select the samples from telecommunications and value-added services revenue and agree to the contracts, bills and records of cash receipts.

Sales Revenue

The description of key audit matter:

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

Corresponding audit procedures:

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

1. Verify the details of invoices in the system to check if the sales amount of each invoice is consistent with its shipping notice and sales order.

2. Confirm the completeness and consistency of transmission through IT system by testing the information transferred from front-end system to general ledger system, and further perform tests on whether the Daily Sales Report in the system is consistent with journal entries of revenue each day.

Other Matter

We have also audited the parent company only financial statements of Taiwan Mobile Co., Ltd. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 27, 2025

Notice to Readers

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

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2024 Amount	%	December 31, 2023 Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 31)	$ 11,945,684	5	$ 13,244,266	5
Financial assets at fair value through profit or loss	11,008	-	11,283	-
Financial assets at fair value through other comprehensive income (Note 7)	268,591	-	261,445	-
Financial assets at amortized cost	161,088	-	151,144	-
Contract assets (Note 22)	6,780,457	3	6,100,164	3
Notes and accounts receivable, net (Note 8)	8,943,620	4	9,128,414	4
Notes and accounts receivable due from related parties (Note 31)	485,806	-	589,232	-
Other receivables (Note 31)	3,878,136	2	4,464,950	2
Inventories (Note 9)	8,833,607	3	8,193,068	4
Prepayments (Note 31)	996,620	-	1,030,527	-
Disposal groups held for sale	-	-	3,082	-
Other financial assets (Notes 31 and 32)	2,143,075	1	786,371	-
Other current assets	194,780	-	194,218	-
Total current assets	44,642,472	18	44,158,164	18
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss	1,985,440	1	1,821,715	1
Financial assets at fair value through other comprehensive income (Note 7)	4,123,016	2	5,530,350	2
Financial assets at amortized cost	95,154	-	236,697	-
Contract assets (Note 22)	7,237,271	3	5,811,221	2
Investments accounted for using equity method (Notes 10 and 31)	6,728,977	3	1,793,865	1
Property, plant and equipment (Notes 12 and 31)	51,800,440	21	50,676,171	21
Right-of-use assets (Notes 13 and 31)	11,187,400	5	13,746,288	6
Investment properties (Note 14)	2,122,869	1	2,182,504	1
Concessions (Notes 15 and 32)	66,394,968	28	72,238,167	30
Goodwill (Note 15)	33,228,022	14	33,228,022	14
Other intangible assets (Note 15)	5,821,933	2	5,947,084	2
Deferred tax assets (Note 24)	895,607	-	730,251	-
Incremental costs of obtaining a contract (Note 22)	2,616,905	1	2,492,742	1
Net defined benefit assets (Note 20)	178,347	-	-	-
Other financial assets (Notes 31 and 32)	383,141	-	427,014	-
Other non-current assets (Notes 16 and 31)	1,985,203	1	1,944,106	1
Total non-current assets	196,784,693	82	198,806,197	82
TOTAL	$ 241,427,165	100	$ 242,964,361	100

LIABILITIES AND EQUITY	December 31, 2024 Amount	%	December 31, 2023 Amount	%
CURRENT LIABILITIES				
Short-term borrowings (Note 17)	$ 19,290,000	8	$ 18,460,000	8
Short-term notes and bills payable (Note 17)	5,092,920	2	12,876,257	5
Contract liabilities (Note 22)	2,677,430	1	2,608,499	1
Notes payable	41,825	-	232,394	-
Accounts payable	13,216,791	6	13,245,827	5
Notes and accounts payable due to related parties (Note 31)	238,742	-	131,492	-
Other payables (Note 31)	12,635,036	5	11,943,612	5
Current tax liabilities	2,540,389	1	2,274,634	1
Provisions (Note 19)	159,460	-	461,400	-
Lease liabilities (Notes 13, 28 and 31)	3,855,097	2	5,785,690	2
Advance receipts	141,697	-	94,817	-
Long-term liabilities, current portion (Notes 17 and 18)	17,319,823	7	3,713,406	2
Other current liabilities (Note 31)	4,561,537	2	3,900,314	2
Total current liabilities	81,770,747	34	75,728,342	31
NON-CURRENT LIABILITIES				
Contract liabilities (Note 22)	126,023	-	409,315	-
Bonds payable (Note 18)	25,984,823	11	37,980,333	16
Long-term borrowings (Note 17)	24,667,728	10	20,118,833	8
Provisions (Note 19)	1,611,622	1	1,486,571	1
Deferred tax liabilities (Note 24)	1,374,971	1	1,393,052	-
Lease liabilities (Notes 13, 28 and 31)	7,422,099	3	7,978,053	3
Net defined benefit liabilities (Note 20)	72,186	-	58,013	-
Guarantee deposits	1,352,324	-	1,425,121	1
Other non-current liabilities	3,116,248	1	3,002,574	1
Total non-current liabilities	65,728,024	27	73,851,865	30
Total liabilities	147,498,771	61	149,580,207	61
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 21)				
Common stock	37,232,618	16	37,232,618	15
Capital surplus	29,337,376	12	31,302,785	13
Retained earnings				
Legal reserve	34,716,971	14	33,498,727	14
Unappropriated earnings	13,966,321	6	12,182,646	5
Other equity interests	(135,582)	-	324,116	-
Treasury stock	(29,717,344)	(12)	(29,717,344)	(12)
Total equity attributable to owners of the Corporation	85,400,360	36	84,823,548	35
NON-CONTROLLING INTERESTS	8,528,034	3	8,560,606	4
Total equity	93,928,394	39	93,384,154	39
TOTAL	$ 241,427,165	100	$ 242,964,361	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)

	2024 Amount	2024 %	2023 Amount	2023 %
OPERATING REVENUES (Notes 22, 31 and 38)	$ 199,373,905	100	$ 183,347,825	100
OPERATING COSTS (Notes 9, 31, 35 and 38)	159,678,771	80	148,585,572	81
GROSS PROFIT FROM OPERATIONS	39,695,134	20	34,762,253	19
OPERATING EXPENSES (Notes 31, 35 and 38)				
Marketing	12,504,762	6	10,922,321	6
Administrative	7,067,814	4	6,382,548	4
Research and development	682,128	-	511,574	-
Expected credit loss	392,311	-	269,969	-
Total operating expenses	20,647,015	10	18,086,412	10
OTHER INCOME AND EXPENSES, NET (Note 31)	1,202,357	-	868,863	1
OPERATING INCOME (Note 38)	20,250,476	10	17,544,704	10
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 31)	296,450	-	228,425	-
Other income (Note 23)	864,660	-	36,018	-
Other gains and losses, net (Note 23)	(135,670)	-	742,881	-
Finance costs (Notes 23 and 31)	(1,718,091)	-	(1,029,247)	-
Share of loss of associates accounted for using equity method (Note 10)	(25,785)	-	(51,417)	-
Total non-operating income and expenses	(718,436)	-	(73,340)	-
PROFIT BEFORE TAX	19,532,040	10	17,471,364	10
INCOME TAX EXPENSE (Note 24)	3,736,495	2	3,136,360	2
NET PROFIT	15,795,545	8	14,335,004	8
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 10, 20, 21 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements of defined benefit plans	105,330	-	17,496	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(629,816)	-	(3,456)	-
Share of other comprehensive income (loss) of associates accounted for using equity method	109,024	-	(47,000)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation	18,745	-	(12,313)	-
Share of other comprehensive income (loss) of associates accounted for using equity method	13,333	-	(4,844)	-
Other comprehensive loss (after tax)	(383,384)	-	(50,117)	-
TOTAL COMPREHENSIVE INCOME	$ 15,412,161	8	$ 14,284,887	8
NET PROFIT ATTRIBUTABLE TO:				
Owners of the parent	$ 13,816,716	7	$ 12,274,109	7
Non-controlling interests	1,978,829	1	2,060,895	1
	$ 15,795,545	8	$ 14,335,004	8
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent	$ 13,421,817	7	$ 12,221,272	7
Non-controlling interests	1,990,344	1	2,063,615	1
	$ 15,412,161	8	$ 14,284,887	8
EARNINGS PER SHARE (Note 25)				
Basic earnings per share	$ 4.57		$ 4.33	
Diluted earnings per share	$ 4.56		$ 4.32	

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										
			Retained Earnings			Other Equity Interests					
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Stock	Total	Non-controlling Interests	Total Equity
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 year ended December 31, 2023	-	-	-	-	12,274,109	-	-	-	12,274,109	2,060,895	14,335,004
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	17,523	(10,357)	(60,003)	-	(52,837)	2,720	(50,117)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	12,291,632	(10,357)	(60,003)	-	12,221,272	2,063,615	14,284,887
Shares issued for pursuant to acquisitions	2,040,282	18,190,446	-	-	-	-	-	-	20,230,728	-	20,230,728
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(106,262)	-	106,262	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	-	(2,928)	-	-	-	(2,928)	(5,157)	(8,085)
Changes in equity of associates accounted for using equity method	-	4,721	-	-	-	-	-	-	4,721	-	4,721
Reorganization	-	24,832	-	-	-	-	-	-	24,832	(39,028)	(14,196)
Other changes in capital surplus	-	2,240	-	-	-	-	-	-	2,240	-	2,240
Cash dividends for non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	(1,838,848)	(1,838,848)
BALANCE, DECEMBER 31, 2023	37,232,618	31,302,785	33,498,727	-	12,182,646	(38,219)	362,335	(29,717,344)	84,823,548	8,560,606	93,384,154
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 year ended December 31, 2024	-	-	-	-	13,816,716	-	-	-	13,816,716	1,978,829	15,795,545
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	106,119	20,077	(521,095)	-	(394,899)	11,515	(383,384)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	13,922,835	20,077	(521,095)	-	13,421,817	1,990,344	15,412,161
Transfer and disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	46,840	-	41,320	-	88,160	-	88,160
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	-	(3,604)	-	-	-	(3,604)	(6,431)	(10,035)
Changes in equity of associates accounted for using equity method	-	74,569	-	-	-	-	-	-	74,569	-	74,569
Other changes in capital surplus	-	1,264	-	-	-	-	-	-	1,264	-	1,264
Cash dividends for non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	(2,016,485)	(2,016,485)
BALANCE, DECEMBER 31, 2024	$ 37,232,618	$ 29,337,376	$ 34,716,971	$ -	$ 13,966,321	$(18,142)	$(117,440)	$(29,717,344)	$ 85,400,360	$ 8,528,034	$ 93,928,394

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)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	$ 19,532,040	$ 17,471,364
Adjustments for:		
Depreciation expense	15,599,267	13,320,669
Amortization expense	6,670,347	4,923,357
Amortization of incremental costs of obtaining a contract	1,871,831	1,415,345
Loss on disposal and retirement of property, plant and equipment, net	193,905	89,201
Gain on disposal of property, plant and equipment held for sale	(4,545)	-
Expected credit loss	392,311	269,969
Other income and expenses	(916,514)	(585,406)
Finance costs	1,718,091	1,029,247
Interest income	(296,450)	(228,425)
Dividend income	(859,809)	(30,723)
Valuation gain on financial assets at fair value through profit or loss	(49,167)	(215,886)
Share of loss of associates accounted for using equity method	25,785	51,417
Net loss on disposal of investments accounted for using equity method	1,872	312
Gain on disposal of subsidiary	-	(707,953)
Impairment loss on non-financial assets	99,893	83,158
Others	(79,203)	(5,277)
Changes in operating assets and liabilities		
Contract assets	(2,126,828)	(816,507)
Notes and accounts receivable	(153,550)	(454,053)
Notes and accounts receivable due from related parties	103,426	(12,472)
Other receivables	719,602	(964,374)
Inventories	(640,524)	(41,458)
Prepayments	37,332	(457,043)
Other current assets	2,060	9,054
Other financial assets	(395,628)	(2,921)
Incremental costs of obtaining a contract	(1,995,994)	(1,513,728)
Contract liabilities	(214,361)	28,022
Notes payable	(190,569)	(532,846)
Accounts payable	(12,320)	(328,690)
Notes and accounts payable due to related parties	107,250	(1,658)
Other payables	(4,539)	151,554
Provisions	(241,167)	18,270
Advance receipts	46,710	(70,619)
Other current liabilities	661,223	372,495
Net defined benefit plans	(32,511)	(31,522)
Cash inflows generated from operating activities	39,569,266	32,231,873
Interest received	13,975	15,638
Interest paid	(1,972)	(1,716)
Income taxes paid	(3,536,157)	(3,188,286)
Net cash generated from operating activities	36,045,112	29,057,509

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

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

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	$(11,030,847)	$(8,519,575)
Acquisition of right-of-use assets	(23,890)	(22,777)
Acquisition of intangible assets	(530,389)	(307,824)
Increase in prepayments for equipment	(588,016)	(233,075)
Proceeds from disposal of property, plant and equipment	60,126	82,347
Proceeds from disposal of property, plant and equipment held for sale	10,224	-
Increase in advance receipts from asset disposals	170	126
Net cash inflows from business combination	-	1,742,723
Acquisition of financial assets at fair value through profit or loss	(133,440)	(434,517)
Acquisition of financial assets at fair value through other comprehensive income	(63,720)	(799,701)
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	729,097	-
Proceeds from financial assets at amortized cost	162,600	-
Acquisition of investments accounted for using equity method	(4,845,022)	(194,200)
Increase in prepayments for investment	(48,632)	-
Disposal of subsidiary	-	437,886
Other investing activities	1,094,947	960,408
Increase in refundable deposits	(315,134)	(288,815)
Decrease in refundable deposits	394,330	402,140
Increase in other financial assets	(1,329,107)	(330,562)
Decrease in other financial assets	416,211	178,159
Increase in other non-current assets	-	(55)
Interest received	262,440	205,780
Dividends received from associates	-	1,673
Other dividends received	860,918	30,723
Net cash used in investing activities	(14,897,978)	(7,072,937)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	830,000	(20,538,575)
Increase (decrease) in short-term notes and bills payable	(7,768,472)	7,725,167
Proceeds from issuance of bonds	1,997,415	6,492,645
Repayment of bonds	-	(6,000,000)
Proceeds from long-term borrowings	8,048,822	11,683,075
Repayment of long-term borrowings	(3,905,777)	(3,748,697)

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

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

	2024	2023
Repayment of the principal portion of lease liabilities	$(5,104,044)	$(4,410,906)
Increase in guarantee deposits received	147,673	233,997
Decrease in guarantee deposits received	(223,931)	(174,860)
Cash dividends paid (including paid to non-controlling interests)	(15,021,812)	(13,966,853)
Interest paid	(1,435,664)	(960,370)
Acquisition of ownership interests in subsidiaries	(10,035)	(8,085)
Net cash used in financing activities	(22,445,825)	(23,673,462)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	109	(1,584)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,298,582)	(1,690,474)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	13,244,266	14,934,740
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	$ 11,945,684	$ 13,244,266

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 YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

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

TWM received a second-generation mobile telecommunications concession operation license issued by the Directorate General of Telecommunications (DGT) of the ROC. The license allows TWM to provide services for 15 years from 1997 onwards. The 2G concession license had been renewed by the National Communications Commission (NCC) and expired on June 30, 2017. TWM received a third-generation concession license issued by the DGT in March 2005, and the 3G concession license expired on December 31, 2018. TWM participated in the mobile spectrum auctions held by NCC for the need of long-term business development and from April 2014 to June 2018 acquired the concession licenses for the fourth-generation mobile broadband spectrum in the 700MHz, 1800MHz and 2100MHz frequency bands separately, and the aforementioned licenses are valid until December 2030 and December 2033, respectively. In June 2020, TWM acquired the concession licenses for the fifth-generation mobile broadband spectrum in the 3500MHz and 28000MHz frequency bands, and the aforementioned licenses are valid until December 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 February 27, 2025.

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

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

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments 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 and interpretations 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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
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 9 and IFRS 7 "Contracts Referencing Nature - dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

IFRS 18 "Presentation and Disclosure in Financial Statements"

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as 'other' only if it cannot find a more informative label.

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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 IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of Preparation

1) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value and net defined benefit liabilities (assets) which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

2) Functional and presentation currency

The functional currency of each individual consolidated entity is determined based on the primary economic environment in which the entity operates. The Group's consolidated financial statements are presented in New Taiwan dollars (NTD), which is TWM's functional currency.

c. Basis of Consolidation

1) Principles for preparation of the consolidated financial statements

The consolidated financial statements incorporate the financial statements of TWM and its controlled entities (the subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective dates of acquisitions or to the effective dates of disposals, as appropriate. The comprehensive income from subsidiaries is allocated to TWM and its non-controlling interests, even if the non-controlling interests have a deficit balance.

Changes in the ownership of a subsidiary that do not result in loss of control are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of TWM.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between:

a) The aggregate of the fair value of consideration received and the fair value of any retained interest at the date when control is lost; and

b) The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest.

The Group shall account for all amounts recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the Group had directly disposed of the related assets and liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate.

Financial statements of subsidiaries are adequately adjusted to align their accounting policies with those of the Group.

Transactions and balances, and any income and expenses arising from intra-group transactions were eliminated during the preparation of the consolidated financial statements.

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

			Percentage of Ownership		
Investor	**Subsidiary**	**Main Business and Products**	**December 31, 2024**	**December 31, 2023**	**Note**
TWM	Taiwan Cellular Co., Ltd. (TCC)	Investment	100.00%	100.00%	Note 1
	Wealth Media Technology Co., Ltd. (WMT)	Investment	100.00%	100.00%	-
	TWM Venture Co., Ltd. (TVC)	Investment	-	100.00%	Note 2
	Taipei New Horizon Co., Ltd. (TNH)	Building and operating Songshan Cultural and Creative Park BOT project	49.90%	49.90%	-
	Fu Sheng Digital Co., Ltd. (FSD)	Virtual asset platform and transaction service provider	100.00%	100.00%	-
	TWM Power Co., Ltd. (TPC)	Information software services	100.00%	100.00%	-
	FullSynergy New Retail Co., Ltd. (FSNR)	Branding agency and retail sales	100.00%	100.00%	-
	Taiwan Mobile Film Co., Ltd. (TWMFM)	Film production	100.00%	-	Note 2
TCC	Taiwan Fixed Network Co., Ltd. (TFN)	Fixed-line service provider	100.00%	100.00%	Note 1
	Taiwan Teleservices & Technologies Co., Ltd. (TT&T)	Call center service and telephone marketing	100.00%	100.00%	-
	TWM Holding Co. Ltd. (TWM Holding)	Investment	100.00%	100.00%	Note 3
	TCC Investment Co., Ltd. (TCCI)	Investment	-	100.00%	Note 1
	Taiwan Digital Service Co., Ltd. (TDS)	Commissioned maintenance services	100.00%	100.00%	-
	Taihsin Property Insurance Agent Co., Ltd. (TPIA)	Property insurance agent	100.00%	100.00%	-
	Tai-Fu Cloud Technology Co., Ltd. (TFC)	Cloud and information services	100.00%	100.00%	-
	TCCI Investment and Development Co., Ltd. (TID)	Investment	100.00%	-	Note 1

Investor	Subsidiary	Main Business and Products	Percentage of Ownership December 31, 2024	Percentage of Ownership December 31, 2023	Note
WMT	TFN Media Co., Ltd. (TFNM)	Broadcasting and TV program distribution and investment in cable TV service providers, etc	100.00%	100.00%	-
	Global Forest Media Technology Co., Ltd. (GFMT)	Investment	100.00%	100.00%	-
	Global Wealth Media Technology Co., Ltd. (GWMT)	Investment	100.00%	100.00%	-
	Win TV Broadcasting Co., Ltd. (WTVB)	TV program provider	100.00%	100.00%	-
	momo.com Inc. (momo)	Wholesale, retail, and retail sale no storefront	45.01%	45.01%	-
TVC	TWMFM	Film production	-	100.00%	Note 2
TWMFM	Taiwan Stampede Franchise Film Co., Ltd. (SFF)	Film production	100.00%	100.00%	-
TFN	TFN Union Investment Co., Ltd. (TUI)	Investment	-	100.00%	Note 1
TWM Holding	TWM Communications (Beijing) Co., Ltd. (TWMC)	Data communication application development	-	100.00%	Note 3
TCCI	TID	Investment	-	100.00%	Note 1
TFNM	Yeong Jia Leh Cable TV Co., Ltd. (YJCTV)	Cable TV service provider	100.00%	100.00%	-
	Mangrove Cable TV Co., Ltd. (MCTV)	Cable TV service provider	29.53%	29.53%	Note 4
	Phoenix Cable TV Co., Ltd. (PCTV)	Cable TV service provider	100.00%	100.00%	-
	Union Cable TV Co., Ltd. (UCTV)	Cable TV service provider	99.22%	99.22%	-
	Globalview Cable TV Co., Ltd. (GCTV)	Cable TV service provider	92.38%	92.38%	-
GFMT	UCTV	Cable TV service provider	0.76%	0.76%	-
GWMT	GCTV	Cable TV service provider	6.83%	6.83%	-
momo	Asian Crown International Co., Ltd. (Asian Crown（BVI）)	Investment	81.99%	81.99%	-
	Honest Development Co., Ltd. (Honest Development)	Investment	100.00%	100.00%	-
	Fuli Insurance Agent Co., Ltd. (FI)	Comprehensive insurance agent	100.00%	100.00%	-
	Fu Sheng Travel Service Co., Ltd. (FST)	Travel agent	100.00%	100.00%	-
	Bebe Poshe International Co., Ltd. (Bebe Poshe)	Wholesale of cosmetics	100.00%	93.73%	Note 5
	Fu Sheng Logistics Co., Ltd. (FSL)	Logistics and transport	100.00%	100.00%	-
	MFS Co., Ltd. (MFS)	Wholesaling	100.00%	100.00%	-
	Prosperous Living Co., Ltd. (Prosperous Living)	Wholesale and retail sales	73.62%	73.62%	-
Asian Crown（BVI）	Fortune Kingdom Corporation (Fortune Kingdom)	Investment	100.00%	100.00%	-

Investor	Subsidiary	Main Business and Products	Percentage of Ownership December 31, 2024	Percentage of Ownership December 31, 2023	Note
Fortune Kingdom	Hong Kong Fubon Multimedia Technology Co., Ltd. (HK Fubon Multimedia)	Investment	100.00%	100.00%	-
Honest Development	Hongkong Yue Numerous Investment Co., Ltd. (HK Yue Numerous)	Investment	100.00%	100.00%	-
HK Yue Numerous	Haobo Information Consulting (Shenzhen) Co., Ltd. (Haobo)	Investment	100.00%	100.00%	-
HK Fubon Multimedia	Fubon Gehua (Beijing) Enterprise Ltd. (FGE)	Wholesaling	93.55%	93.55%	Note 6

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

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

As a result of the above mergers, the surviving companies assumed the TWM shares previously held by the dissolved companies. TCC, TFN, and TID collectively owned 698,752 thousand shares of TWM, representing 18.77% of the total shares outstanding as of December 31, 2024.

Note 2: TWM, in November 2024, was resolved by the Board of Directors to merge with its subsidiary, TVC, effective December 31, 2024. TWM was the surviving entity and acquired the equity interest of TWMFM.

Note 3: TWM Holding is in the process of liquidation; TWMC completed its liquidation in August 2024.

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

Note 5: During 2024, momo bought back minority interest of Bebe Poshe, resulting in the increase in its ownership.

Note 6: The legal cancellation process was completed, and the liquidation process was still in progress.

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

d. Foreign Currencies

Foreign currency transactions are recorded at the spot exchange rate on the date of the transaction. At the end of the reporting period (reporting date), foreign currency monetary items are reported using the closing rate. Exchange differences in the period on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

When preparing the consolidated financial statements, the assets and liabilities of foreign operations are translated to NTD using the exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated at the average exchange rate for the period. Exchange differences are recognized in other comprehensive income and accumulated in equity attributed to the owners of TWM and non-controlling interests as appropriate.

On the disposal of the Group's entire interest in a foreign operation, all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

e. 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 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) Liabilities for which the Group does not have the substantial right at the reporting date to defer settlement for at least 12 months after the reporting date.

f. Financial Instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheets when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

The Group adopts trade-date accounting to recognize and derecognize financial assets.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, Financial assets at amortized cost, and investments in equity instruments at fair value through other comprehensive income (FVTOCI).

i. Financial assets at FVTPL

Financial asset is classified as at FVTPL when the financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends and interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes and accounts receivable, other receivables, other financial assets, refundable deposits, etc., are measured at amortized cost, which equal to gross carrying amount determined by the effective interest method less any impairment loss, except for short-term receivables when the recognition of interest is immaterial. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments. If they do not meet the above definition, time deposits should be recognized as other current or non-current financial assets.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group’ s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses (ECLs) on financial assets at amortized cost (including receivables) and contract assets.

The loss allowances for receivables and contract assets are measured at an amount equal to lifetime ECLs. For other financial assets, when the credit risk on the financial instrument has not increased significantly since initial recognition, a loss allowance is recognized at an amount equal to 12-month ECLs. If, on the other hand, there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized at an amount equal to lifetime ECLs.

ECLs reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. Failure to meet the obligation associated with liabilities within the credit terms.

The Group recognizes an impairment loss in profit or loss for aforementioned financial instruments and contract assets with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes financial assets only when the contractual rights of the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of investments in equity instruments at FVTOCI, the cumulative gain or loss is directly transferred to retained earnings, and is not reclassified to profit or loss.

2) Equity instruments

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Recognition

Except for the financial liabilities measured at FVTPL, all financial liabilities, including loans and borrowings, commercial papers payable, bonds payable, notes and accounts payable, other payables, guarantee deposits received, etc., are measured at amortized cost calculated using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

g. Inventories

Inventories are measured at the lower of cost or net realizable value. Inventories are assessed item by item, except those with similar characteristics which are assessed collectively. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs or selling expenses. The weighted-average method is used in the calculation of cost.

h. Non-current Assets Held for Sale

The book value of non-current assets classified as held for sale is expected to be recovered primarily through sale. Being classified as held for sale, the assets should be available for immediate sale. Being available for immediate sale means the management is committed to a planned sale and the sale is highly probable within 12 months.

If the disposal leads to the loss of control over a subsidiary, the entire investment in that subsidiary is classified as held for sale. However, the equity method is still applied for accounting treatment. When the Group is committed to a sale plan involving the disposal of an investment or a portion of an investment in an associate, the investment or the portion of the investment that will be disposed of is classified as held for sale when the classification criteria are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale.

Assets classified as non-current assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell, and should not be depreciated.

i. Investment in Associates

An associate is an entity in which the Group has significant influence, but is neither a subsidiary nor an interest in a joint venture. The Group applies the equity method to account for its investments in associates.

Investments in associates are accounted for using equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses. Goodwill is not amortized. Any excess of the Group’s share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, is recognized immediately in profit or loss after reassessment. The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, which forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The consolidated financial statements include the Group’ s share of the profit or loss and other comprehensive income (loss) of equity-accounted investees, after adjustments to align their accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group’ s share of losses of an associate equals or exceeds its interest in that associate, the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

When the Group subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group’s proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group’s ownership interest is reduced due to its disproportionate subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group loses significant influence over an associate, it recognizes the investment retained in the former associate at its fair value at the date when significant influence is lost. The difference between the fair value of the investment plus consideration received and the carrying amount of the previous investment at the date when significant influence is lost is recognized as a gain or loss in profit or loss. Besides this, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

If the Group decreased the percentage of the ownership of associate due to disposal but still accounts for its investments in associate, it should reclassify the amount previously recognized in other comprehensive income to profit or loss proportionally.

When the Group transacts with its associates, profits and losses resulting from the transactions with the associates are recognized in the Group’ s consolidated financial statements only to the extent that interests in the associates are not related to the Group.

j. Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the asset, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and any borrowing cost that is eligible for capitalization.

Properties, plant and equipment in the course of construction are carried at cost, less any recognized impairment loss. The costs include professional service fee. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated with a separate depreciation rate or depreciation method.

The depreciable amount of an asset is determined after deducting its residual amount, and the net amount shall be allocated by the straight-line method over its useful life. Each significant item of property, plant and equipment shall be evaluated and depreciated separately if it possesses a different useful life. The depreciation charge for each period shall be recognized in profit or loss.

Land has an unlimited useful life and therefore is not depreciated. For the estimated useful lives, for the current and comparative years, of significant items of property, plant and equipment, see Note 12 to the consolidated financial statements for details.

Depreciation methods, useful lives, and residual values are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

k. Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases in which the lessee assumes substantially all of the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use assets arising from the head lease, not with reference to the underlying asset.

Under finance leases, the lease payments comprise fixed payments and in-substance fixed payments. The net investment in a lease is measured at the present value of the sum of the lease payments receivable by a lessor and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

Lease payments from operating leases are recognized on a straight-line basis over the terms of the relevant leases.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The entire lease is classified as an operating lease when it is clear that both elements are operating leases.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier dates of the end of the useful lives of the right-of-use assets or the end of the lease term.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments and variable lease payments which depend on an index. The lease payments are discounted using the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification, the Group accounts for the remeasurement of the lease liability by (a) adjusting the carrying amount of the right-of-use assets of lease modifications that adjust the scope and the term of the lease, and recognizes in profit or loss any gain or loss on the partial or full termination of the lease and (b) making a corresponding adjustment to the right-of-use assets of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index are recognized as expenses in the periods in which they are incurred.

l. Investment Properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties are measured at cost on initial recognition. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation methods, useful lives, and residual values are the same as plant, property and equipment.

m. Intangible Assets

1) Goodwill

Goodwill acquired in a business combination is recognized at the acquisition date, and is measured at cost less accumulated impairment losses.

2) Service concession agreement

The operator recognizes the right to charge users for a service as an intangible asset. The operator measures the intangible asset at fair value.

3) Other intangible assets

Other intangible assets that are acquired through business combinations or are internally developed are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets that are acquired through business combinations are measured at acquisition-date fair value, and recognized along with goodwill.

4) Amortization and derecognition of intangible assets

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and intangible assets with an indefinite useful life, from the date that they are available for use. For the estimated useful lives of intangible assets for the current and comparative periods, see Note 15 to the consolidated financial statements.

The amortization method, the amortization period, and the residual value for an intangible asset with a finite useful life shall be reviewed at each fiscal year-end, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

n. Incremental Costs of Obtaining a Contract

Only when a contract is obtained, sales commissions and subsidies of telecommunication, cable television and broadband services are recognized as incremental costs of obtaining a contract to the extent the amounts are expected to be recovered, and are amortized on a straight-line basis over the life of the contract. However, the Group elects not to capitalize the incremental costs of obtaining a contract if the amortization period of the assets that the Group otherwise would have recognized is expected to be one year or less.

o. Impairment of Non-financial Assets

1) Goodwill

Impairment of goodwill is required to be tested annually or more frequently whenever there is an indication that the unit may be impaired. Goodwill shall be allocated to each of the acquirer's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination. If the recoverable amount of the cash-generating unit is less than its carrying amount, the difference is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to the other assets of the cash generating unit pro rata based on the carrying amount of each asset in the cash generating unit. Any impairment loss for goodwill is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

2) Property, plant, and equipment, right-of-use assets, investment properties, intangible assets (excluding goodwill), and incremental costs of obtaining a contract

At the end of each reporting period, the Group reviews the carrying amounts of those assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

p. Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

1) Restoration

The restoration costs for telecommunications equipment and leasehold improvements that were originally acquired or used by the Group for a period of time and had obligations for dismantling, relocating, and restoring to the previous state should be recognized as an addition to the assets and accrued as a potential liability accordingly.

2) Replacement

For a service concession agreement, the costs paid for the obligation for maintenance or replacement should be recognized as expenses and liabilities before returning the construction to the grantor.

3) Warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on sales contracts, historical warranty data, and a weighing of all possible outcomes against their associated probabilities at the best estimate.

q. Treasury Stock

Repurchased stocks are recognized under treasury stock (a contra-equity account) based on their repurchase price (including all directly accountable costs), net of tax. TWM's stocks held by its subsidiaries are regarded as treasury stock.

Gains on disposal of treasury stock should be recognized under " capital reserve - treasury stock transactions" ; losses on disposal of treasury stock should be offset against existing capital reserves arising from similar types of treasury stock. If there is insufficient capital reserve to offset the losses, then such losses should be accounted for under retained earnings. The carrying amount of treasury stock should be calculated using the weighted-average method for the purpose of repurchased stock.

r. Government Grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets; or recognized as a book value deduction of the non-current assets and classified as profit or loss within their useful lives through deducting depreciation expenses of the related non-current assets.

Government grants that are receivable as compensation for expenses or losses already incurred are recognized in profit or loss in the period in which they become receivable.

s. Employee Benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

Obligations for contributions to defined contribution pension plans are recognized as an expense in profit or loss in the periods during which services are rendered by employees.

The defined benefit costs (including service cost, net interest, and remeasurement) of defined benefit plan use the projected unit credit method for the actuarial valuation. Service cost (including current service cost) and net interest on the net defined benefit liability (asset) are recognized under employee benefit expense as they occur. Remeasurement (including actuarial gains and losses and the return on plan assets, excluding amounts included in net interest) is recognized in other comprehensive income (loss) in retained earnings as it occurs, and is not reclassified to profit or loss subsequently.

Net defined benefit liability (asset) represents the deficit (surplus) of defined benefit plans. IAS 19 requires the Group to limit the carrying amount of a net defined benefit asset so that it does not exceed the economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

t. Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Except for expenses related to business combinations, expenses directly recognized in equity or other comprehensive income (loss), and other related expenses, all current and deferred taxes shall be recognized in profit or loss.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

1) Current taxes

Current taxes include tax payables and tax deduction receivables on taxable gains (losses), as well as tax adjustments related to prior years.

Income tax payable (refundable) is based on taxable profit (loss) for the year determined in accordance with the applicable tax laws of each tax jurisdiction.

An additional surtax on undistributed earnings, computed in accordance with the Income Tax Act of the ROC, is recognized in current taxes in the year of approval by a stockholders' meeting resolution.

2) Deferred taxes

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax basis. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits for purchases of machinery, equipment and technology, and research and development expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period. The measurement reflects the Group's expectations at the end of the reporting period as to the manner in which the carrying amount of its assets and liabilities will be recovered or settled.

u. Revenue Recognition

Where the Group enters into transactions which involve both the provision of telecommunications service bundled with products such as handsets, total consideration received from products and telecommunications service in these arrangements is allocated based on their relative stand-alone selling price. The amount of sales revenue recognized for products is not limited to the amount paid by the customer for the products at the time of purchase. When the amount of sales revenue recognized for products exceeds the amount paid by the customer for the products, the difference is recognized as a contract asset. A contract asset is derecognized and an account receivable is recognized when the amount becomes collectible from the customer subsequently. When the amount of sales revenue recognized for products is less than the amount paid by the customer for the products, the difference is recognized as contract liabilities and the revenue is recognized subsequently when the telecommunications service is provided.

Under customer loyalty program, the Group offers reward points or vouchers for customers. Transaction price allocated is recognized as contract liabilities or other financial liabilities when collected and will be deducted when points or vouchers are redeemed. Reward points and vouchers will be recognized as revenue when they are redeemed or have expired.

<u>Telecommunications and value-added services revenue</u>

Service revenues from mobile communication services, fixed network services and internet services, are billed at predetermined rates and calculated based on the actual volume of voice call and data transfer. Revenues from postpaid users are accrued monthly. Revenues from prepaid users are recognized based on the actual usage. The advanced receipts obtained before services are rendered are recognized as contract liabilities and reclassified as revenues when services are rendered. Interconnection and call transfer fees from other telecommunications companies and carriers are billed and recognized based upon seconds or minutes of traffic processed when the services are provided in accordance with contract terms. The usage revenues and corresponding trade notes and accounts receivable are recognized monthly.

<u>Revenue from sale of goods</u>

Revenues from sale of goods are mainly generated from physical stores, e-commerce portals, multimedia business and catalogues. Revenues are recognized when the goods are transferred or delivered to the customers. Advance receipts obtained before goods are transferred or delivered are recognized as contract liabilities, and reclassified as revenue when the goods are transferred or delivered. When rights of return exist, refund liability and right to recover a product are accrued based on past experience and other relevant factors.

Cable television and broadband services revenue

The Group recognizes advance receipts as contract liabilities initially, with prepayment period of annually, semi-annually, quarterly or monthly, which is reclassified as cable television and broadband service revenue as service becomes rendered, and do not include significant financing component. The Group provides contractual services such as the right of access to cable channels and internet over the duration of the contract, and recognizes revenue over the duration of the contract through the straight-line method.

Other operating income

The Group recognizes advance receipts obtained before contracts are initiated as contract liabilities, and contract liabilities are transferred into revenue after the completion of usage or over the term of the relevant lease. Short-term lease revenues are recognized after the completion of usage. Long-term lease revenues are recognized over the term of the relevant lease through the straight-line method, and do not include significant financing component.

Service revenues generated from contractual agreements are recognized as revenue as services are rendered based on the completion of the contracts and the Group does not have any further obligations. In addition, when the Group is acting as an agent in the transaction, proportional revenue is recognized based on the net amount in accordance with the contractual agreements proportionally.

Advertising revenues are recognized as services are rendered over the contract terms.

v. Business Combinations

Business combinations are accounted for by the acquisition method. Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact on relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Material Accounting Judgments

a. Lease terms

In determining a lease term, the Group considers all facts and circumstances that create an economic incentive to exercise or not to exercise an option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. Main factors considered include contractual terms and conditions for the optional periods, significant leasehold improvements undertaken over the contract term, the importance of the underlying asset to the lessee's operations, etc. The lease term is reassessed if a significant change in circumstances that are within control of the Group occurs.

b. Timing of revenue recognition

The Group recognizes revenue when the performance obligations are satisfied over time or at a point in time according to the contracts with customers. The conditions are described in Note 4.u.

c. Principal versus agent

For contracts with customers relating to the sale of goods and providing service, the Group recognizes revenue on a net basis when it satisfies its performance obligations after taking other indicators into consideration such as not being primarily responsible, and before passing the goods and service on to customers. The Group recognizes revenue on a gross basis when it satisfies its performance obligations if the transfer of the goods and service satisfies other indicators such as its being primarily responsible.

Key Sources of Estimation Uncertainty

a. Impairment of notes and accounts receivable and contract assets

The provision for impairment of notes and accounts receivable and contract assets is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the past default records of the customers and an analysis of the customers' current financial positions, as well as forward-looking indicators. For details of the key assumptions and inputs used, see Note 8.

b. Provision for inventory valuation and obsolescence

Inventories are measured at the lower of cost or net realizable value. Inventories are assessed item by item, except those with similar characteristics which are assessed collectively. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs or selling expenses. The weighted-average method is used in the calculation of cost.

c. Impairment of goodwill

The usage value of the cash-generating units to which goodwill is allocated should be predetermined when assessing whether the goodwill is impaired. Management estimates the future cash flows from cash-generating units and assigns an appropriate discount rate in calculating the present value. Significant impairment loss may occur if actual cash flows are less than that originally forecasted.

d. Impairment of property, plant, and equipment, right-of-use assets, investment properties, intangible assets (excluding goodwill), and incremental costs of obtaining a contract

In the process of impairment assessments, the Group relies on subjective judgment to determine the individual cash flows of a specific group of assets and estimates future gains and losses according to the usage of the assets and relevant business characteristics. Alterations of estimates from any changes in economic conditions or business strategy may lead to significant impairment losses in the future.

6. CASH AND CASH EQUIVALENTS

	December 31, 2024	December 31, 2023
Cash on hand and revolving funds	$ 54,983	$ 114,972
Cash in banks	8,086,850	5,950,870
Time deposits	3,174,791	5,278,986
Government bonds with repurchase rights	629,060	1,899,438
	$ 11,945,684	$ 13,244,266

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31, 2024	December 31, 2023
Investments in equity instruments-current		
Domestic investments		
Listed stocks	$ 268,429	$ 260,822
Foreign investments		
Listed stocks	162	623
	$ 268,591	$ 261,445
Investments in equity instruments - non-current		
Domestic investments		
Listed stocks	$ 331,290	$ 262,500
Unlisted stocks	1,159,659	1,342,512
Foreign investments		
Unlisted stocks	2,632,067	2,351,983
Limited partnerships	-	1,573,355
	$ 4,123,016	$ 5,530,350

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

	December 31, 2024	December 31, 2023
Notes receivable	$ 11,702	$ 14,171
Accounts receivable	9,419,865	9,532,621
Less: Allowance for impairment loss	(487,947)	(418,378)
	$ 8,943,620	$ 9,128,414

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:

December 31, 2024

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

For the year ended December 31, 2024, 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

		Overdue			
	Not Past Due	**1 to 120 Days**	**121 to 365 Days**	**Over 365 Days**	**Total**
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	$ 8,523,479	$ 591,052	$ 13,230	$ 653	$ 9,128,414

For the year ended December 31, 2023, 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 Year Ended December 31	
	2024	2023
Beginning balance	$ 418,378	$ 387,638
Add: Provision	369,246	271,859
Recovery	53,760	45,483
Less: Write-off	(353,437)	(286,602)
Ending balance	$ 487,947	$ 418,378

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 Year Ended December 31	
	2024	2023
Amount of accounts receivable sold	$ 443,618	$ 415,427
Proceeds from the sale of accounts receivable	$ 56,850	$ 46,578

9. INVENTORIES

	December 31, 2024	December 31, 2023
Merchandise	$ 8,819,717	$ 8,182,624
Materials for maintenance	13,890	10,444
	$ 8,833,607	$ 8,193,068

For the years ended December 31, 2024 and 2023, the cost of goods sold related to inventories amounted to $119,889,417 thousand and $113,405,185 thousand, respectively, which included the inventory write-down totaling $23,926 thousand, and the reversal of inventory write-down totaling $17,956 thousand, respectively.

10. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

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

	December 31, 2024		December 31, 2023	
Investee Company	Amount	% of Ownership	Amount	% of Ownership
Systex Corporation (SYSTEX)	$ 4,035,722	11.86	$ -	-
AppWorks Ventures Co., Ltd. (AppWorks)	250,441	51.00	244,983	51.00
AppWorks Fund III Co., Ltd. (AppWorks Fund III)	664,448	20.14	565,991	20.14
Global Home Shopping Co., Ltd. (GHS)	310,504	20.00	391,900	20.00
AppWorks Fund IV L.P. (AppWorks Fund IV)	292,934	18.85	227,530	21.01

Investee Company	December 31, 2024 Amount	% of Ownership	December 31, 2023 Amount	% of Ownership
Uspace Tech Co., Ltd. (Uspace)	$ 276,387	32.40	$ 164,588	32.90
NADA Holdings Corp. (NADA)	126,903	23.92	108,088	31.90
kbro Media Co., Ltd. (kbro Media)	55,975	33.58	60,032	33.58
Mistake Entertainment Co., Ltd. (M.E.)	32,792	11.33	30,753	11.33
Wei Xiang Corp. (WeMo TW)	63,372	28.13	-	-
Tropics Entertainment Co., Ltd. (Tropics)	16,099	20.00	-	-
SK Biomedical INC. (SK Biomedical)	5,570	20.00	-	-
Fubon Green Power Co., Ltd. (Fubon Green Power)	597,830	15.00	-	-
	$ 6,728,977		$ 1,793,865	

Aggregate information of associates that were not individually material:

	For the Year Ended December 31 2024	2023
Loss	$(25,785)	$(51,417)
Other comprehensive income (loss)	122,357	(51,844)
Comprehensive income (loss)	$ 96,572	$(103,261)

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.

TWM merged with TVC on December 31, 2024, and acquired the equity interest of AppWorks Fund III.

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.

momo recognized the impairment loss in GHS amounting to $99,893 thousand and $83,158 thousand for the years ended December 31, 2024 and 2023, respectively, classified as other gains and losses, mainly due to the increased market competition in China, and its operation was not as expected.

e. AppWorks Fund IV

As of December 2022, 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. Due to the non-proportionate subscription to AppWorks Fund IV's issuance of new capital stock, the ownership percentages as of December 31, 2024 and 2023, were 18.85% and 21.01%, respectively, and TVC was no longer the single largest limited partner.

TWM merged with TVC on December 31, 2024, and acquired the equity interest of AppWorks Fund IV.

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.

TWM merged with TVC on December 31, 2024, and acquired the equity interest of Uspace.

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 2024.

TWM merged with TVC on December 31, 2024, and acquired the equity interest of NADA.

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. 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%. TWM merged with TVC on December 31, 2024, and acquired the equity interest of Fubon Green Power. The Group has significant influence on Fubon Green Power due to having a seat on its board of directors.

11. SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

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

For information on the principal place of business and the company's country of registration, see Table 8.

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:

	December 31, 2024	December 31, 2023
Current assets	$ 14,202,667	$ 14,652,939
Non-current assets	22,368,395	21,142,086
Current liabilities	(16,127,320)	(14,878,533)
Non-current liabilities	(2,883,602)	(3,263,057)
Equity	$ 17,560,140	$ 17,653,435
Equity attributable to:		
Owners of the parent	$ 11,053,359	$ 11,093,941
Non-controlling interests of momo	6,423,537	6,473,107
Non-controlling interests of momo's subsidiaries	83,244	86,387
	$ 17,560,140	$ 17,653,435

	For the Year Ended December 31 2024	 2023
Operating revenue	$ 112,563,635	$ 109,242,918
Profit	$ 3,454,799	$ 3,628,792
Other comprehensive income	20,885	4,977
Comprehensive income	$ 3,475,684	$ 3,633,769
Profit attributable to:		
Owners of the parent	$ 1,554,831	$ 1,633,172
Non-controlling interests of momo	1,899,204	1,994,897
Non-controlling interests of momo's subsidiaries	764	723
	$ 3,454,799	$ 3,628,792

	For the Year Ended December 31	
	2024	2023
Comprehensive income attributable to:		
Owners of the parent	$ 1,564,220	$ 1,635,419
Non-controlling interests of momo	1,910,674	1,997,643
Non-controlling interests of momo's subsidiaries	790	707
	$ 3,475,684	$ 3,633,769

	For the Year Ended December 31	
	2024	2023
Net cash generated from operating activities	$ 6,075,487	$ 3,663,281
Net cash used in investing activities	(2,756,654)	(1,356,597)
Net cash used in financing activities	(4,537,297)	(4,073,218)
Effect of exchange rate changes	110	(23)
Net decrease in cash	$(1,218,354)	$(1,766,557)
Dividends paid to non-controlling interests	$ 1,955,841	$ 1,802,064

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Telecommunications Equipment and Machinery	Others	Construction in Progress and Equipment to be Inspected	Total
Cost						
Balance, January 1, 2024	$ 11,304,617	$ 6,153,739	$ 117,569,844	$ 9,780,914	$ 5,187,436	$ 149,996,550
Additions	-	145,929	742,764	447,610	10,170,503	11,506,806
Disposals and retirements	-	(156)	(3,194,974)	(521,786)	(32)	(3,716,948)
Reclassification	32,450	2,357,167	9,833,093	371,492	(12,293,047)	301,155
Balance, December 31, 2024	$ 11,337,067	$ 8,656,679	$ 124,950,727	$ 10,078,230	$ 3,064,860	$ 158,087,563
Accumulated depreciation and impairment						
Balance, January 1, 2024	$ -	$ 2,475,489	$ 88,343,895	$ 8,500,995	$ -	$ 99,320,379
Depreciation	-	152,052	9,528,337	701,333	-	10,381,722
Disposals and retirements	-	(156)	(2,905,274)	(518,258)	-	(3,423,688)
Reclassification	-	8,710	-	-	-	8,710
Balance, December 31, 2024	$ -	$ 2,636,095	$ 94,966,958	$ 8,684,070	$ -	$ 106,287,123
Carrying amount, December 31, 2024	$ 11,337,067	$ 6,020,584	$ 29,983,769	$ 1,394,160	$ 3,064,860	$ 51,800,440

	Land	Buildings	Telecommunications Equipment and Machinery	Others	Construction in Progress and Equipment to be Inspected	Total
Cost						
Balance, January 1, 2023	$ 10,290,697	$ 5,667,344	$ 107,475,035	$ 9,410,610	$ 3,880,214	$ 136,723,900
Additions	-	-	285,724	427,393	8,037,343	8,750,460
Disposals and retirements	-	-	(1,929,258)	(411,794)	(59)	(2,341,111)
Acquisitions through business combinations	579,695	179,806	5,267,263	37,918	73,341	6,138,023
Reclassification	434,225	306,589	6,471,080	316,787	(6,803,403)	725,278
Balance, December 31, 2023	$ 11,304,617	$ 6,153,739	$ 117,569,844	$ 9,780,914	$ 5,187,436	$ 149,996,550
Accumulated depreciation and impairment						
Balance, January 1, 2023	$ -	$ 2,131,858	$ 82,115,130	$ 8,228,919	$ -	$ 92,475,907
Depreciation	-	136,017	8,046,280	680,404	-	8,862,701
Disposals and retirements	-	-	(1,767,554)	(406,501)	-	(2,174,055)
Reclassification	-	207,614	(49,961)	(1,827)	-	155,826
Balance, December 31, 2023	$ -	$ 2,475,489	$ 88,343,895	$ 8,500,995	$ -	$ 99,320,379
Carrying amount, December 31, 2023	$ 11,304,617	$ 3,678,250	$ 29,225,949	$ 1,279,919	$ 5,187,436	$ 50,676,171

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

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

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2024	December 31, 2023
Carrying amount		
Land	$ 607,854	$ 740,287
Buildings	10,364,859	12,739,097
Telecommunications equipment and machinery	116,397	187,213
Others	98,290	79,691
	$ 11,187,400	$ 13,746,288

	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	$ 4,328,414	$ 6,590,507
Depreciation charge for right-of-use assets		
Land	$ 285,831	$ 253,916
Buildings	4,714,960	3,986,437
Telecommunications equipment and machinery	139,175	146,137
Others	61,989	55,835
	$ 5,201,955	$ 4,442,325

Except for the aforementioned additions, recognized depreciation, and acquisitions through business combinations, the Group did not have significant sublease or impairment of right-of-use assets during the years ended December 31, 2024 and 2023.

b. Lease liabilities

	December 31, 2024	December 31, 2023
Carrying amount		
Current	$ 3,855,097	$ 5,785,690
Non-current	$ 7,422,099	$ 7,978,053

Range of discount rates for lease liabilities was as follows:

	December 31, 2024	December 31, 2023
Land	0.61%~1.66%	0.61%~1.4%
Buildings	0.61%~1.66%	0.61%~1.4%
Telecommunications equipment and machinery	0.64%~1.44%	0.61%~4.38%
Others	0.62%~1.66%	0.61%~1.4%

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 Year Ended December 31	
	2024	2023
Expenses related to short-term leases	$ 47,879	$ 47,756
Expenses related to low-value asset leases	$ 76,362	$ 96,113
Expenses related to variable lease payments and not included in the measurement of lease liabilities	$ 35,117	$ 30,945
Total cash outflow for leases	$ 5,418,245	$ 4,693,351

14. INVESTMENT PROPERTIES

The fair values of investment properties were measured using Level 3 inputs, arising from income approach, comparative approach, and cost approach adopted by a third party real estate appraiser, HomeBan Appraisers Joint Firm. As of December 31, 2024 and 2023, the fair values of investment properties were $5,672,240 thousand and $5,360,328 thousand, respectively, and the capitalization rates for the aforementioned financial reporting periods ranged from 0.96%~4.07% and 1.47%~5.23%, respectively.

The amounts of depreciation recognized for the years ended December 31, 2024 and 2023 were $15,590 thousand and $15,643 thousand, respectively.

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

	December 31, 2024	December 31, 2023
Year 1	$ 108,558	$ 78,165
Year 2	103,517	71,659
Year 3	83,709	67,498
Year 4	71,306	50,147
Year 5	27,782	36,876
Year 6 and thereafter	20,011	27,074
	$ 414,883	$ 331,419

15. INTANGIBLE ASSETS

	Concessions			Other Intangible Assets				
	Concession Licenses	Service Concessions	Goodwill	Customer Relationships	Operating Rights	Trademarks	Computer Software and Others	Total
Cost								
Balance, January 1, 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	470,229	470,259
Disposals and retirements	(56,234)	-	(26,822)	-	-	(97)	(47,910)	(131,063)
Reclassification	-	-	-	-	-	-	231,738	231,738
Balance, December 31, 2024	$ 92,149,830	$ 8,180,078	$ 33,254,687	$ 3,599,602	$ 1,382,000	$ 2,495,133	$ 4,938,680	$ 146,000,010
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	5,664,479	178,720	-	192,348	-	64	634,736	6,670,347
Disposals and retirements	(56,234)	-	(26,822)	-	-	(97)	(47,910)	(131,063)
Balance, December 31, 2024	$ 31,831,319	$ 2,103,621	$ 26,665	$ 2,379,410	$ -	$ 787	$ 4,213,285	$ 40,555,087
Carrying amount, December 31, 2024	$ 60,318,511	$ 6,076,457	$ 33,228,022	$ 1,220,192	$ 1,382,000	$ 2,494,346	$ 725,395	$ 105,444,923
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	260,336	260,356
Disposals and retirements	-	-	(90,065)	-	-	(21,984)	(164,297)	(276,346)
Acquisitions through business combinations	20,506,689	-	17,498,979	955,776	-	-	24,185	38,985,629
Reclassification	-	-	-	-	-	-	331,625	331,625
Balance, December 31, 2023	$ 92,206,064	$ 8,180,078	$ 33,281,509	$ 3,599,602	$ 1,382,000	$ 2,495,200	$ 4,284,623	$ 145,429,076
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	4,267,925	178,719	-	141,062	-	79	335,572	4,923,357
Disposals and retirements	-	-	-	-	-	-	(163,816)	(163,816)
Reclassification	-	-	-	-	-	-	(185)	(185)
Balance, December 31, 2023	$ 26,223,074	$ 1,924,901	$ 53,487	$ 2,187,062	$ -	$ 820	$ 3,626,459	$ 34,015,803
Carrying amount, December 31, 2023	$ 65,982,990	$ 6,255,177	$ 33,228,022	$ 1,412,540	$ 1,382,000	$ 2,494,380	$ 658,164	$ 111,413,273

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:

	December 31, 2024	December 31, 2023
Mobile communication services	$ 24,620,850	$ 24,620,850
Fixed network services	357,970	357,970
Retail business	4,979,566	4,979,566
Cable television and broadband business	3,269,636	3,269,636
	$ 33,228,022	$ 33,228,022

d. Impairment of assets

In conformity with IAS 36 "Impairment of Assets", the Group identified its mobile communication services, fixed network services, retail business, and cable television and broadband business as the smallest identifiable units which can generate cash inflows independently.

The recoverable amounts of the operating assets were evaluated by business type, and the critical assumptions used for this evaluation were as follows:

1) Mobile communication services

   a) Assumptions on cash flows

      The five-year cash flow projections were estimated on the basis of previous experience, actual operating results, and the financial budget.

   b) Assumptions on operating revenues

      After taking changes in the telecom industry and the competitive landscape into consideration, operating revenues were estimated on the basis of the projected changes in subscriber numbers, minutes of incoming and outgoing calls, and rate plan composition.

   c) Assumptions on operating costs and expenses

      The estimates of activation commissions and customer retention costs were based on the new customers obtained and existing customers maintained. The estimates of remaining costs and expenses were based on the cost drivers of each item.

   d) Assumptions on discount rates

      For the years ended December 31, 2024 and 2023, the discount rates used to calculate the recoverable amount for the asset's cash-generating unit were 6.37% and 6.06%, respectively.

2) Fixed network services

   a) Assumptions on cash flows

      The five-year cash flow projections were estimated on the basis of previous experience, actual operating results, and the financial budget.

   b) Assumptions on operating revenues

      After taking changes and growth of business in the telecom industry into consideration, operating revenues were estimated on the basis of the types of data transmission and the demand for broadband capacity.

   c) Assumptions on operating costs and expenses

      The estimates of operating costs and expenses were based on the cost drivers of each cost and expense.

   d) Assumptions on discount rates

      For the years ended December 31, 2024 and 2023, the discount rates used to calculate the recoverable amount for the asset's cash-generating unit were 7.04% and 6.75%, respectively.

3) Retail business

a) Assumptions on cash flows

The five-year cash flow projections were estimated on the basis of previous experience, actual operating results, and the financial budget.

b) Assumptions on operating revenues

After taking changes in the retail business industry and the competitive landscape into consideration, operating revenues were estimated on the basis of the classification and average price of commodities, and the degree of the contribution of the customers.

c) Assumptions on operating costs and expenses

The estimates of costs and expenses were based on the actual costs and expenses as a proportion of operating revenues.

d) Assumptions on discount rates

For the years ended December 31, 2024 and 2023, the discount rates used to calculate the recoverable amount for the asset's cash-generating unit were 7.96% and 7.86%, respectively.

4) Cable television and broadband business

a) Assumptions on cash flows

The cash flow projections were estimated on the basis of the future operating years, along with previous experience, actual operating results, and the financial budget.

b) Assumptions on operating revenues

Operating revenues were estimated on the basis of revenues of the evaluated year, along with industry changes, competitive landscape and historical data.

c) Assumptions on operating costs and expenses

The estimates of operating costs and expenses were based on the actual costs and expenses as a proportion of operating revenues.

d) Assumptions on discount rates

For the years ended December 31, 2024 and 2023, the discount rates used to calculate the recoverable amount for the asset's cash-generating unit for each system operator were ranged from 6.94% to 7.59% and 6.76% to 7.53%, respectively.

Based on the key assumptions of each cash-generating unit, the Group's management believes that the carrying amounts of these operating assets and intangible assets will not exceed their recoverable amounts even if there are any reasonable changes in the critical assumptions used to estimate recoverable amounts. For the years ended December 31, 2024 and 2023, impairment losses on assets did not occur.

16. OTHER NON-CURRENT ASSETS

	December 31, 2024	December 31, 2023
Long-term accounts receivable	$ 196,948	$ 218,805
Refundable deposits	851,557	931,812
Other prepayments	423,652	329,709
Prepayments for investment	49,088	-
Others	463,958	463,780
	$ 1,985,203	$ 1,944,106

17. BORROWINGS

a. Short-term borrowings

	December 31, 2024	December 31, 2023
Unsecured loans	$ 19,290,000	$ 18,460,000
Annual interest rates	1.75%~1.931057%	1.55%~1.79%

For the information on endorsements and guarantees, see Note 33.b.

b. Short-term notes and bills payable

	December 31, 2024	December 31, 2023
Short-term notes and bills payable	$ 5,100,000	$ 12,900,000
Less: Discounts on short-term notes and bills payable	(7,080)	(23,743)
	$ 5,092,920	$ 12,876,257
Annual interest rates	1.788%~1.838%	1.548%~1.608%

c. Long-term borrowings

	December 31, 2024	December 31, 2023
Unsecured loans	$ 14,400,000	$ 15,000,000
Secured loans	1,611,774	1,851,000
Commercial papers payable	12,000,000	7,000,000
Less: Unamortized expenses on unsecured loans	(8,989)	(11,851)
Less: Discounts on commercial papers payable	(14,607)	(6,910)
Less: Current portion	(3,320,450)	(3,713,406)
	$ 24,667,728	$ 20,118,833
Annual interest rates:		
Unsecured loans	1.9119%	1.7895%
Secured loans	2.105%~2.3526%	2.095%~2.2211%
Commercial papers payable	1.535%~2.1905%	1.535%~2.138%

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 32.

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 December 2027.

18. BONDS PAYABLE

	December 31, 2024	December 31, 2023
5th domestic unsecured straight corporate bonds	$ 8,999,605	$ 8,998,281
6th domestic unsecured straight corporate bonds	19,993,807	19,990,793
7th domestic unsecured straight corporate bonds	2,498,217	2,497,712
1st domestic unsecured straight corporate bonds in 2023	6,495,017	6,493,547
1st domestic unsecured straight corporate bonds in 2024	1,997,550	-
Less: Current portion	(13,999,373)	-
	$ 25,984,823	$ 37,980,333

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 December 31, 2024, the amount of unamortized bond issue cost was $395 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	$ 9,000,000

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 December 31, 2024, the amount of unamortized bond issue cost was $6,193 thousand. The trustee of bond holders is Bank of Taiwan.

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

Year	Amount
2025	$ 5,000,000
2027	10,000,000
2030	5,000,000
	$ 20,000,000

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 December 31, 2024, the amount of unamortized bond issue cost was $1,783 thousand. The trustee of bond holders is Bank of Taiwan.

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

Year	Amount
2028	$ 2,500,000

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 December 31, 2024, the amount of unamortized bond issue cost was $4,983 thousand. The trustee of bond holders is Bank of Taiwan.

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

Year	Amount
2028	$ 6,500,000

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 December 31, 2024, the amount of unamortized bond issue cost was $2,450 thousand. The trustee of bond holders is Bank of Taiwan.

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

Year	Amount
2029	$ 2,000,000

19. PROVISIONS

	December 31, 2024	December 31, 2023
Restoration	$ 1,172,174	$ 1,368,089
Replacement	584,823	562,791
Warranties	14,085	17,091
	$ 1,771,082	$ 1,947,971
Current	$ 159,460	$ 461,400
Non-current	1,611,622	1,486,571
	$ 1,771,082	$ 1,947,971

	Restoration	Replacement	Warranties	Total
Balance, January 1, 2024	$ 1,368,089	$ 562,791	$ 17,091	$ 1,947,971
Provision	45,845	57,113	23,123	126,081
Payment/Reversal	(244,314)	(51,001)	(26,129)	(321,444)
Unwinding of discount	2,554	15,920	-	18,474
Balance, December 31, 2024	$ 1,172,174	$ 584,823	$ 14,085	$ 1,771,082
Balance, January 1, 2023	$ 999,153	$ 505,570	$ 16,334	$ 1,521,057
Provision	40,674	55,665	26,474	122,813
Acquisitions through business combinations	351,354	-	-	351,354
Payment/Reversal	(25,632)	(12,550)	(25,717)	(63,899)
Unwinding of discount	2,540	14,106	-	16,646
Balance, December 31, 2023	$ 1,368,089	$ 562,791	$ 17,091	$ 1,947,971

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

Domestic firms of the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed and defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The employees of the Group's subsidiaries in other countries are participants of state-managed retirement benefit plans operated by local governments. In accordance with the above provisions, the Group's contributions to the pension plan amounted to $433,184 thousand and $388,615 thousand for the years ended December 31, 2024 and 2023, respectively.

b. Defined benefit plans

The Group contributed 2% of each employee's monthly wages to the pension fund, with Bank of Taiwan acting as the custodian bank, in accordance with the defined benefit plans (Plans). The Plans provides defined pension benefits for the Group's certain qualified employees, specified under the Labor Standards Law, and such benefits are determined based on an employee's years of service and average monthly salary for six-month period prior to the date of retirement. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group will fund the difference in one appropriation before the end of March of the following year. The fund is operated and managed by the government's designated authorities; as such, the Group does not have any right to participate in the operation of the fund.

The defined benefit plans were as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	$ 1,202,751	$ 1,272,416
Fair value of plan assets	(1,308,912)	(1,214,403)
	$(106,161)	$ 58,013
Net defined benefit liabilities	$ 72,186	$ 58,013
Net defined benefit assets	(178,347)	-
	$(106,161)	$ 58,013

The movements in present value of defined benefit obligations for the years ended December 31, 2024 and 2023 were as follows:

	For the Year Ended December 31	
	2024	2023
Balance, January 1	$ 1,272,416	$ 1,265,928
Current service costs	1,605	1,462
Interest costs	15,967	18,407
Actuarial (gain) loss - changes in demographic assumptions	1,713	(2,361)
Actuarial (gain) loss - changes in financial assumptions	(31,779)	704
Actuarial (gain) loss - experience adjustments	5,110	(12,503)
Benefits paid from plan assets	(60,153)	(17,640)
Paid from defined benefit obligations	(2,128)	(2,818)
Business combinations	-	21,237
Balance, December 31	$ 1,202,751	$ 1,272,416

The movements in the fair value of the plan assets for the years ended December 31, 2024 and 2023 were as follows:

	For the Year Ended December 31	
	2024	2023
Balance, January 1	$ 1,214,403	$ 1,157,297
Net interest income	15,613	17,227
Return on plan assets (excluding amounts included in net interest)	106,707	7,710
Contributions from the employer	32,342	31,346
Benefits paid from plan assets	(60,153)	(17,640)
Business combinations	-	18,463
Balance, December 31	$ 1,308,912	$ 1,214,403

The expenses recognized in profit or loss for the years ended December 31, 2024 and 2023 were as follows:

	For the Year Ended December 31	
	2024	2023
Current service costs	$ 1,605	$ 1,462
Interest costs	15,967	18,407
Net interest income	(15,613)	(17,227)
	$ 1,959	$ 2,642

The pre-tax remeasurements recognized in other comprehensive income (loss) for the years ended December 31, 2024 and 2023 were as follows:

	For the Year Ended December 31	
	2024	2023
Return on plan assets (excluding amounts included in net interest)	$(106,707)	$(7,710)
Actuarial loss (gain) - changes in demographic assumptions	1,713	(2,361)
Actuarial loss (gain) - changes in financial assumptions	(31,779)	704
Actuarial loss (gain) - experience adjustments	5,110	(12,503)
	$(131,663)	$(21,870)

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial present values of the defined benefit obligation were carried out by the chartered actuary.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	December 31, 2024	December 31, 2023
Discount rate	1.5%~1.65%	1.2%~1.375%
Long-term average adjustment rate of salary	1.75%~3%	1.75%~3%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2024	December 31, 2023
Discount rate		
0.25% increase	$(29,114)	$(32,744)
0.25% decrease	$ 30,090	$ 33,901
Long-term average adjustment rate of salary		
0.25% increase	$ 29,493	$ 33,149
0.25% decrease	$(28,680)	$(32,183)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2024	December 31, 2023
The expected contributions to the Plans for the following year	$ 29,397	$ 32,996
The average duration of the defined benefit obligation	8~15.9 years	9~13.7 years

21. EQUITY

a. Common stock

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

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

	December 31, 2024	December 31, 2023
From business combinations	$ 18,190,446	$ 18,190,446
Additional paid-in capital	5,268,728	7,309,970
Treasury stock transactions	5,159,704	5,159,704
Difference between consideration and carrying amount arising from the disposal of subsidiaries' stock	85,965	85,965
Changes in equity of subsidiaries	501,215	501,215
Changes in equity of associates accounted for using equity method	87,895	13,326
Expired share options	13,269	13,269
Others	30,154	28,890
	$ 29,337,376	$ 31,302,785

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

c. Appropriation of earnings and dividend policy

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

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

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

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

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

The appropriations of earnings for 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 both $4.3 per share for 2023 and 2022.

The appropriation of earnings for 2024, which was proposed by TWM's Board of Directors on February 27, 2025, was as follows:

	For Fiscal Year 2024
Legal reserve	$ 1,396,607
Special reserve	135,582
Cash dividends	12,434,064
Cash dividends per share (NT$)	4.1111

Cash distribution arising from capital surplus with respect to the excess of stock issuance price over the par value of capital stock, totaling $1,176,232 thousand and representing $0.3889 per share, was also proposed by TWM's Board of Directors; thus, total distribution was $4.5 per share for 2024.

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

d. Other equity interests

	Exchange Differences on Translation	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Total
Balance, January 1, 2024	$(38,219)	$ 362,335	$ 324,116
Exchange differences on translation	7,283	-	7,283
Changes in fair value of financial assets at FVTOCI	-	(774,877)	(774,877)
Changes in other comprehensive income (loss) of associates accounted for using equity method	12,794	107,304	120,098
Valuation loss (gain) of equity instruments transferred to retained earnings due to disposal by associates	-	41,320	41,320
Income tax effect	-	146,478	146,478
Balance, December 31, 2024	$(18,142)	$(117,440)	$(135,582)
Balance, January 1, 2023	$(27,862)	$ 316,076	$ 288,214
Exchange differences on translation	(6,395)	-	(6,395)
Changes in fair value of financial assets at FVTOCI	-	(21,258)	(21,258)
Changes in other comprehensive income (loss) of associates accounted for using equity method	(3,962)	(47,000)	(50,962)
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	-	70,492	70,492
Income tax effect	-	8,255	8,255
Balance, December 31, 2023	$(38,219)	$ 362,335	$ 324,116

e. Treasury stock

Subsidiaries held 698,752 thousand shares of TWM for investment purposes. As of December 31, 2024, TWM's stocks were held by TCC, TFN and TID, and as of December 31, 2023, TWM's stocks were held by TCCI, TUI and TID, with the market values $79,308,307 thousand and $68,896,908 thousand, respectively. Since TWM's stocks held by its subsidiaries are regarded as treasury stock, TWM recognized $29,717,344 thousand as treasury stock. For those treasury stockholders, they have the same rights as the other stockholders, except that they are not allowed to subscribe new shares issued by TWM for cash and exercise the voting rights over such treasury stock.

22. OPERATING REVENUE

	For the Year Ended December 31	
	2024	2023
Revenue from contracts with customers		
Telecommunications and value-added services	$ 60,782,300	$ 50,192,966
Sales revenue	131,800,568	126,194,519
Cable TV and broadband services	5,523,707	5,906,538
Others	1,145,756	920,555
Other operating revenue	121,574	133,247
	$ 199,373,905	$ 183,347,825

a. Contract information

Please refer to Notes 4.u and Note 38.

b. Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Contract assets			
Bundle sales	$ 14,123,577	$ 11,996,749	$ 10,580,384
Less: Allowance for impairment loss	(105,849)	(85,364)	(89,820)
	$ 14,017,728	$ 11,911,385	$ 10,490,564
Current	$ 6,780,457	$ 6,100,164	$ 5,092,822
Non-current	7,237,271	5,811,221	5,397,742
	$ 14,017,728	$ 11,911,385	$ 10,490,564

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. As of December 31, 2024 and 2023, the expected credit loss rates were both 0.02%~0.75%.

Movements of the loss allowance of contract assets were as follows:

	For the Year Ended December 31	
	2024	2023
Beginning balance	$ 85,364	$ 89,820
Provision (reversal)	20,485	(4,456)
Ending balance	$ 105,849	$ 85,364

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities			
Telecommunications and value-added services	$ 1,692,729	$ 2,018,224	$ 1,289,461
Sales of goods	549,942	422,087	255,349
Cable TV and broadband services	556,569	573,442	628,941
Others	4,213	4,061	4,093
	$ 2,803,453	$ 3,017,814	$ 2,177,844
Current	$ 2,677,430	$ 2,608,499	$ 2,079,999
Non-current	126,023	409,315	97,845
	$ 2,803,453	$ 3,017,814	$ 2,177,844

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. Other significant changes were as follows:

	For the Year Ended December 31	
	2024	2023
Contract assets		
Transfers of beginning balance to receivables	$ 5,970,636	$ 4,990,509

Revenue recognized in the current year from the contract liabilities at the beginning of the year is as follows:

	For the Year Ended December 31	
	2024	2023
Contract liabilities		
Telecommunications and value-added services	$ 1,859,523	$ 1,127,218
Sales of goods	145,652	242,611
Cable TV and broadband services	564,367	618,997
Others	3,644	3,653
	$ 2,573,186	$ 1,992,479

c. Partially completed contracts

As of December 31, 2024, the transaction prices allocated to the performance obligations that are not fully satisfied and the expected timing for recognition of revenue are as follows:

	Telecommunications and Value-added Services	Cable TV and Broadband Services	Others	Total
- in 2025	$ 31,840,719	$ 1,670,500	$ 366,083	$ 33,877,302
- in 2026	16,017,663	837,969	335,254	17,190,886
- after 2027	7,345,047	34,365	1,518,444	8,897,856
	$ 55,203,429	$ 2,542,834	$ 2,219,781	$ 59,966,044

The above information does not include contracts with expected durations which are equal to or less than one year.

d. Assets related to contract costs

	December 31, 2024	December 31, 2023
Incremental costs of obtaining a contract - non-current	$ 2,616,905	$ 2,492,742

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 years ended December 31, 2024 and 2023 were $1,871,831 thousand and $1,415,345 thousand, respectively.

23. NON-OPERATING INCOME AND EXPENSES

a. Other income

	For the Year Ended December 31	
	2024	2023
Dividend income	$ 859,809	$ 30,723
Other income	4,851	5,295
	$ 864,660	$ 36,018

b. Other gains and losses, net

	For the Year Ended December 31	
	2024	2023
Loss on disposal and retirement of property, plant and equipment, net	$(193,905)	$(89,201)
Gain on disposal of property, plant and equipment held for sale	4,545	-
Net gain on financial assets at fair value through profit and loss (FVTPL)	49,167	215,886
Loss on disposal of investments accounted for using equity method	(1,872)	(312)
Gain on disposal of subsidiary	-	707,953
Impairment loss on non-financial assets	(99,893)	(83,158)
Gain (loss) on foreign exchange, net	104,458	(8,799)
Others	1,830	512
	$(135,670)	$ 742,881

c. Finance costs

	For the Year Ended December 31	
	2024	2023
Interest expense		
Corporate bonds	$ 354,186	$ 319,369
Bank loans	661,186	378,394
Commercial papers payable	277,708	212,767
Interest on lease liabilities	126,097	91,521
Other financial costs	298,914	27,196
	$ 1,718,091	$ 1,029,247

24. INCOME TAX

a. Income tax recognized in profit or loss

	For the Year Ended December 31	
	2024	2023
Current income tax expense		
Current period	$ 3,812,620	$ 3,207,937
Prior years' adjustments	(12,883)	3,178
	3,799,737	3,211,115
Deferred income tax income		
Temporary differences	(63,242)	(74,755)
Income tax expense	$ 3,736,495	$ 3,136,360

The reconciliation of profit before tax to income tax expense was as follows:

	For the Year Ended December 31	
	2024	2023
Profit before tax	$ 19,532,040	$ 17,471,364
Income tax expense at domestic statutory tax rate	$ 3,906,408	$ 3,494,272
Effect of different tax rates on the group entities	(3,769)	(1,703)
Adjustment items in determining taxable profit	(74,503)	(275,017)
Temporary differences	(63,242)	(74,755)
Land value increment tax	66	-
Investment tax credits	(15,582)	(9,615)
Prior years' adjustments	(12,883)	3,178
	$ 3,736,495	$ 3,136,360

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

	For the Year Ended December 31	
	2024	2023
Current income tax income		
Realized gain/loss on financial assets at FVTOCI	$ -	$(14,997)
Deferred income tax expense (income)		
Unrealized gain/loss on financial assets at FVTOCI	(146,528)	(8,285)
Remeasurements from defined benefit plans	26,333	4,374
Income tax income	$(120,195)	$(18,908)

c. Deferred tax assets and liabilities

1) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for the years ended December 31, 2024 and 2023 were as follows:

	For the Year Ended December 31, 2024			
		Recognized in		
	Opening Balance	Profit or Loss	Other Comprehensive Income (Loss)	Closing Balance
Deferred tax assets				
Property, plant and equipment	$ 218,858	$ 15,261	$ -	$ 234,119
Defined benefit plans	16,602	54,527	(53,283)	17,846
Financial assets at FVTOCI	42,675	-	612	43,287
Provisions - replacement	112,558	10,820	-	123,378
Others	339,558	137,419	-	476,977
	$ 730,251	$ 218,027	$(52,671)	$ 895,607
Deferred tax liabilities				
Intangible assets	$ 1,149,902	$ 126,506	$ -	$ 1,276,408
Financial assets at FVTOCI	149,039	-	(145,916)	3,123
Defined benefit plans	-	61,029	(26,950)	34,079
Others	94,111	(32,750)	-	61,361
	$ 1,393,052	$ 154,785	$(172,866)	$ 1,374,971

	For the Year Ended December 31, 2023				
		Recognized in			
	Opening Balance	Profit or Loss	Other Comprehensive Income (Loss)	Others	Closing Balance
Property, plant and equipment	$ 227,173	$(8,315)	$ -	$ -	$ 218,858
Defined benefit plans	26,725	(5,749)	(4,374)	-	16,602
Financial assets at FVTOCI	-	-	42,675	-	42,675
Provisions - replacement	101,114	11,444	-	-	112,558
Others	220,966	118,592	-	-	339,558
	$ 575,978	$ 115,972	$ 38,301	$ -	$ 730,251
Deferred tax liabilities					
Intangible assets	$ 1,132,090	$ 17,812	$ -	$ -	$ 1,149,902
Financial assets at FVTOCI	118,423	(3,774)	34,390	-	149,039
Others	27,710	27,179	-	39,222	94,111
	$ 1,278,223	$ 41,217	$ 34,390	$ 39,222	$ 1,393,052

2) Unrecognized deferred tax assets items

	December 31, 2024	December 31, 2023
Loss carryforwards	$ 112,904	$ 272,121

As of December 31, 2024 , the Group had not recognized the prior years' loss carryforwards, totaling $112,904 thousand, as deferred tax assets. The expiry years are from 2025 to 2034.

d. Income tax examinations

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

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

Company	Year
GFMT	2022
GWMT	2022
WTVB	2022
YJCTV	2022
MCTV	2022
PCTV	2022
UCTV	2022
GCTV	2022
momo	2022
FI	2022
FST	2022
Bebe Poshe	2022
FSL	2022
MFS	2021
Prosperous Living	2022

25. EARNINGS PER SHARE

	For the Year Ended December 31, 2024		
	Amount After Income Tax	**Weighted-average Number of Shares (In Thousands)**	**EPS (NT$)**
Basic EPS			
Profit attributable to owners of the parent	$ 13,816,716	3,024,510	$ 4.57
Effect of dilutive potential common stock:			
Employees' compensation	-	4,750	
Diluted EPS			
Profit attributable to owners of the parent (adjusted for potential effect of common stock)	$ 13,816,716	3,029,260	$ 4.56

	For the Year Ended December 31, 2023		
	Amount After Income Tax	**Weighted-average Number of Shares (In Thousands)**	**EPS (NT$)**
Basic EPS			
Profit attributable to owners of the parent	$ 12,274,109	2,837,810	$ 4.33
Effect of dilutive potential common stock:			
Employees' compensation	-	4,581	
Diluted EPS			
Profit attributable to owners of the parent (adjusted for potential effect of common stock)	$ 12,274,109	2,842,391	$ 4.32

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

26. BUSINESS COMBINATIONS

a. Acquisition and Consideration transferred

In order to expand the business scale and boost the operating performance and competitiveness, TWM acquired TST, engaged in the mobile communication service industry, on December 1, 2023. To facilitate the acquisition of TST, TWM issued 204,028 thousand shares of common stock. The fair value of these common shares, determined based on the closing price on the acquisition date, amounted to $20,239,598 thousand.

b. Assets acquired and liabilities assumed at the date of acquisition

	TST
Current assets	
Cash and cash equivalents	$ 1,742,723
Receivables	1,330,506
Contract assets	424,076
Others	152,843
Non-current assets	
Property, plant and equipment	6,138,023
Right-of-use assets	2,118,996
Intangible assets - concessions	20,506,689
Intangible assets - customer relationships	955,776
Intangible assets - others	24,185
Incremental cost of obtaining a contract	480,604
Others	707,279
Current liabilities	
Short-term borrowings	(23,787,575)
Contract liabilities	(813,399)
Payables	(1,705,716)
Provisions	(346,565)
Lease liabilities	(2,019,467)
Others	(286,563)
Non-current liabilities	
Long-term borrowings	(2,547,500)
Others	(334,296)
	$ 2,740,619

The fair value of accounts receivable acquired through business combination transactions was $1,156,823 thousand, with a gross contractual amount of $1,258,130 thousand. The best estimate of the expected irrecoverable contract cash flows on the acquisition date was $101,307 thousand.

c. Goodwill recognized on acquisitions

		TST
Consideration transferred	$	20,239,598
Less: Fair value of identifiable net assets acquired		(2,740,619)
Goodwill recognized on acquisitions	$	17,498,979

The goodwill recognized in the acquisitions mainly represents the control premium included in the cost of the combinations. In addition, the consideration paid for the combinations effectively included amounts attributed to the benefits of expected synergies, revenue growth, future market development and the assembled workforces. These benefits were not recognized separately from goodwill because they did not meet the recognition criteria for identifiable intangible assets.

d. Impact of acquisitions on the results of the Group

The operational results from the acquiree since the acquisition date, December 1, to December 31, 2023, were as follows:

		TST
Operating revenues	$	998,596
Net loss	$(	129,586)

Had TWM concluded the acquisition at the beginning of 2023, the Group's revenue would have been $192,606,937 thousand, and the profit would have been $11,330,084 thousand for the year ended December 31, 2023. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, 2023, nor is it intended to be a projection of future results.

27. DISPOSAL OF SUBSIDIARY

In September, 2023, TFNM's director resolved to dispose of 100% of the shares in Taiwan Kuro Times Co., Ltd. (TKT) to KKCompany Technologies Inc. The transaction was completed on December 29, 2023, and control of TKT was passed to the acquirer.

a. Consideration received from disposal

		TKT
Cash and cash equivalents	$	457,812
Receivables		387,841
Total consideration received	$	845,653

b. Analysis of assets and liabilities on the date control was lost

		TKT
Cash and cash equivalents	$	19,926
Property, plant and equipment		2,246
Intangible assets		112,525
Other assets		13,555
		148,252
Other liabilities		10,552
Net assets disposed of	$	137,700

c. Gain on disposal of subsidiary

		TKT
Consideration received	$	845,653
Net assets disposed of		137,700
Gain on disposal	$	707,953

d. Net cash inflow on disposal of subsidiary

		TKT
Consideration received in cash and cash equivalents	$	457,812
Less: Cash and cash equivalent balance disposed of		19,926
	$	437,886

28. CASH FLOW INFORMATION

Changes in liabilities arising from financing activities:

For the year ended December 31, 2024

			Non-cash Changes		
	Opening Balance	Cash Flows	New Leases	Others	Ending Balance
Lease liabilities (including current and non-current portions)	$ 13,763,743	$(5,229,970)	$ 4,321,101	$(1,577,678)	$ 11,277,196

For the year ended December 31, 2023

			Non-cash Changes			
	Opening Balance	Cash Flows	New Leases	AcquisitionsT hrough Business Combinations	Others	Ending Balance
Lease liabilities (including current and non-current portions)	$ 9,849,442	$(4,501,730)	$ 6,576,339	$ 2,050,227	$(210,535)	$ 13,763,743

29. 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.

30. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets at FVTPL (including current and non-current portions) (Note 1)	$ 1,996,448	$ 1,832,998
Financial assets at FVTOCI (including current and non-current portions)	4,391,607	5,791,795
Financial assets measured at amortized cost (including current and non-current portions) (Note 2)	29,084,209	30,178,705
	$ 35,472,264	$ 37,803,498
Financial liabilities		
Financial liabilities measured at amortized cost (including current and non-current portions) (Note 3)	$ 121,152,481	$ 121,357,242

Note 1: Financial assets mandatorily measured at FVTPL.

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

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

b. Fair value of financial instruments

1) Financial instruments not measured at fair value

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

	December 31, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities				
Bonds payable (including current portion)	$ 39,984,196	$ 39,769,797	$ 37,980,333	$ 37,627,421

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).

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic unlisted stocks	$ -	$ -	$ 287,500	$ 287,500
Domestic limited partnerships	-	-	37,345	37,345
Foreign listed stocks	6,851	-	-	6,851
Foreign unlisted stocks	-	-	99,582	99,582
Foreign limited partnerships	-	-	909,734	909,734
Foreign convertible notes	-	-	622,494	622,494
Embedded rights	-	-	4,157	4,157
Other investment agreement	-	-	28,785	28,785
	$ 6,851	$ -	$ 1,989,597	$ 1,996,448
Financial assets at FVTOCI				
Equity instruments				
Domestic listed stocks	$ 599,719	$ -	$ -	$ 599,719
Domestic unlisted stocks	-	-	1,159,659	1,159,659
Foreign listed stocks	162	-	-	162
Foreign unlisted stocks	-	-	2,632,067	2,632,067
	$ 599,881	$ -	$ 3,791,726	$ 4,391,607

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
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
	$ 11,283	$ -	$ 1,821,715	$ 1,832,998

	Level 1	Level 2	Level 3	Total
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
	$ 523,945	$ -	$ 5,267,850	$ 5,791,795

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

Valuation techniques and assumptions used in fair value determination

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

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

The evaluations of fair value of unlisted stocks and convertible notes were mainly referenced to the valuation of the same type of companies or the transaction prices of recent financing activities and estimated free cash flows through the market approach, income approach and asset approach. The unobservable inputs were the liquidity discount rate and the stock price volatility. The liquidity discount rates were ranged from 10.3%~29.5% and 11.7%~32.7% as of December 31, 2024 and 2023, respectively. The stock price volatilities were ranged from 43.9%~83.9% and 25.42%~98.8% as of December 31, 2024 and 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 was estimated to be 23.4% as of December 31, 2023.

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

For the year ended December 31, 2024

	Financial Assets at FVTPL - Financial Instruments	Financial Assets at FVTOCI - Equity Instruments
Balance, January 1, 2024	$ 1,821,715	$ 5,267,850
Additions	133,440	63,720
Decrease	(19,156)	(687,108)
Recognized in profit or loss (gain on financial assets at FVTPL)	53,598	-
Recognized in other comprehensive income (unrealized loss on financial assets at FVTOCI)	-	(755,921)
Transferred out of Level 3（Note）	-	(96,815)
Balance, December 31, 2024	$ 1,989,597	$ 3,791,726

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 year ended December 31, 2023

	Financial Assets at FVTPL - Financial Instruments	Financial Assets at FVTOCI - Equity Instruments
Balance, January 1, 2023	$ 1,181,015	$ 4,531,060
Additions	434,517	799,701
Decrease	(23,106)	(17,164)
Recognized in profit or loss (gain on financial assets at FVTPL)	229,289	-
Recognized in other comprehensive income (unrealized loss on financial assets at FVTOCI)	-	(45,747)
Balance, December 31, 2023	$ 1,821,715	$ 5,267,850

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 December 31, 2024 and 2023, the Group had unused bank facilities of $57,097,251 thousand and $61,155,846 thousand, respectively.

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

	Contractual Cash Flows	Within 1 Year	1-5 Years	5-10 Years
December 31, 2024				
Unsecured loans	$ 34,643,163	$ 20,813,446	$ 13,829,717	$ -
Secured loans	1,781,695	166,480	628,774	986,441
Commercial papers payable	17,570,681	7,285,299	10,285,382	-
Bonds payable	41,177,620	14,374,955	21,766,665	5,036,000
Lease liabilities	11,517,093	3,958,180	6,848,849	710,064
Other non-current liabilities	292,500	73,125	219,375	-
	$ 106,982,752	$ 46,671,485	$ 53,578,762	$ 6,732,505

	Contractual Cash Flows	Within 1 Year	1-5 Years	5-10 Years
December 31, 2023				
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	365,625	73,125	292,500	-
	$ 110,489,593	$ 41,854,681	$ 61,363,729	$ 7,271,183

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 36 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 $15,716 thousand and $54,305 thousand for the years ended December 31, 2024 and 2023, respectively.

b) Interest rate risk

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

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

	December 31, 2024	December 31, 2023
Fair value interest rate risk		
Financial assets	$ 6,743,973	$ 9,270,060
Financial liabilities	66,738,591	79,685,007
Cash flow interest rate risk		
Financial assets	9,010,006	6,531,680
Financial liabilities	37,787,818	27,883,607

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 $143,889 thousand and $106,760 thousand for the years ended December 31, 2024 and 2023, respectively.

c) Other market price risk

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

Sensitivity analysis

If the prices of financial instruments had decreased by 5% (with other factors remaining constant and with the analyses of the two periods on the same basis), net income would have decreased by $99,822 thousand and $91,650 thousand since the fair value of financial assets at FVTPL decreased for the years ended December 31, 2024 and 2023, respectively. Other comprehensive income would have decreased by $219,580 thousand and $289,590 thousand since the fair value of financial assets at FVTOCI decreased for the years ended December 31, 2024 and 2023, respectively.

31. 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

Related Party	Nature of Relationship
SYSTEX	Associate
AppWorks	Associate
AppWorks Fund III	Associate
GHS	Associate
AppWorks Fund IV	Associate
Uspace	Associate
NADA	Associate
kbro Media	Associate
M.E.	Associate
WeMo TW	Associate
Tropics	Associate
SK Biomedical	Associate
Fubon Green Power	Associate
Concord System Management Corporation (CSMC)	Associate (subsidiary of SYSTEX)
Systex Software & Service Corporation	Associate (subsidiary of SYSTEX)
Taifon Computer Co., Ltd.	Associate (subsidiary of SYSTEX)
Syspower Corporation	Associate (subsidiary of SYSTEX)
Systex Fintech Corporation	Associate (subsidiary of SYSTEX)
Systex Solutions Corporation	Associate (subsidiary of SYSTEX)
E-Service Information Corporation	Associate (subsidiary of SYSTEX)
Docutek Solutions, Inc.	Associate (subsidiary of SYSTEX)
SoftMobile Technology Corporation	Associate (subsidiary of SYSTEX)
Top Information Technologies Corporation	Associate (subsidiary of SYSTEX)
Dawning Technology Inc.	Associate (subsidiary of SYSTEX)
Palsys Digital Technology Corporation	Associate (subsidiary of SYSTEX)
Caresys Information, Inc.	Associate (subsidiary of SYSTEX)
AppWorks School Co., Ltd.	Associate (subsidiary of AppWorks)
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)
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)
More Sounds Film Production Co., Ltd.	Associate (subsidiary of M.E., not a related party since the fourth 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 Securities Venture Capital 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)

Related Party	Nature of Relationship
Jih Sun International Property Insurance Agent Co., Ltd.	Other related party (not a related party since the second quarter of 2023)
Jih Sun Life Insurance Agent Co., Ltd.	Other related party (not a related party since the second quarter of 2023)
Jih Sun Futures Co., Ltd.	Other related party (not a related party since the second quarter of 2023)
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
ina space	Other related party
Cho Pharma Inc.	Other related party
kbro Co., Ltd. (kbro)	Other related party
Daanwenshan CATV Co., Ltd.	Other related party
North Taoyuan CATV Co., Ltd.	Other related party
Yangmingshan CATV Co., Ltd.	Other related party
Hsin Taipei CATV Co., Ltd.	Other related party
Chinpingtao CATV Co., Ltd.	Other related party
Hsintangcheng CATV Co., Ltd.	Other related party
Chuanlien CATV Co., Ltd.	Other related party
Chen Tao Cable TV Co., Ltd.	Other related party
Fengmeng Cable TV Co., Ltd.	Other related party
Hsinpingtao CATV Co., Ltd.	Other related party
Kuansheng CATV Co., Ltd.	Other related party
Nantien CATV Co., Ltd.	Other related party
Taiwan Win TV Media Co., Ltd.	Other related party (not a related party since the second quarter of 2024)
Taiwan Mobile Foundation (TMF)	Other related party
Taipei New Horizon Foundation (TNHF)	Other related party
Fubon Cultural & Educational Foundation	Other related party
Fubon Charity Foundation	Other related party
Fubon Art Foundation	Other related party
Fubon Life Art Museum Foundation	Other related party

Related Party	Nature of Relationship
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 Year Ended December 31	
	2024	2023
Associates	$ 36,989	$ 9,625
Other related parties	1,677,867	1,707,845
	$ 1,714,856	$ 1,717,470

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 Year Ended December 31	
	2024	2023
Associates	$ 203,220	$ 2,141
Other related parties	1,067,874	994,417
	$ 1,271,094	$ 996,558

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

3) Receivables due from related parties

Account	Related Party Categories	December 31, 2024	December 31, 2023
Notes and accounts receivable	Associates	$ 5,263	$ 1,274
Notes and accounts receivable	Other related parties	480,543	587,958
		$ 485,806	$ 589,232
Other receivables	Other related parties		
	TFCB	$ 221,205	$ 480,025
	Others	11,438	80,225
		$ 232,643	$ 560,250

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

Account	Related Party Categories	December 31, 2024	December 31, 2023
Notes and accounts payable	Associates	$ 34,286	$ 72
Notes and accounts payable	Other related parties	204,456	131,420
		$ 238,742	$ 131,492
Other payables	Associates	$ 35,173	$ -
Other payables	Other related parties	86,432	67,719
		$ 121,605	$ 67,719

5) Prepayments

	December 31, 2024	December 31, 2023
Other related parties	$ 16,082	$ 14,819

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

	December 31, 2024	December 31, 2023
Other related parties		
TFCB	$ 3,116,429	$ 5,651,090

7) Acquisition of investments accounted for using equity method

Related Party Transaction	Transaction Period	Shares (In Thousands)	Purchase Price
Participation in AppWorks Fund IV's capital increase	2024	-	$ 74,760
Contributions to Uspace's capital increase	2024	529	60,000
Contributions to Tropics's capital increase	2024	1,600	16,000
Contributions to Fubon Green Power's capital increase	2024	60,000	600,000
			$ 750,760
Participation in AppWorks Fund IV's capital increase	2023	-	$ 144,200
Contributions to NADA's capital increase	2023	1,667	50,000
			$ 194,200

8) Acquisition of property, plant and equipment

For the year ended December 31, 2024

	Purchase Price
Associates	$ 15,502

9) Others

a) Refundable deposits

	December 31, 2024	December 31, 2023
Other related parties	$ 64,856	$ 80,479

b) Other current liabilities - receipts under custody

	December 31, 2024	December 31, 2023
Other related parties	$ 189,664	$ 178,790

c) Operating expenses

	For the Year Ended December 31	
	2024	2023
Other related parties		
TMF	$ 12,000	$ 15,000
TNHF	5,000	5,000
TFCB	1,103,771	1,043,423
Others	265,741	244,955
	$ 1,386,512	$ 1,308,378

d) Other income

	For the Year Ended December 31	
	2024	2023
Other related parties	$ 47,272	$ 60,861

e) Interest income

	For the Year Ended December 31	
	2024	2023
Other related parties		
TFCB	$ 50,144	$ 30,457

f) mo-coin transactions

Subsidiary momo sold mo-coins to related parties amounting to $1,327,014 thousand for the year ended December 31, 2024, mainly to provide rewards to users (consumers).

10) Lease arrangements

Acquisition of right-of-use assets

	For the Year Ended December 31	
	2024	2023
Other related parties		
Fubon Life Insurance	$ 131,134	$ 783,359
Others	7,291	10,774
	$ 138,425	$ 794,133

Lease liabilities (including current and non-current portions)

	December 31, 2024	December 31, 2023
Other related parties	$ 695,664	$ 926,286

Interest expense

	For the Year Ended December 31	
	2024	2023
Other related parties	$ 10,041	$ 5,764

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 Year Ended December 31	
	2024	2023
Short-term employee benefits	$ 452,254	$ 423,364
Termination and post-employment benefits	19,680	11,502
	$ 471,934	$ 434,866

32. ASSETS PLEDGED

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

	December 31, 2024	December 31, 2023
Other current financial assets	$ 149,182	$ 147,415
Service concessions	6,076,457	6,255,177
Other non-current financial assets	383,141	427,014
	$ 6,608,780	$ 6,829,606

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. Unrecognized commitments

	December 31, 2024	December 31, 2023
Purchases of property, plant and equipment	$ 9,464,188	$ 9,424,213
Purchases of inventories and sales commitments	$ 7,018,765	$ 6,032,088

As of December 31, 2024 and 2023, the amounts of lease commitments commencing after the balance sheet dates were $612,354 thousand and $640,307 thousand, respectively.

b. As of December 31, 2024 and 2023, the amounts of endorsements and guarantees provided to entities in the Group were $21,700,000 thousand and $24,700,000 thousand, respectively.

c. Subsidiary momo provided collection and payment services to contracted stores, guaranteed through an escrow arrangement. As of December 31, 2024, the balance of the trust account held with financial institution was $390,375 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 December 31, 2024, $1,044,062 thousand (tax included) of the concession had been paid.

3) Performance guarantee:

As of December 31, 2024, TNH had provided a $32,500 thousand performance guarantee regarding the BOT contract.

4) Rental of land:

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

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

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. In December 2024, the High Court second retrial results were as follows: for the dismissed claim (iv) stated above, TWM shall pay FET $720,916 thousand with 5% annual interest for the period starting from September 5, 2015 to the payment date. TWM's counterclaim was denied. TWM and FET have respectively appealed the aforementioned sentences which were not favorable to them.

34. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

a. In February 2025, the Company's Board of Directors resolved that TWM would issue unsecured straight corporate bonds with a total amount not exceeding $14,000,000 thousand.

b. In February 2025, the Company's Board of Directors resolved that TWM would enter into a long-term power purchase agreement with a wind power company. The relative fulfillment period, quantity and price are specified in the agreements.

35. OTHERS

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

	For the Year Ended December 31					
	2024			2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefits						
Salary	$ 3,244,805	$ 6,889,787	$ 10,134,592	$ 3,019,266	$ 5,852,968	$ 8,872,234
Insurance expenses	301,754	614,037	915,791	284,271	535,048	819,319
Pension	145,082	290,061	435,143	137,118	254,134	391,252
Others	168,809	349,986	518,795	148,690	294,856	443,546
Depreciation	14,645,395	953,872	15,599,267	12,395,098	925,571	13,320,669
Amortization	6,448,684	2,093,494	8,542,178	4,785,607	1,553,095	6,338,702

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 and remuneration to directors were calculated by applying the aforementioned rates.

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

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

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.

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	December 31, 2024		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Foreign currency assets			
Monetary items			
USD	$ 60,980	32.725	$ 1,995,975
EUR	669	34.13	22,825
RMB	17,614	4.478	78,877
Non-monetary items			
USD	129,894	32.725	4,250,775
RMB	69,340	4.478	310,504
SGD	284	24.13	6,851
HKD	39	4.215	162
JPY	300,000	0.207	62,190
Foreign currency liabilities			
Monetary items			
USD	54,378	32.725	1,779,907
EUR	86	34.13	2,950
JPY	2,426	0.207	503

	December 31, 2023				
	Foreign Currencies		Exchange Rate	New Taiwan Dollars	
Foreign currency assets					
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
Foreign currency liabilities					
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

Refer to Note 23.b for the information related to the Group's realized and unrealized foreign exchange gains (losses) for the years ended December 31, 2024 and 2023. Due to the variety of foreign currency transactions and functional currencies, the Group could not disclose the foreign exchange gains (losses) for each foreign currency with significant influence.

37. 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: Table 5 (attached)

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 6 (attached)

8) Receivables from related parties of at least NT$100 million or 20% of the paid-in capital: Table 7 (attached)

9) Names, locations and related information of investees on which TWM exercised significant influence (excluding information on investments in mainland China): Table 8 (attached)

10) Trading in derivative instruments: None

11) Business relationships between the parent and the subsidiaries and significant intercompany transactions: Table 9 (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 10 (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 11 (attached)

38. 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 Year Ended December 31, 2024	Telecommuni-cations	Retail	Cable Television and Broadband	Others	Adjustments and Eliminations	Total
Operating revenue	$ 84,852,361	$ 112,563,635	$ 5,894,193	$ 641,582	$(4,577,866)	$ 199,373,905
Operating costs and expenses	72,699,115	108,407,865	3,571,645	390,137	(4,742,976)	180,325,786
Operating income	13,247,036	4,302,805	2,331,284	255,526	113,825	20,250,476

For the Year Ended December 31, 2023	Telecommuni-cations	Retail	Cable Television and Broadband	Others	Adjustments and Eliminations	Total
Operating revenue	$ 71,489,040	$ 109,242,918	$ 6,263,449	$ 610,895	$(4,258,477)	$ 183,347,825
Operating costs and expenses	61,528,463	105,020,990	4,084,087	384,869	(4,346,425)	166,671,984
Operating income	10,710,625	4,384,662	2,187,578	227,111	34,728	17,544,704

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:

	2024	2023
Taiwan, ROC	$ 196,242,700	$ 180,725,197
Overseas	3,131,205	2,622,628
	$ 199,373,905	$ 183,347,825

c. Information on major customers

The Group does not have revenues from a single customer that exceeds 10% of the consolidated operating revenues.

TABLE 1

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

FINANCING EXTENDED TO OTHER PARTIES
FOR THE YEAR ENDED DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

No.	Lending Company	Borrowing Company	Financial Statement Account	Related Parties	Maximum Balance for the Period (Note 1)	Ending Balance (Note 1)	Drawdown Amounts	Interest Rate	Nature of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Lending Limit for Each Borrowing Company	Lending Company's Lending Amount Limits	Note
													Item	Value			
1	TCC	TWM	Other receivables	Yes	$ 800,000	$ 800,000	$ 657,000	1.83378%~2.00733%	Short-term financing	$ -	Operation requirements	$ -	-	$ -	$ 39,343,035	$ 39,343,035	Note 2
		TFC	Other receivables	Yes	300,000	300,000	-	1.83500%	Short-term financing	-	Operation requirements	-	-	-	39,343,035	39,343,035	Note 2
2	WMT	TWM	Other receivables	Yes	4,700,000	4,700,000	4,700,000	1.83500%~2.00733%	Short-term financing	-	Operation requirements	-	-	-	9,428,218	9,428,218	Note 2
		TFNM	Other receivables	Yes	2,000,000	1,800,000	-	1.83378%~1.97111%	Short-term financing	-	Operation requirements	-	-	-	9,428,218	9,428,218	Note 2
		WTVB	Other receivables	Yes	1,000,000	600,000	110,000	1.83378%~1.96000%	Short-term financing	-	Operation requirements	-	-	-	9,428,218	9,428,218	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	-	-	-	26,039,384	26,039,384	Note 2
4	PCTV	TFNM	Other receivables	Yes	450,000	430,000	430,000	1.83500%~2.00433%	Short-term financing	-	Repayment of financing	-	-	-	457,240	457,240	Note 3
5	GCTV	TFNM	Other receivables	Yes	260,000	260,000	260,000	1.83500%~2.00433%	Short-term financing	-	Repayment of financing	-	-	-	279,487	279,487	Note 3
6	YJCTV	TFNM	Other receivables	Yes	110,000	110,000	110,000	1.83500%~2.00433%	Short-term financing	-	Repayment of financing	-	-	-	130,908	130,908	Note 3
7	UCTV	TFNM	Other receivables	Yes	400,000	400,000	400,000	1.83500%~2.00433%	Short-term financing	-	Repayment of financing	-	-	-	735,497	735,497	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.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED TO OTHER PARTIES
FOR THE YEAR ENDED DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

No.	Company Providing Endorsements/ Guarantees	Receiving Party		Limits on Endorsements/ Guarantees Amount Provided to Each Entity	Maximum Balance for the Period (Note 1)	Ending Balance (Note 1)	Drawdown Amounts (Note 1)	Amount of Endorsements/ Guarantees Collateralized by Property	Ratio of Accumulated Endorsements/ Guarantees to Net Worth of the Guarantor (Note 1)	Maximum Endorsements/ Guarantees Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by a Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship											
0	TWM	TFN	Note 2	$ 42,000,000	$ 21,500,000	$ 21,500,000	$ 7,500,000	$ -	25.18	$ 85,400,360	Y	N	N	Note 3
		FSNR	Note 2	200,000	200,000	200,000	200,000	-	0.23	85,400,360	Y	N	N	Note 3
		TVC	Note 2	9,950,000	3,200,000	-	-	-	-	85,400,360	Y	N	N	Note 3 and 4

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.

Note 4: TWM merged with TVC on December 31, 2024, with TWM as the surviving entity. Therefore, the endorsement and guarantee limit were canceled as of the merger date.

TABLE 3

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

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

(In Thousands of New Taiwan Dollars)

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	At the End of the Period				Note
				Units/Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
TWM	Listed Stocks							
	17LIVE Group Limited	-	Current financial assets at FVTPL	312	$ 6,851	0.17	$ 6,851	Note 2 and 3
	Chunghwa Telecom Co., Ltd.	-	Current financial assets at FVTOCI	2,174	268,429	0.028	268,429	
	91APP, Inc.	-	Non-current financial assets at FVTOCI	2,500	212,500	2.12	212,500	Note 3
	Unlisted Stocks							
	Jayawijaya Finance Limited	-	Non-current financial assets at FVTPL	5	99,582	6.24	99,582	Note 3
	LINE Bank Taiwan Limited	-	Non-current financial assets at FVTOCI	75,000	568,615	5	568,615	
	Bridge Mobile Pte Ltd.	-	Non-current financial assets at FVTOCI	800	31,590	10	31,590	
	KKCompany Technologies Inc.	-	Non-current financial assets at FVTOCI	4,547	383,962	2.77	383,962	
	Taiwan Mobile Communication Inc.	-	Non-current financial assets at FVTOCI	400	2,528	0.99	2,528	
	FIGMENT INC.	-	Non-current financial assets at FVTOCI	269	8,545	0.11	8,545	Note 3
	Stampede Entertainment, Inc.	-	Non-current financial assets at FVTOCI	1,664	533,908	9.43	533,908	Note 3
	TIKI GLOBAL PTE. LTD.	-	Non-current financial assets at FVTOCI	760	153,546	2.39	153,546	Note 3
	CARSOME GROUP INC.	-	Non-current financial assets at FVTOCI	733	8,476	0.36	8,476	Note 3
	Cloud Mile Inc.	-	Non-current financial assets at FVTOCI	5,396	1,059,112	17.96	1,059,112	Note 3
	BAM Management US Holdings Inc.	-	Non-current financial assets at FVTOCI	246	73,140	0.11	73,140	Note 3
	LINE MAN CORPORATION PTE. LTD.	-	Non-current financial assets at FVTOCI	1,100	276,952	0.93	276,952	Note 3
	Swift Navigation, Inc.	-	Non-current financial assets at FVTOCI	214	9,249	0.21	9,249	Note 3
	Swift Navigation, Inc.	-	Non-current financial assets at FVTOCI	364	15,724	0.36	15,724	Note 3
	Partipost Pte. Ltd.	-	Non-current financial assets at FVTOCI	899	15,673	2.53	15,673	Note 3
	Taiwan Web Service Corporation	-	Non-current financial assets at FVTOCI	1,500	3,011	4.48	3,011	Note 3
	SoundOn Inc.	-	Non-current financial assets at FVTOCI	2,623	147,039	12.79	147,039	Note 3
	REMOW Co., Ltd.	-	Non-current financial assets at FVTOCI	-	62,190	0.9	62,190	Note 3 and 4
	Limited Partnerships							
	AUM CREATIVE FUND II	-	Non-current financial assets at FVTPL	-	20,397	16.38	20,397	Note 1 and 3
	Linse Capital Fund I, L.P.	-	Non-current financial assets at FVTPL	-	105,394	0.89	105,394	Note 1 and 3
	LINSE CAPITAL SKY II LLC	-	Non-current financial assets at FVTPL	-	98,357	2.67	98,357	Note 1 and 3
	Northstar Equity Partners V Limited	-	Non-current financial assets at FVTPL	-	231,635	1.72	231,635	Note 1 and 3
	Northstar Ventures I, L.P.	-	Non-current financial assets at FVTPL	-	35,804	3.62	35,804	Note 1 and 3

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	Limited Partnerships							
	Pantera Blockchain Offshore Fund L.P.	-	Non-current financial assets at FVTPL	-	$ 161,164	0.32	$ 161,164	Note 1 and 3
	Pioneer Fund II L.P.	-	Non-current financial assets at FVTPL	-	163,926	13.58	163,926	Note 1 and 3
	Soma Capital Fund III, L.P.	-	Non-current financial assets at FVTPL	-	93,057	1.21	93,057	Note 1 and 3
	TOMORROW TOGETHER FUND	-	Non-current financial assets at FVTPL	-	37,345	16	37,345	Note 1 and 3
	Grand Academy Investment, L.P.	-	Non-current financial assets at FVTOCI	-	-	21.67	-	Note 1
	Starview Heights Investment, L.P.	-	Non-current financial assets at FVTOCI	-	-	21.67	-	Note 1
	Convertible Notes							
	CARSOME GROUP INC.	-	Non-current financial assets at FVTPL	-	169,515	-	169,515	Note 3
	Manuscript Inc.	-	Non-current financial assets at FVTPL	-	452,979	-	452,979	Note 3
TCC	Listed Stocks							
	TWM	TWM	Non-current financial assets at FVTOCI	200,497	22,756,382	5.38	22,756,382	Note 5
	Unlisted Stocks							
	Arcoa Communication Co., Ltd.	-	Non-current financial assets at FVTOCI	6,998	114,000	5.21	114,000	
	Great Taipei Broadband Co., Ltd.	-	Non-current financial assets at FVTOCI	10,000	40,159	6.67	40,159	Note 5
WMT	Limited Partnerships							
	The Last Thieves, L.P.	-	Current financial assets at FVTPL	-	-	7.14	-	Note 1
TFN	Listed Stocks							
	TWM	TWM	Non-current financial assets at FVTOCI	410,665	46,610,510	11.03	46,610,510	Note 6
TID	Listed Stocks							
	TWM	TWM	Non-current financial assets at FVTOCI	87,590	9,941,415	2.36	9,941,415	
momo	Listed Stocks							
	eSun Holdings Limited	-	Current financial assets at FVTOCI	728	162	0.04	162	Note 2
	We Can Medicines Co., Ltd.	-	Non-current financial assets at FVTOCI	3,073	118,790	6.84	118,790	
	Unlisted Stocks							
	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	284,307	2.5	284,307	

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

Note 2: Foreign listed stock.

Note 3: TWM merged with TVC on December 31, 2024, with TWM as the surviving entity and assuming its recorded assets.

Note 4: The shares held as of the period ended were fewer than 1,000 shares.

Note 5: TCC merged with TCCI on December 1, 2024, with TCC as the surviving entity and assuming its recorded assets.

Note 6: TFN merged with TUI on November 1, 2024, with TFN as the surviving entity and assuming its recorded assets.

Note 7: For information on investment subsidiaries and associates, please refer to Table 8 and Table 10.

TABLE 4

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 YEAR ENDED DECEMBER 31, 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)
	Listed Stocks													
TWM	SYSTEX	Investment accounted for using equity method	Note 2	-	-	$ -	32,298	$ 3,974,262	-	$ -	$ -	$ -	32,298	$ 4,035,722
	Unlisted Stocks													
TVC	Fubon Green Power	Investment accounted for using equity method	-	Note 3	-	-	40,000	400,000	-	-	-	-	40,000 (Note 4)	398,553 (Note 4)
momo	Fubon Green Power	Investment accounted for using equity method	-	Note 3	-	-	20,000	200,000	-	-	-	-	20,000	199,277

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.

Note 4: TWM merged with TVC on December 31, 2024, and acquired the equity interest of Fubon Green Power.

Table 5

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COST OF AT LEAST $300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Price Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
momo	Warehouse equipment	October 28, 2024	$ 369,524	Payment according to contract terms	Taiwan Daifuku Co., Ltd.	–	–	–	–	$ -	Based on budget approved by the Board of Directors, determined after price comparison and negotiation.	Business development needs	None

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
TWM	TFN	Subsidiary	Sale	$ 156,848	-	Based on contract terms	-	-	$ 28,905	-	Note 3
			Purchase	5,375,566	9	Based on contract terms	-	-	(523,431)	Note 2	Note 3
	TPIA	Subsidiary	Sale	230,528	-	Based on contract terms	-	-	93,281	1	
	TFNM	Subsidiary	Purchase	234,366	-	Based on contract terms	-	-	(52,727)	Note 2	
	momo	Subsidiary	Sale	3,147,985	4	Based on contract terms	-	-	374,761	4	
			Purchase	291,152	-	Based on contract terms	-	-	(28,917)	1	
TWM&TDS	Fubon Insurance	Other related party	Sale	315,584	-	Based on contract terms	-	-	54,239	1	
TNH	TWM	Parent	Sale	146,040	23	Based on contract terms	-	-	4,147	49	
TFN	TFC	Fellow subsidiary	Sale	160,335	2	Based on contract terms	-	-	44,469	4	
	TFNM	Fellow subsidiary	Sale	224,381	2	Based on contract terms	-	-	38,719	3	
	kbro	Other related party	Sale	428,856	4	Based on contract terms	-	-	71,961	6	
TT&T	TWM	Ultimate parent	Sale	1,179,070	92	Based on contract terms	-	-	120,172	92	
	TFN	Fellow subsidiary	Sale	103,993	8	Based on contract terms	-	-	9,944	8	
TPIA	Fubon Insurance	Other related party	Sale	390,869	97	Based on contract terms	-	-	122,958	97	
TFNM	YJCTV	Subsidiary	Channel leasing fee	359,708	9	Based on contract terms	Note 1	Note 1	-	-	
	PCTV	Subsidiary	Channel leasing fee	439,643	12	Based on contract terms	Note 1	Note 1	-	-	
	UCTV	Subsidiary	Channel leasing fee	214,223	6	Based on contract terms	Note 1	Note 1	-	-	
	GCTV	Subsidiary	Channel leasing fee	161,468	4	Based on contract terms	Note 1	Note 1	-	-	
MCTV	Dai-Ka	Other related party	Royalty for copyright	134,411	46	Based on contract terms	Note 1	Note 1	(67,205)	89	
momo	FSL	Subsidiary	Purchase	1,303,806	1	Based on contract terms	-	-	(272,865)	2	
	MFS	Subsidiary	Purchase	182,360	-	Based on contract terms	-	-	(17,079)	-	
	CSMC	Subsidiaries of associates	Purchase	192,439	-	Based on contract terms	-	-	(26,232)	-	
	kbro	Other related party	Purchase	111,727	-	Based on contract terms	-	-	(22,922)	-	

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
DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance		Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
						Amount	Action Taken		
TWM	momo	Subsidiary	Notes and accounts receivable	$ 374,761	9.31	$ -	-	$ 374,259	$ -
			Other receivables	123,865		-	-	106,953	-
TCC	TWM	Parent	Other receivables	658,661		-	-	-	-
WMT	TWM	Parent	Other receivables	4,729,414		-	-	4,729,414	-
	WTVB	Subsidiary	Other receivables	110,455		-	-	-	-
TFN	TWM	Ultimate parent	Notes and accounts receivable	532,027	10.58	-	-	531,760	-
			Other receivables	10,369,066		-	-	10,368,709	-
TPIA	Fubon Insurance	Other related party	Notes and accounts receivable	122,958	3.31	-	-	32,471	-
TT&T	TWM	Ultimate parent	Notes and accounts receivable	120,172	11.54	-	-	120,172	-
			Other receivables	967		-	-	967	-
YJCTV	TFNM	Parent	Notes and accounts receivable	6,080	6.94	-	-	6,080	-
			Other receivables	110,002		-	-	1	-
PCTV	TFNM	Parent	Notes and accounts receivable	6,926	6.99	-	-	6,926	-
			Other receivables	430,036		-	-	35	-
UCTV	TFNM	Parent	Notes and accounts receivable	4,555	6.98	-	-	4,555	-
			Other receivables	401,026		-	-	1	-
GCTV	TFNM	Parent	Notes and accounts receivable	2,787	6.83	-	-	2,787	-
			Other receivables	260,002		-	-	1	-
momo	TWM	Ultimate parent	Notes and accounts receivable	60,075	11.73	-	-	58,025	-
			Other receivables	57,486		-	-	56,292	-
	TFCB	Other related party	Notes and accounts receivable	93,693	Note 1	-	-	93,693	-
			Other receivables	202,252		-	-	202,252	-
FSL	momo	Parent	Notes and accounts receivable	273,491	4.73	-	-	269,452	-

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 INVESTEES ON WHICH TWM EXERCISED SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA) FOR THE YEAR ENDED DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance at the End of the Period			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 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	$ 20,623,611	$ 3,895,885	$ 3,896,524	Note 1
	WMT	Taiwan	Investment	16,871,894	16,871,894	42,065	100	23,568,328	3,427,770	3,427,207	Note 1
	TVC	Taiwan	Investment	Note 2	4,975,000	Note 2	Note 2	Note 2	Note 2	Note 2	Note 2
	TNH	Taiwan	Building and operating Songshan Cultural and Creative Park BOT project	1,918,655	1,918,655	191,866	49.9	2,010,809	157,097	81,256	Note 1
	FSD	Taiwan	Virtual asset platform and transaction service provider	100,000	30,000	10,000	100	61,358	(11,183)	(13,796)	Note 1
	TPC	Taiwan	Information software service	100,000	100,000	10,000	100	73,124	(25,980)	(25,980)	
	FSNR	Taiwan	Branding agency and retail sales	100,000	100,000	10,000	100	66,999	(23,467)	(32,853)	Note 1
	TWMFM	Taiwan	Film production	11,300	11,300	1,130	100	11,344	26	26	Note 2
	SYSTEX	Taiwan	Information service	3,974,262	-	32,298	11.86	4,035,722	1,957,431	62,963	Note 1 and 3
	AppWorks	Taiwan	Venture capital, investment consulting, and management consulting	235,000	235,000	2,168	51	250,441	79	(821)	Note 1
	NADA	Taiwan	Animation production	110,000	110,000	5,952	23.92	126,903	7,806	(7,004)	Note 1 and 2
	Tropics	Taiwan	Animation investment, production, and distribution	16,000	-	1,600	20	16,099	(4,393)	(778)	
	AppWorks Fund III	Taiwan	Venture capital	583,292	583,292	57,877	20.14	664,448	(103,093)	(20,759)	Note 2
	AppWorks Fund IV	Taiwan	Venture capital	323,960	249,200	-	18.85	292,934	(13,143)	(9,356)	Note 2 and 4
	Uspace	Taiwan	Information software service	310,030	200,030	7,212	32.4	276,387	(114,754)	(42,725)	Note 1 and 2
	WeMo TW	Taiwan	Rental and leasing	64,000	-	6,400	28.13	63,372	(25,193)	(628)	Note 2
	Fubon Green Power	Taiwan	Energy technical services	400,000	-	40,000	10	398,553	(14,481)	(1,447)	Note 2 and 5
TCC	TFN	Taiwan	Fixed line service provider	21,000,000	21,000,000	2,100,000	100	65,099,423	3,518,375	-	Note 6
	TT&T	Taiwan	Call center service and telephone marketing	56,210	56,210	2,484	100	125,339	60,003	-	Note 6
	TWM Holding	British Virgin Islands	Investment	-	347,951	-	100	-	17,557	-	Note 6 and 7
	TCCI	Taiwan	Investment	Note 8	17,285,441	Note 8	Note 8	Note 8	Note 8	-	Note 8
	TDS	Taiwan	Commissioned maintenance services	25,000	25,000	2,500	100	103,780	9,387	-	Note 6
	TPIA	Taiwan	Property insurance agent	5,000	5,000	500	100	126,248	116,248	-	Note 6
	TFC	Taiwan	Cloud and information services	200,000	200,000	24,000	100	276,854	30,152	-	Note 6
	TID	Taiwan	Investment	3,603,149	3,603,149	104,712	100	8,848,174	4,476	-	Note 6 and 8
WMT	TFNM	Taiwan	Broadcasting and TV program distribution and investment in cable TV service providers, etc	5,210,443	5,210,443	230,921	100	6,851,724	1,915,508	-	Note 6
	GFMT	Taiwan	Investment	16,984	16,984	1,500	100	17,248	(55)	-	Note 6
	GWMT	Taiwan	Investment	92,189	92,189	8,945	100	97,154	1,177	-	Note 6
	WTVB	Taiwan	TV program provider	222,417	222,417	18,177	100	299,944	13,987	-	Note 6
	momo	Taiwan	Wholesale, retail, and retail sale no storefront	8,129,394	8,129,394	113,598	45.01	11,053,359	3,454,035	-	Note 6 and 9
TWMFM	SFF	Taiwan	Film production	300	300	30	100	271	(56)	-	Note 6
TFN	TUI	Taiwan	Investment	Note 10	22,314,609	Note 10	Note 10	Note 10	Note 10	-	Note 10

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
				December 31, 2024	December 31, 2023	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
TFNM	YJCTV	Taiwan	Cable TV service provider	$ 2,355,998	$ 2,355,998	33,940	100	$ 1,731,637	$ 10,461	$ -	Note 6
	MCTV	Taiwan	Cable TV service provider	510,724	510,724	6,248	29.53	627,002	19,398	-	Note 6 and 11
	PCTV	Taiwan	Cable TV service provider	3,261,073	3,261,073	68,090	100	3,467,887	105,644	-	Note 6
	UCTV	Taiwan	Cable TV service provider	1,986,250	1,986,250	169,141	99.22	2,027,665	8,756	-	Note 6
	GCTV	Taiwan	Cable TV service provider	1,221,002	1,221,002	51,733	92.38	1,268,001	19,366	-	Note 6
	kbro Media	Taiwan	Film distribution, arts and literature services, and entertainment	341,250	341,250	6,884	33.58	55,975	(8,690)	-	Note 6
	M.E.	Taiwan	Livestreaming artists management services and digital media production	30,628	30,628	537	11.33	32,792	18,000	-	Note 6
GFMT	UCTV	Taiwan	Cable TV service provider	16,218	16,218	1,300	0.76	15,588	8,756	-	Note 6
GWMT	GCTV	Taiwan	Cable TV service provider	91,910	91,910	3,825	6.83	95,737	19,366	-	Note 6
momo	Asian Crown（BVI）	British Virgin Islands	Investment	885,285	885,285	9,735	81.99	13,908	1,092	-	Note 6
	Honest Development	Samoa	Investment	670,448	670,448	21,778	100	321,881	(105,456)	-	Note 6
	FI	Taiwan	Comprehensive insurance agent	8,000	3,000	1,000	100	16,157	1,329	-	Note 6
	FST	Taiwan	Travel agent	6,000	6,000	3,000	100	53,976	11,242	-	Note 6
	Bebe Poshe	Taiwan	Wholesale of cosmetics	109,000	98,965	10,000	100	32,254	695	-	Note 6
	FSL	Taiwan	Logistics and transport	250,000	250,000	25,000	100	360,845	83,533	-	Note 6
	MFS	Taiwan	Wholesaling	100,000	100,000	10,000	100	117,305	15,875	-	Note 6
	Prosperous Living	Taiwan	Wholesale and retail sales	220,850	220,850	22,085	73.62	223,194	1,976	-	Note 6
	SK Biomedical	Taiwan	Wholesale and retail sales	6,000	-	600	20	5,570	(2,283)	-	Note 6
	Fubon Green Power	Taiwan	Energy technical services	200,000	-	20,000	5	199,277	(14,481)	-	Note 5 and 6
Asian Crown（BVI）	Fortune Kingdom	Samoa	Investment	1,132,789	1,132,789	11,594	100	12,160	741	-	Note 6
Fortune Kingdom	HK Fubon Multimedia	Hong Kong	Investment	1,132,789	1,132,789	11,594	100	12,160	741	-	Note 6
Honest Development	HK Yue Numerous	Hong Kong	Investment	670,448	670,448	16,600	100	321,879	(105,066)	-	Note 6

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

Note 2: TWM merged with TVC on December 31, 2024, with TWM as the surviving entity and assuming its recorded assets.

Note 3: Acquired in September 2024.

Note 4: Percentage of ownership is the percentage of capital contribution.

Note 5: Acquired in June 2024.

Note 6: The income/loss of the investee was already included in the income/loss of the investor, and is not presented in this table.

Note 7: The liquidation process was still in progress, and the remaining funds were remitted to the parent company, TCC.

Note 8: TCC merged with TCCI on December 1, 2024, with TCC as the surviving entity and assuming its recorded assets.

Note 9: Material non-controlling interests.

Note 10: TFN merged with TUI on November 1, 2024.

Note 11: 70.47% of stocks are held under trustee accounts.

Note 12: For information on investments in mainland China, see Table 10 for the details.

TABLE 9

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Number	Company Name	Counterparty	Nature of Relationship (Note 1)	Transaction Details			
				Account	Amount	Transaction Terms (Note 2)	Percentage of Consolidated Total Operating Revenue or Total Assets
0	TWM	TFN	1	Notes and accounts receivable	$ 29,519	-	-
		TPIA	1	Notes and accounts receivable	93,281	-	-
		momo	1	Notes and accounts receivable	374,761	-	-
		TFN	1	Other receivables	42,499	-	-
		momo	1	Other receivables	123,865	-	-
		TNH	1	Other non-current assets	19,970	-	-
		TFNM	1	Other non-current assets	25,265	-	-
		TCC	1	Short-term borrowings	657,000	-	-
		WMT	1	Short-term borrowings	4,700,000	-	2%
		TFN	1	Short-term borrowings	10,233,000	-	4%
		TFN	1	Notes and accounts payable	117,094	-	-
		TFNM	1	Notes and accounts payable	52,501	-	-
		momo	1	Notes and accounts payable	28,917	-	-
		WMT	1	Other payables	29,414	-	-
		TFN	1	Other payables	520,852	-	-
		TT&T	1	Other payables	121,139	-	-
		TDS	1	Other payables	18,017	-	-
		momo	1	Other payables	101,765	-	-
		TNH	1	Lease liabilities (current and non-current)	543,131	-	-
		TFN	1	Lease liabilities (current and non-current)	51,467	-	-
		YJCTV	1	Lease liabilities (current and non-current)	14,151	-	-
		TFN	1	Other current liabilities	29,761	-	-
		momo	1	Other current liabilities	37,814	-	-
		TFN	1	Operating revenue	156,848	-	-
		TPIA	1	Operating revenue	230,528	-	-
		TFNM	1	Operating revenue	17,085	-	-
		momo	1	Operating revenue	3,147,985	-	2%

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	$ 5,375,566	-	3%
		TDS	1	Operating costs	68,438	-	-
		FSNR	1	Operating costs	50,792	-	-
		TFNM	1	Operating costs	234,366	-	-
		YJCTV	1	Operating costs	15,807	-	-
		PCTV	1	Operating costs	12,857	-	-
		momo	1	Operating costs	291,152	-	-
		TFN	1	Operating expenses	38,163	-	-
		TT&T	1	Operating expenses	1,177,445	-	1%
		TFN	1	Other income and expenses, net	43,391	-	-
		WMT	1	Finance costs	81,146	-	-
		TFN	1	Finance costs	188,733	-	-
1	WMT	WTVB	1	Other receivables	110,455	-	-
2	TNH	TWM	2	Operating revenue	146,040	-	-
3	TFN	TFC	3	Notes and accounts receivable	44,469	-	-
		TFNM	3	Notes and accounts receivable	38,719	-	-
		TWM	2	Lease liabilities (current and non-current)	84,638	-	-
		TWM	2	Lease revenue	37,139	-	-
		TFC	3	Operating revenue	160,335	-	-
		TFNM	3	Operating revenue	224,381	-	-
		momo	3	Operating revenue	68,073	-	-
		TT&T	3	Operating expenses	103,993	-	-
4	FSNR	momo	3	Notes and accounts receivable	15,044	-	-
		momo	3	Operating revenue	68,249	-	-
5	TFNM	YJCTV	1	Other receivables	48,116	-	-
		MCTV	1	Other receivables	22,011	-	-
		PCTV	1	Other receivables	60,988	-	-
		UCTV	1	Other receivables	36,630	-	-
		GCTV	1	Other receivables	22,704	-	-
		YJCTV	1	Short-term borrowings	110,000	-	-
		PCTV	1	Short-term borrowings	430,000	-	-
		UCTV	1	Short-term borrowings	400,000	-	-
		GCTV	1	Short-term borrowings	260,000	-	-
		WTVB	3	Notes and accounts payable	37,022	-	-
		momo	3	Other payables	11,180	-	-
		TFN	3	Lease liabilities (current and non-current)	95,901	-	-
		YJCTV	1	Operating revenue	393,617	-	-
		PCTV	1	Operating revenue	479,358	-	-
		UCTV	1	Operating revenue	214,223	-	-
		GCTV	1	Operating revenue	176,576	-	-

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	momo	3	Operating revenue	$ 35,697	-	-
		WTVB	3	Operating costs	35,593	-	-
		YJCTV	1	Operating costs	36,687	-	-
		MCTV	1	Operating costs	11,322	-	-
		PCTV	1	Operating costs	42,460	-	-
		UCTV	1	Operating costs	26,711	-	-
		GCTV	1	Operating costs	17,039	-	-
6	WTVB	TFN	3	Lease liabilities (current and non-current)	24,060	-	-
7	UCTV	TFN	3	Operating revenue	17,655	-	-
8	GCTV	TWM	2	Operating revenue	11,916	-	-
9	momo	FSL	1	Notes and accounts payable	272,865	-	-
		MFS	1	Notes and accounts payable	17,079	-	-
		TWM	2	Lease liabilities (current and non-current)	19,943	-	-
		Bebe Poshe	1	Operating costs	27,952	-	-
		FSL	1	Operating costs	1,303,806	-	1%
		MFS	1	Operating costs	182,360	-	-
		Prosperous Living	1	Operating costs	23,170	-	-

Note 1: 1. Parent to subsidiary.

2. Subsidiary to parent.

3. Between subsidiaries.

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

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

TABLE 10

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars and Foreign Currencies)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (Note 1)	Accumulated Outflow of Investment from Taiwan at the Beginning of the Period	Investment Flows		Accumulated Outflow of Investment from Taiwan at the End of the Period	Net Income (Loss) of Investee	% Ownership through Direct or Indirect Investment	Investment Income (Loss)	Carrying Value at the End of the Period	Accumulated Inward Remittance of Earnings at the End of the Period	Note
					Outflow	Inflow							
TWMC	Data communication application development	$ -	b	$ 159,433 (USD 4,872)	$ -	$ 85,543 (USD 2,614)	$ -	$ 116	-	$ 116	$ -	$ -	Note 2
FGE	Wholesaling	347,047 (RMB 77,500)	b	857,890 (USD 14,000) (RMB 89,267)	-	-	857,890 (USD 14,000) (RMB 89,267)	(13)	76.7	(10)	2,364	-	Note 3
Haobo	Investment	49,258 (RMB 11,000)	b	-	-	-	-	(102,732)	100	(102,732)	313,380	-	Note 4
GHS	Wholesaling	223,902 (RMB 50,000)	b	-	-	-	-	(1,831)	20	(3,198)	310,504	60,467 (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	$ 1,568,282 (USD14,000, RMB89,267 and HKD168,539)	$ 1,568,282 (USD14,000, RMB89,267 and HKD168,539)	$ 56,357,036

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 to TCC through 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 11

TAIWAN MOBILE CO., LTD.

INFORMATION OF MAJOR STOCKHOLDERS
DECEMBER 31, 2024

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

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