Far EasTone Telecommunications Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies 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, 2023 are the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as of and for the years ended December 31, 2023 and 2022, as provided in International Financial Reporting Standard 10 "Consolidated Financial Statements." Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies as of and for the years ended December 31, 2023 and 2022. Hence, we did not prepare a separate set of consolidated financial statements of affiliates for the year ended December 31, 2023.

Very truly yours,

FAR EASTONE TELECOMMUNICATIONS CO., LTD.

By

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February 22, 2024

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Far EasTone Telecommunications Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Far EasTone Telecommunications Co., Ltd. ("Far EasTone") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the 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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. 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 Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

The key audit matter of the consolidated financial statements for the year ended December 31, 2023 is described as follows:

Recognition of Mobile Telecommunications Service Revenue

Mobile telecommunications service revenue is the main source of the Group's revenue, and it accounts for 45% of the Group's total revenue for the year ended December 31, 2023. The calculation of mobile telecommunications service revenue relies heavily on automated systems and includes complicated and huge amounts of data transmission. In order to meet market demands and remain competitive, the Group often launches different combinations of products and services. The charge rates of the aforementioned products and services are set manually to systems. Since the effectiveness of the design and implementation of internal controls over systems and rate settings relevant to telecommunications service revenue directly and significantly affects the accuracy of revenue calculation, the recognition of mobile telecommunications service revenue is considered a key audit matter.

For the accounting policies related to mobile telecommunications service revenue, refer to Note 4 to the accompanying consolidated financial statements.

By conducting tests of controls, we obtained an understanding of the Group's recognition of mobile telecommunications service revenue and the design and implementation of related controls.

We also engaged internal IT specialists to understand and assess the systems and internal controls relevant to mobile telecommunications service revenue and perform the corresponding audit procedures which are listed as follows. The IT specialists:

1. Identified key systems that processed mobile telecommunications service revenue; assessed and tested the general information technology controls of the aforementioned systems, including access controls and change controls.

2. Tested the completeness and accuracy of interface controls between the switch equipment and the billing systems.

3. Tested the access controls and changes of controls over the input of rates to the billing systems.

4. Tested the accuracy of the billing calculation.

5. Tested the completeness and accuracy of the calculation and billing of monthly fees, airtime fees and value-added service fees.

In coordination with the internal IT specialists, we:

1. Performed dialing tests to verify the accuracy and completeness of the traffic and information on the switch equipment.

2. Sampled user contracts to confirm the accuracy of the billing system information.

For the revenue recognition of billed and unbilled amounts, we conducted the following tests:

1. For the billed amounts, we compared whether there was any difference between the reports generated from the accounting system and the billing system.

2. For the unbilled amounts, we recalculated the service revenue for services provided as of the balance sheet date based on the applied charge rates to confirm the accuracy of the amounts.

Recognition and Measurement of Net Assets Acquired from the Merger with Asia Pacific Telecom Co., Ltd.

In order to enhance competitiveness, expand the business scale and achieve operating synergy, Far EasTone merged with Asia Pacific Telecom Co., Ltd. in 2023. The purchase price was significant and the net assets acquired should be measured and recognized for their fair value through purchase price allocation. Those measurements were involved with judgments and estimates made by management; thus, the recognition and measurement of net assets acquired from the merger with Asia Pacific Telecom Co., Ltd. is considered a key audit matter.

We performed the main audit procedures as follows:

1. To confirm whether the transaction process of this merger was compliant with the internal control system and handling procedures for the acquisition and disposal of assets established by Far EasTone. We also assessed the eligibility of the external expert engaged by Far EasTone.

2. To obtain the merger contract and registration records and confirm the recognition timing and basis used by Far EasTone were appropriate.

3. To review the purchase price allocation report issued by the external expert engaged by Far EasTone, assess the rationalities of the methodology, assumptions and parameters applied by the external expert and confirms the accuracy of the computed net asset fair value. We also confirmed the amounts recognized by Far EasTone.

Other Matter

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 of the Republic of China, 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 Republic of China 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 Republic of China, 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 the 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 statements that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partners on the audits resulting in this independent auditors' report are Yung-Hsiang Chao and Chih-Ming Shao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 22, 2024

Notice to Readers

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

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 Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

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

	2023		2022 (Restated)	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 34)	$ 4,392,483	2	$ 4,886,011	3
Financial assets at fair value through profit or loss - current (Notes 4, 33 and 34)	712,578	-	623,115	-
Financial assets at amortized cost - current (Notes 4, 8 and 34)	975,746	1	755,475	-
Contract assets - current (Notes 4, 5 and 24)	5,492,682	3	5,160,260	3
Notes receivable, net (Notes 4 and 9)	38,189	-	25,446	-
Accounts receivable, net (Notes 4, 5 and 9)	10,984,098	6	9,734,771	6
Accounts receivable - related parties (Notes 4, 5, 9 and 34)	435,266	-	335,830	-
Inventories (Notes 4 and 10)	3,250,810	2	2,907,323	2
Prepaid expenses	1,430,009	1	1,081,939	1
Other financial assets - current (Notes 4, 34 and 35)	572,323	-	510,111	-
Other current assets (Notes 4 and 34)	299,036	-	162,441	-
Total current assets	28,583,220	15	26,182,722	15
NONCURRENT ASSETS				
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 7 and 33)	724,179	-	4,008,122	2
Investments accounted for using the equity method (Notes 4 and 12)	2,737,224	1	2,219,233	1
Contract assets - noncurrent (Notes 4, 5 and 24)	4,119,329	2	3,670,471	2
Property, plant and equipment, net (Notes 4, 5, 13, 34 and 35)	47,422,141	24	40,328,499	24
Right-of-use assets (Notes 4, 5, 14 and 34)	10,620,795	5	8,184,334	5
Investment properties (Notes 4 and 15)	924,372	-	756,225	-
Concessions, net (Notes 1, 4 and 16)	67,399,485	35	65,086,179	39
Goodwill (Notes 4, 5 and 16)	19,550,652	10	11,176,831	7
Other intangible assets (Notes 4, 5, 16 and 34)	3,104,248	2	2,342,747	1
Deferred income tax assets (Notes 3, 4, 5 and 26)	1,014,863	1	976,052	1
Incremental costs of obtaining a contract - noncurrent (Notes 4, 5 and 24)	5,783,434	3	3,702,294	2
Other noncurrent assets (Notes 4, 9, 17, 22 and 34)	3,042,492	2	2,066,814	1
Total noncurrent assets	166,443,214	85	144,517,801	85
TOTAL	$ 195,026,434	100	$ 170,700,523	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 18)	$ 190,000	-	$ 436,530	-
Short-term bills payable (Notes 4, 18 and 35)	190,178	-	1,215,702	1
Contract liabilities - current (Notes 4 and 24)	2,794,430	1	3,230,860	2
Notes payable	14,487	-	6,196	-
Accounts payable (Note 34)	7,461,769	4	6,720,829	3
Other payables (Note 20)	7,855,075	4	7,001,278	4
Current tax liabilities (Notes 4, 5 and 26)	2,343,991	1	2,942,192	2
Provisions - current (Notes 4 and 21)	202,840	-	182,325	-
Lease liabilities - current (Notes 4, 14, 31 and 34)	3,755,440	2	2,739,068	2
Current portion of long-term borrowings (Notes 4, 18, 19 and 35)	9,214,749	5	3,011,125	2
Other current liabilities (Note 34)	1,763,038	1	1,454,838	1
Total current liabilities	35,785,997	18	28,940,943	17
NONCURRENT LIABILITIES				
Contract liabilities - noncurrent (Notes 4 and 24)	169,462	-	10,373,110	6
Bonds payable (Notes 4, 19 and 33)	26,577,681	15	26,778,746	16
Long-term borrowings (Notes 4, 18 and 35)	25,791,468	13	27,136,067	16
Provisions - noncurrent (Notes 4 and 21)	1,667,729	1	1,191,522	1
Deferred income tax liabilities (Notes 3, 4, 5 and 26)	2,269,307	1	2,204,059	1
Lease liabilities - noncurrent (Notes 4, 14, 31 and 34)	6,393,420	3	4,979,074	3
Net defined benefit liabilities - noncurrent (Notes 4 and 22)	395,773	-	399,377	-
Guarantee deposits received - noncurrent	386,639	-	248,239	-
Other noncurrent liabilities (Note 20)	4,594,397	2	4,261,210	2
Total noncurrent liabilities	68,245,876	35	77,571,404	45
Total liabilities	104,031,873	53	106,512,347	62
EQUITY ATTRIBUTABLE TO OWNERS OF FAR EASTONE				
Capital stock				
Common stock	36,057,054	18	32,585,008	19
Capital surplus	23,490,559	12	26,365	-
Retained earnings				
Legal reserve	19,603,354	10	21,476,579	12
Special reserve	2,235,038	1	1,301,537	1
Unappropriated earnings	8,685,461	5	9,651,744	6
Total retained earnings	30,523,853	16	32,429,860	19
Other equity	(89,282)	-	(1,773,776)	(1)
Total equity attributable to owners of Far EasTone	89,982,184	46	63,267,457	37
NONCONTROLLING INTERESTS	1,012,377	1	920,719	1
Total equity	90,994,561	47	64,188,176	38
TOTAL	$ 195,026,434	100	$ 170,700,523	100

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

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

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

	2023		2022	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 24 and 34)	$ 93,690,417	100	$ 89,151,365	100
OPERATING COSTS (Notes 4, 10, 25 and 34)	65,060,442	69	62,094,526	70
GROSS PROFIT	28,629,975	31	27,056,839	30
OPERATING EXPENSES (Notes 4, 25 and 34)				
Marketing	9,964,050	11	9,951,752	11
General and administrative	5,179,482	5	4,789,162	5
Expected credit losses	257,340	-	265,837	-
Total operating expenses	15,400,872	16	15,006,751	16
OTHER INCOME AND EXPENSES (Note 4)	827,426	1	583,435	1
OPERATING INCOME	14,056,529	16	12,633,523	15
NONOPERATING INCOME AND EXPENSES (Notes 4, 25 and 34)				
Other income	239,100	-	149,544	-
Other gains and losses	130,687	-	59,811	-
Financial costs	(801,401)	(1)	(639,597)	(1)
Share of the gains of associates	321,474	-	(8,901)	-
Losses on disposal of property, plant and equipment and intangible assets	(123,633)	-	(195,299)	-
Total nonoperating income and expenses	(233,773)	(1)	(634,442)	(1)
INCOME BEFORE INCOME TAX	13,822,756	15	11,999,081	14
INCOME TAX (Notes 4 and 26)	2,529,564	3	2,293,193	3
NET INCOME	11,293,192	12	9,705,888	11
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(14,702)	-	97,207	-
Gain on property revaluation	-	-	53,107	-

(Continued)

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

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

	2023		2022	
	Amount	**%**	**Amount**	**%**
Unrealized losses on investments in equity instruments designated as at fair value through other comprehensive income	$ (796,353)	(1)	$ (1,056,216)	(1)
Share of the other comprehensive income of associates accounted for using the equity method	3,589	-	2,951	-
	(807,466)	(1)	(902,951)	(1)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(9,481)	-	63,027	-
Share of the other comprehensive (loss) income of associates accounted for using the equity method	(50)	-	3,444	-
	(9,531)	-	66,471	-
Total other comprehensive loss, net of income tax	(816,997)	(1)	(836,480)	(1)
TOTAL COMPREHENSIVE INCOME	$ 10,476,195	11	$ 8,869,408	10
NET INCOME ATTRIBUTABLE TO:				
Owners of Far EasTone	$ 11,185,918	12	$ 9,607,895	11
Noncontrolling interests	107,274	-	97,993	-
	$ 11,293,192	12	$ 9,705,888	11
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of Far EasTone	$ 10,370,364	11	$ 8,764,038	10
Noncontrolling interests	105,831	-	105,370	-
	$ 10,476,195	11	$ 8,869,408	10
EARNINGS PER SHARE, IN NEW TAIWAN DOLLARS (Note 27)				
Basic	$ 3.42		$ 2.95	
Diluted	$ 3.41		$ 2.94	

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

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of Far EasTone											
			Retained Earnings			Other Equity (Note 23)						
	Capital Stock (Notes 4 and 23)	Capital Surplus (Notes 4, 23, 28 and 30)	Legal Reserve (Note 23)	Special Reserve (Note 23)	Unappropriated Earnings (Notes 4, 23 and 30)	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized (Losses) Gains on Financial Assets at Fair Value Through Other Comprehensive Income	Gains (Losses) on Hedging Instruments	Gains on Property Revaluations	Total	Noncontrolling Interests (Notes 4, 23, 28 and 30)	Total Equity
BALANCE AT JANUARY 1, 2022	$ 32,585,008	$ 2,389,840	$ 21,122,282	$ 723,516	$ 9,149,448	$ (36,747)	$ (799,017)	$ 1,386	$ -	$ 65,135,716	$ 965,064	$ 66,100,780
Appropriation of the 2021 earnings												
Legal reserve	-	-	914,759	-	(914,759)	-	-	-	-	-	-	-
Special reserve	-	-	-	578,021	(578,021)	-	-	-	-	-	-	-
Cash dividends - NT$2.349 per share	-	-	-	-	(7,654,218)	-	-	-	-	(7,654,218)	-	(7,654,218)
Changes in equity from investments in associates accounted for using the equity method	-	41	-	-	(12,452)	-	-	-	-	(12,411)	-	(12,411)
Cash dividends from capital surplus - NT$0.729 per share	-	(2,375,447)	-	-	-	-	-	-	-	(2,375,447)	-	(2,375,447)
Cash dividends from legal reserve - NT$0.172 per share	-	-	(560,462)	-	-	-	-	-	-	(560,462)	-	(560,462)
Net income for the year ended December 31, 2022	-	-	-	-	9,607,895	-	-	-	-	9,607,895	97,993	9,705,888
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	95,541	64,107	(1,053,265)	1,365	48,395	(843,857)	7,377	(836,480)
Share-based payment transactions of subsidiaries	-	199	-	-	-	-	-	-	-	199	-	199
Change in ownership interest of subsidiaries	-	11,732	-	-	(41,690)	-	-	-	-	(29,958)	(75,256)	(105,214)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(74,459)	(74,459)
BALANCE AT DECEMBER 31, 2022	32,585,008	26,365	21,476,579	1,301,537	9,651,744	27,360	(1,852,282)	2,751	48,395	63,267,457	920,719	64,188,176
Appropriation of the 2022 earnings												
Legal reserve	-	-	964,929	-	(964,929)	-	-	-	-	-	-	-
Special reserve	-	-	-	933,501	(933,501)	-	-	-	-	-	-	-
Cash dividends - NT$2.379 per share	-	-	-	-	(7,751,973)	-	-	-	-	(7,751,973)	-	(7,751,973)
Changes in equity from investments in associates accounted for using the equity method	-	-	-	-	(1,673)	-	-	-	-	(1,673)	-	(1,673)
Cash dividends from legal reserve - NT$0.871 per share	-	-	(2,838,154)	-	-	-	-	-	-	(2,838,154)	-	(2,838,154)
Net income for the year ended December 31, 2023	-	-	-	-	11,185,918	-	-	-	-	11,185,918	107,274	11,293,192
Other comprehensive loss for the year ended December 31, 2023	-	-	-	-	(13,483)	(8,808)	(792,764)	(499)	-	(815,554)	(1,443)	(816,997)
Shares issued for pursuant to acquisitions	3,472,046	23,455,435	-	-	-	-	-	-	-	26,927,481	-	26,927,481
Disposal of investments accounted for using the equity method	-	(12,851)	-	-	-	-	-	-	-	(12,851)	-	(12,851)
Change in ownership interest of subsidiaries	-	16,372	-	-	(77)	-	-	-	-	16,295	64,855	81,150
Share-based payment transactions of subsidiaries	-	5,238	-	-	-	-	-	-	-	5,238	1,957	7,195
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(80,985)	(80,985)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(2,486,565)	-	2,486,565	-	-	-	-	-
BALANCE AT DECEMBER 31, 2023	$ 36,057,054	$ 23,490,559	$ 19,603,354	$ 2,235,038	$ 8,685,461	$ 18,552	$ (158,481)	$ 2,252	$ 48,395	$ 89,982,184	$ 1,012,377	$ 90,994,561

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

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 13,822,756	$ 11,999,081
Adjustments for:		
Depreciation	11,654,666	11,896,444
Amortization	1,140,433	1,108,901
Amortization of concessions	5,230,694	5,152,658
Expected credit losses	257,340	265,837
Net (gains) losses on fair value changes of financial assets at fair value through profit or loss	(93,274)	78,824
Financial costs	801,401	639,597
Interest income	(134,439)	(65,286)
Dividend income	(38,102)	(24,280)
Share-based compensation	7,195	199
Share of the (gains) losses of associates	(321,474)	8,901
Losses on disposal of property, plant and equipment and intangible assets	123,633	195,299
Gain on disposal of investments	(12,865)	(6,220)
Write-down (reversal of write-down) of inventories	(8,465)	13,562
Losses on changes in fair value of investment properties	1,507	5,572
Gains on modifications of lease arrangements	(2,565)	(1,349)
Others	(3,410)	-
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	3,811	(2,765)
Contract assets	(407,158)	(196,231)
Notes receivable	(12,402)	(1,359)
Accounts receivable	(441,556)	(1,583,380)
Accounts receivable - related parties	(95,862)	50,544
Inventories	(331,689)	151,655
Prepaid expenses	(292,630)	142,234
Other current assets	77,191	26,346
Incremental costs of obtaining a contract	208,414	206,674
Contract liabilities	(634,312)	2,648
Notes payable	4,426	(1,166)
Accounts payable	(217,003)	(45,302)
Other payables	(698,312)	53,727
Provisions	(11,482)	(19,173)
Other current liabilities	267,267	184,947
Net defined benefit liabilities	(17,200)	(18,906)
Other noncurrent liabilities	(859,847)	(620,827)
Cash generated from operations	28,966,687	29,597,406
Interest received	132,599	67,742
Dividends received	38,688	24,696
Interest paid	(746,594)	(665,370)
Income taxes paid	(2,265,407)	(1,945,422)
Net cash generated from operating activities	26,125,973	27,079,052

(Continued)

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

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

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	$ (39,676)	$ -
Remittance of cash due to capital reduction of financial assets at fair value through other comprehensive income	9,000	-
Acquisition of financial assets at amortized cost	(220,271)	-
Proceeds from the disposal of financial assets at amortized cost	-	638,303
Acquisition of investments accounted for using the equity method	-	(110,680)
Increase in prepayments for an investment	-	(40,000)
Acquisition of property, plant and equipment	(7,412,151)	(8,528,507)
Proceeds from the disposal of property, plant and equipment	41,036	61,641
Increase in refundable deposits	(324,961)	(308,703)
Decrease in refundable deposits	420,724	274,053
Acquisition of intangible assets	(737,042)	(1,019,036)
Cash received through a merger	190,316	-
Decrease in other financial assets	320,772	278,700
Increase in prepayments for equipment	-	(700,000)
Other investing activities	1,109,563	1,864,609
Net cash used in investing activities	(6,642,690)	(7,589,620)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(3,331,530)	226,530
(Decrease) increase in short-term bills payable	(1,625,488)	864,212
Proceeds from the issuance of bonds payable	6,490,445	4,493,170
Repayment of bonds payable	(3,000,000)	(9,700,000)
Proceeds from long-term borrowings	15,312,782	10,369,619
Repayment of long-term borrowings	(19,775,336)	(11,297,427)
Increase in guarantee deposits received	136,785	70,245
Decrease in guarantee deposits received	(63,347)	(54,819)
Repayment of the principal portion of lease liabilities	(3,528,903)	(3,459,906)
Cash dividends paid	(10,671,112)	(10,664,586)
Net changes in noncontrolling interests	81,150	(105,214)
Net cash used in financing activities	(19,974,554)	(19,258,176)
EFFECT OF EXCHANGE RATE CHANGES	(2,257)	9,081
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(493,528)	240,337
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	4,886,011	4,645,674
CASH AND CASH EQUIVALENTS, END OF THE YEAR	$ 4,392,483	$ 4,886,011

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

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

Far EasTone Telecommunications Co., Ltd. ("Far EasTone") was incorporated in the Republic of China (ROC) on April 11, 1997 and began commercial operations on January 20, 1998. The Company's stock was initially listed and commenced trading on the over-the-counter (OTC) securities exchange (also known as the Taipei Exchange, TPEx) of the ROC on December 10, 2001, but later ceased trading on the TPEx and transferred listing of its stock on the Taiwan Stock Exchange (TWSE) on August 24, 2005. Far EasTone registered as a telecommunications enterprise with the approval of the National Communications Commission (NCC). Far EasTone registered its business items in accordance with the Telecommunications Management Act. Far EasTone's main businesses include mobile telecommunications services (including voice and internet services), international simple resale services, digital value-added services, sale of cellular phone equipment and accessories and enterprise information and communication integration services, etc.

For long-term business development, on October 30, 2013, Far EasTone bid for and was granted two fourth-generation (4G) wireless communications concessions, GSM 700 and GSM 1800 (GSM stands for Global System for Mobile Communications), which are valid through December 31, 2030. From 2015 to 2017, Far EasTone bid for and was granted another two fourth-generation (4G) wireless communications concessions, GSM 2600 and GSM 2100, both of which are valid through December 31, 2033. In February 2020, Far EasTone bid for and was granted two fifth-generation (5G) wireless communications concessions of 3.5GHz spectrum and 28GHz spectrum, which are valid through December 31, 2040. On December 15, 2023, Far EasTone merged with Asia Pacific Telecom Co., Ltd. ("APTC") through a share swap.

Far EasTone's ultimate parent is Far Eastern New Century Corporation ("Far Eastern New Century"). As of December 31, 2023 and 2022, Far Eastern New Century and its affiliates directly and indirectly owned 32.81% and 38.33%, respectively. Since Far Eastern New Century and its subsidiaries have the power to cast the majority of votes at the meeting of Far EasTone's board of directors. Thus, Far Eastern New Century is the ultimate parent company of Far EasTone.

The consolidated financial statements of Far EasTone and its subsidiaries, collectively referred to as the Group, are presented in New Taiwan dollars, the functional currency of Far EasTone.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors of Far EasTone on February 22, 2024.

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

a. Initial application of the amendments to 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)

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies:

1) Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Group shall recognize a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with decommissioning obligations will be retrospectively adjusted on January 1, 2023, and the Group shall recognize the cumulative effect of initial application in retained earnings at that date. The Group shall apply the amendments prospectively to transactions other than decommissioning obligations that occur on or after January 1, 2022. The Group shall restate its comparative information when it initially applies the aforementioned amendments.

The following adjustments should be made to reflect deferred tax asset and liability and balances under the original IAS 12.

Impact on assets and liabilities for the current year

	December 31, 2023
Decrease in deferred tax assets	$ 45,676
Decrease in assets	$ 45,676
Decrease in deferred tax liabilities	$ 45,676
Decrease in liabilities	$ 45,676

Impact on assets and liabilities for the prior year

December 31, 2022	**As Originally Stated**	**Adjustments Arising from Initial Application**	**Restated**
Deferred tax assets	$ 914,228	$ 61,824	$ 976,052
Total effect on assets	$ 914,228	$ 61,824	$ 976,052
Deferred tax liabilities	$ 2,142,235	$ 61,824	$ 2,204,059
Total effect on liabilities	$ 2,142,235	$ 61,824	$ 2,204,059

Refer to Note 26 for the impact on assets and liabilities as of January 1, 2022.

2) Amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules"

The amendments introduce a temporary exception to the requirements in IAS 12 by stipulating that the Group should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also require the Group to disclose that it has applied the exception and separately disclose its current tax expense (income) related to Pillar Two income taxes. In addition, for periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, the Group should disclose qualitative and quantitative information that helps users of financial statements understand the Group's exposure to Pillar Two income taxes. The requirement that the Group apply the exception and the requirement to disclose that fact are applied immediately and retrospectively upon issuance of the amendments. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.

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

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

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other 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

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.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments, investment properties and net assets acquired in business combinations that are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

c. Level 3 inputs are unobservable inputs for the asset or liability.

Classification of Current and Noncurrent Assets and Liabilities

Current assets include:

a. Assets held primarily for the purpose of trading;

b. Assets expected to be realized within 12 months after the reporting period; and

c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

a. Liabilities held primarily for the purpose of trading;

b. Liabilities due to be settled within 12 months after the reporting period; and

c. Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as noncurrent.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of Far EasTone and the entities controlled by Far EasTone (its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by Far EasTone.

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

Total comprehensive income of subsidiaries is attributed to the owners of Far EasTone and to the noncontrolling interests even if this results in the noncontrolling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the noncontrolling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of Far EasTone.

Refer to Note 11, Schedule G and H for the detailed information on subsidiaries, including the percentages of ownership and main businesses.

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any noncontrolling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

Foreign Currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

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

Nonmonetary items denominated in a foreign currency and measured at historical cost are not retranslated.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations (including subsidiaries in other countries or subsidiaries that use currencies different from the ones used by Far EasTone) are translated into New Taiwan dollars using the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the year. The resulting exchange differences are recognized in other comprehensive income (attributed to the owners of Far EasTone and noncontrolling interests as appropriate).

On the disposal of the Group's entire interest in a foreign operation or a disposal involving loss of control over a subsidiary that includes a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of Far EasTone are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the noncontrolling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Inventories

Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price under normal conditions less estimated selling expenses. Cost is determined using the weighted-average method.

Investments in Associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of equity of associates attributable to the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and 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, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new stock 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 the Group's share of equity of associates accounted for using the equity method. If the Group's ownership interest is reduced due to the additional subscription of the new stock 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 if the investee had 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's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the 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.

The entire carrying amount of the 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 Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. 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 that associate had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

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

Property, Plant and Equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

Investment Properties

Investment properties are properties held to earn rental and/or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs, and are subsequently measured using the fair value model. Changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

For a transfer of classification from investment properties to property, plant and equipment, the property's deemed cost for subsequent accounting is its fair value at the commencement of owner-occupation.

For a transfer of classification from property, plant and equipment to investment properties at the end of owner-occupation, any difference between the fair value of an item of property at the transfer date and its previous carrying amount is recognized in other comprehensive income and accumulated in gain on property revaluation under other equity that will be transferred directly to retained earnings when the asset is derecognized.

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

Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating unit or groups of cash-generating units (referred to as cash-generating units) that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combinations during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal, and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Intangible Assets

a. Intangible assets acquired separately

   Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

b. Intangible assets acquisitions through business combinations

Intangible assets Acquisitions through business combinations and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

c. Derecognition of intangible assets

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.

Incremental Costs of Obtaining a Contract

When a sales contract is obtained, commission and subsidies paid to dealers under sales agreements are recognized as assets (incremental costs of obtaining a contract) to the extent that the costs are expected to be recovered and are amortized 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 such assets, which the Group would otherwise have recognized, is expected to be one year or less.

Impairment of Property, Plant and Equipment, Right-of-use Assets, Intangible Assets (Other Than Goodwill) and Incremental Costs of Obtaining a Contract

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, excluding goodwill, 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. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. 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, with the resulting impairment loss recognized in profit or loss.

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on incremental costs shall be recognized in accordance with applicable standards. The impairment loss from the assets related to the contract costs is then recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or incremental costs of obtaining a contract is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

Financial Instruments

Financial assets and financial liabilities are recognized 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 issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at 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.

a. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

1) 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 FVTOCI.

a) Financial assets at FVTPL

A financial asset is classified as at FVTPL when the financial asset is mandatorily classified as at FVTPL.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on the financial asset. Fair value is determined in the manner described in Note 33.

b) 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.

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, accounts receivable at amortized cost and other financial assets, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

i. Purchased or originated credit impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

ii. Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i. Significant financial difficulty of the issuer or the borrower;

ii. Breach of contract, such as a default;

iii. It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv. The disappearance of an active market for that financial asset because of financial difficulties.

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.

c) 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. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

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.

2) Impairment of financial assets and contract assets

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

The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivable and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of 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):

a) Internal or external information show that the debtor is unlikely to pay its creditors.

b) Failure of the debtors to discharge their obligation within their credit periods, unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

3) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to 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 an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

b. Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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

Repurchase of the Group'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 Group's own equity instruments.

c. Financial liabilities

1) Subsequent measurement

Except the financial liabilities at fair value through profit or loss, all financial liabilities are measured at amortized cost using the effective interest method.

2) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognized in profit or loss.

Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

a. Decommissioning, restoration and similar liabilities

   The cost of an item of property, plant and equipment comprises:

   1) Its purchase price;

   2) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and

   3) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

   The cost of a right-of-use asset comprises:

   1) The initial measurement of lease liabilities;

   2) The initial estimate of the costs of dismantling and removing the right-of-use asset and restoring the site on which it is located.

b. Warranties

   Provisions for the expected cost of warranty obligations are recognized at the date of sale of the relevant products, at the Group's best estimate of the expenditure required to settle the Group's obligation.

c. Levies

   Levies imposed by a government are accrued as provisions when the obligating events that trigger the payment of such levies occur.

Revenue Recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods comes from sales of mobile telecommunication devices and accessories and internet sales of goods. Sales of mobile telecommunication devices and accessories are recognized as revenue when the goods are delivered to the customer because that is the time when the customer obtains control of the goods and bears the risks of obsolescence. Accounts receivable are recognized concurrently. For internet sales of goods, revenue is recognized when the goods are delivered to the customer's specific location. When the customer initially purchases the goods online, the transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

Telecommunications service revenue from fixed network services, cellular services and interconnection and call transfer fees from other telecommunications companies and carriers are billed in arrears and are recognized based upon minutes of traffic processed when the services are provided in accordance with contract terms. Telecommunications service revenue is recognized as follows: (a) monthly fees are accrued every month, and (b) prepaid and recharge services are recognized as income based upon actual usage by customers. As the Group provides telecommunication value-added services, the customer simultaneously receives and consumes the benefits provided by the Group's satisfaction of performance obligations. Consequently, related revenue is recognized when services are rendered.

A bundle sales contract consists of the rendering of airtime services and the sale of goods. The rendering of services and the sale of goods are accounted for as distinct performance obligations. The Group allocates the transaction price to each performance obligation identified in a bundle sales contract on a relative stand-alone selling price basis and recognizes sales and service revenue in accordance with the aforesaid principles of revenue recognition.

For project business services, the Group identifies performance obligations in accordance with the commitments stated in the related service contract and recognizes revenue when performance obligations are satisfied. Payments for project business services are made at several time points specified in the service contract. The Group recognizes the difference between the revenue recognized and the collectible amounts from the customer as contract assets after the performance obligations have been satisfied, and the contract assets are reclassified to accounts receivable when the amounts become collectible.

Under the Group's Customer Loyalty Program, the Group offers award credits when customers purchase goods or services. The award credits provide a material right to customers. The transaction price allocated to the award credits is recognized as a contract liability when collected and will be recognized as revenue when the award credits are redeemed or have expired.

Leases

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

For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

a. The Group as lessor

   Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

   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 as income on a straight-line basis over the terms of the relevant leases.

b. 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 an estimate of costs needed to restore the underlying assets. Right-of-use assets are subsequently measured at cost less accumulated depreciation 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 of the end of the useful lives of the right-of-use assets and the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses 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 resulting in a change in future lease 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 that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease less than the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

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 noncurrent 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.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

Employee Benefits

a. Short-term 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 service.

b. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and gains and losses on settlements) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

c. Termination benefits

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.

Share-based Payment Arrangements

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately.

At the end of each reporting period, the Group revises its estimate of the number of employee share options that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

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

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for as income tax in the year the stockholders approve to retain earnings.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. If a temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences, the resulting deferred tax asset or liability is not recognized. In addition, a deferred tax liability is not recognized on taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits for other 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 recognized for taxable temporary differences associated with investments in subsidiaries and associates, 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 these investments are only recognized 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 such temporary differences 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 asset 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 liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

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.

Frequency and Network Sharing Services

The Group provides frequency and network sharing services for a telecommunications company through a part of 5G spectrum and related cell sites. The Group provides frequency and network sharing services as a principal because it has control over the aforementioned spectrum and cell sites. The consideration received is included in contract liabilities. Revenue is recognized on a straight-line basis over the useful lives of the assets used in providing frequency and network sharing services.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation Uncertainty

a. Estimated impairment of financial assets

The provision for impairment of accounts receivable and contract assets are based on assumptions on probability of default and loss given default. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Notes 9 and 24. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

b. Impairment of property, plant and equipment, right-of-use assets, intangible assets (other than goodwill) and incremental costs of obtaining a contract

For impairment testing of assets, the Group evaluates and decides on certain assets' independent cash flows, the useful lives of the assets, and the probable future profit or loss which is based on subjective judgment, utilized asset mode, and telecommunications industry characteristics. Any changes in national and local economic conditions or the Group's strategy may cause significant impairment loss.

c. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The calculation of the value in use requires the Group's management to estimate the future cash flows expected to arise from each cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances results in a downward revision of future cash flows or an upward revision of discount rate, a material impairment loss may arise.

As of December 31, 2023 and 2022, the carrying amounts of goodwill are disclosed in Note 16.

d. Income tax

A key source of estimation uncertainty is the determination of the realizability of deferred tax assets, which mainly depends on whether sufficient future profit or taxable temporary differences will be available. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place. In cases where the actual future profit generated is greater than expected, a further material recognition of deferred tax assets may arise, which would be recognized in the period in which further recognition takes place.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	$ 8,894	$ 8,774
Checking and demand deposits	3,176,770	3,949,187
Cash equivalents		
Commercial paper purchased under resale agreements	917,275	808,634
Certificates of deposits	289,544	119,416
	$ 4,392,483	$ 4,886,011

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	2022
Investments in equity instruments-noncurrent		
Stock in domestic listed company through private placement	$ -	$ 3,050,000
Domestic/foreign unlisted common stock	724,179	958,122
	$ 724,179	$ 4,008,122

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in 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.

On December 15, 2023, Far EasTone merged with Asia Pacific Telecom Co., Ltd. ("APTC") through a share swap. The stocks of APTC already held by Far EasTone through private placement before the merger were transferred as part of the consideration; refer to Note 29.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	2022
Current		
Certificates of deposits with original maturities of more than 3 months	$ 975,746	$ 755,475

9. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	December 31	
	2023	2022
Notes receivable		
At amortized cost		
Gross carrying amount	$ 38,189	$ 25,446
Less: Allowance for impairment loss	-	-
	$ 38,189	$ 25,446
Accounts receivable (including related parties and noncurrent portion)		
At amortized cost		
Gross carrying amount	$ 12,931,847	$ 11,151,527
Less: Allowance for impairment loss	(1,169,566)	(901,779)
Less: Unrealized interest income	(772)	(1,755)
Less: Unearned finance income	(40,366)	(15,281)
	$ 11,721,143	$ 10,232,712

At the end of the reporting period, the Group's accounts receivable from sales and the rendering of services with payment by installments were as follows:

	December 31	
	2023	2022
Gross amount of installment accounts receivable	$ 31,874	$ 57,678
Unrealized interest income	(772)	(1,755)
	$ 31,102	$ 55,923
Current	$ 17,600	$ 24,821
Noncurrent	13,502	31,102
	$ 31,102	$ 55,923

Accounts receivable expected to be recovered after more than one year are classified as noncurrent assets. The above-mentioned accounts receivable are expected to be recovered before 2029.

At the end of the reporting period, the Group's accounts receivable from finance leases were as follows:

	December 31	
	2023	2022
Gross amount of finance lease receivables	$ 390,364	$ 174,282
Unearned finance income	(40,366)	(15,281)
	$ 349,998	$ 159,001

(Continued)

	December 31	
	2023	2022
Undiscounted lease payments		
Year 1	$ 72,863	$ 32,942
Year 2	65,018	32,330
Year 3	64,660	30,496
Year 4	56,747	30,138
Year 5	37,614	22,745
Year 6 onwards	93,462	25,631
	390,364	174,282
Less: Unearned finance income	(40,366)	(15,281)
Less: Allowance for impairment loss	-	-
Finance lease receivables	$ 349,998	$ 159,001
Current	$ 61,721	$ 27,992
Noncurrent	288,277	131,009
	$ 349,998	$ 159,001

(Concluded)

The Group entered into finance lease agreements with clients to lease out its data center equipment as part of the enterprise project services provided to the clients. The terms of the finance leases entered into were 3-11 years. The interest rates inherent in the leases were 3.0%-4.5%, which were determined at the contract date and were fixed for the entire terms of the leases.

The Group's credit period for the accounts receivable is 30 to 60 days.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of notes receivable and accounts receivable at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for all notes receivable and accounts receivable at an amount equal to lifetime expected credit losses (ECLs). The expected credit losses on notes receivable and accounts receivable are estimated using an allowance matrix prepared by reference to the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for the general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the allowance for losses based on the past due status of receivables is not further distinguished according to different segments of the Group's customer base.

The Group recognizes an allowance for impairment loss when there is information indicating that a debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery of the receivable. For notes receivable and accounts receivable 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.

The Group's expected credit loss rate ranges of receivables which were not overdue and receivables which were overdue were 0.00%-6.57% and 0.04%-100%, respectively.

The Group measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. The respective leased equipment served as collateral for the finance lease receivables. As of December 31, 2023 and 2022, no finance lease receivable was past due. The Group has not recognized a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables.

The following table details the loss allowance of notes receivable and accounts receivable based on the Group's allowance matrix:

December 31, 2023

	Not Overdue	Overdue Up to 60 Days	Overdue 61 Days or More	Total
Gross carrying amount	$ 11,238,869	$ 1,103,762	$ 586,267	$ 12,928,898
Loss allowance (lifetime ECLs)	(543,318)	(149,996)	(476,252)	(1,169,566)
Amortized cost	$ 10,695,551	$ 953,766	$ 110,015	$ 11,759,332

December 31, 2022

	Not Overdue	Overdue Up to 60 Days	Overdue 61 Days or More	Total
Gross carrying amount	$ 9,929,142	$ 920,112	$ 310,683	$ 11,159,937
Loss allowance (lifetime ECLs)	(539,391)	(144,079)	(218,309)	(901,779)
Amortized cost	$ 9,389,751	$ 776,033	$ 92,374	$ 10,258,158

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 901,779	$ 815,318
Add: Amounts recovered	227,960	238,630
Add: Net remeasurement of loss allowance	257,340	268,837
Less: Amounts written off	(423,283)	(423,663)
Foreign exchange gains and losses	(4)	2,657
Acquisitions through business combinations	205,774	-
Balance at December 31	$ 1,169,566	$ 901,779

Sale of Overdue Accounts Receivable

In the years ended December 31 2022, the Group entered into agreements to sell its overdue accounts receivable which had been written off to asset management companies, and did not bear the risk of loss arising from uncollectible receivables.

Related information as of December 31, 2022 was as follows:

	For the Year Ended December 31, 2022
Amount of accounts receivable sold	$ 805,845
Proceeds from the sale of accounts receivable (excluding value-added tax)	$ 78,247

10. INVENTORIES

	December 31	
	2023	2022
Cellular phone equipment and accessories	$ 2,888,337	$ 2,162,260
Others	362,473	745,063
	$ 3,250,810	$ 2,907,323

Costs of inventories sold were $31,299,170 thousand and $28,369,801 thousand for the years ended December 31, 2023 and 2022, respectively.

The reversal of write-down (write-down) of inventories amounting to $8,465 thousand and $(13,562) thousand were included in the cost of sales for the years ended December 31, 2023 and 2022, respectively.

11. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Main businesses and percentages of ownership are shown as follows:

Investor Company	Investee Company	Main Businesses and Products	Percentage of Ownership (%) December 31 2023	Percentage of Ownership (%) December 31 2022	Note
Far EasTone	NCIC	Telecommunications services	100.00	100.00	
	ARCOA	Sales of communications products and office equipment	61.63	61.63	
	KGEx.com	Telecommunications services	99.99	99.99	
	YSDT	Electronic information services	98.96	96.18	
	Yuan Cing	Call center services	100.00	100.00	
	FEIS	Investment	100.00	100.00	
	FEIA	Property and life insurance agent	100.00	100.00	
	IDWE	Television and film production and distribution	50.00	50.00	
	APTHK	Telecommunications services	100.00	-	Acquired through the share swap on December 15, 2023 by merging with APTC

(Continued)

Investor Company	Investee Company	Main Businesses and Products	Percentage of Ownership (%) December 31 2023	2022	Note
NCIC	ISSDU	Security and monitoring service via Internet	98.68	100.00	
	DU (Cayman)	Investment	100.00	100.00	
	New Diligent	Investment	100.00	100.00	
	YSDT	Electronic information services	0.46	3.33	
	Prime Ecopower	Energy technology services	100.00	100.00	
	Nextlink Technology	Electronic information services	67.29	70.00	
	ARCOA	Sales of communications products and office equipment	6.72	6.72	
New Diligent	Sino Lead	Telecommunications services	100.00	100.00	
	New Diligent Hong Kong	Investment	-	100.00	Dissolved in 2023 with the approval of the local government
DU (Cayman)	DUIT	Design, research, installment and maintenance of computer software and systems	100.00	100.00	
ARCOA	DataExpress	Sale of communications products	70.00	70.00	
DataExpress	Home Master	Sale of communications products	100.00	100.00	
Nextlink Technology	Microfusion Technology	Electronic information services	100.00	100.00	
	Nextlink (HK) Technology	Electronic information services	100.00	100.00	
	Microfusion Technology (HK)	Electronic information services	100.00	100.00	
	Microfusion Technology (MY) SDN. BHD.	Electronic information services	100.00	-	
	Nextlink (SG) Technology PTE. LTD.	Electronic information services	100.00	-	
Nextlink (HK) Technology	Nextlink (SH) Technology	Electronic information services	100.00	100.00	
IDWE	Mission International	Television and film production and distribution	100.00	100.00	

(Concluded)

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	December 31 2023	2022
Material associate		
Far Eastern Electronic Toll Collection Co., Ltd.	$ 1,791,133	$ 1,481,494
Associates that are not individually material	946,091	737,739
	$ 2,737,224	$ 2,219,233

All of the investments in associates listed in the table above were accounted for using the equity method.

The Group is the largest single stockholder of Far Eastern Electronic Toll Collection Co., Ltd. (FETC) with 39.42% of voting rights in 2023 and 2022. The holdings of the other stockholders of FETC are not widely dispersed. Despite having the largest holding, the Group cannot direct the relevant activities of FETC and does not have control over FETC. However, management of the Group considered the Group as exercising significant influence over FETC and, therefore, classified FETC as an associate of the Group. Refer to Note 38 (Schedule G) for the nature of activities, principal place of business and country of incorporation of the associate.

a. Material associates

The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Group for equity accounting purposes.

Far Eastern Electronic Toll Collection Co., Ltd.

	December 31	
	2023	**2022**
Current assets	$ 1,274,294	$ 1,218,677
Noncurrent assets	5,852,058	6,195,264
Current liabilities	(1,851,041)	(1,817,373)
Noncurrent liabilities	(731,248)	(1,838,051)
Equity	$ 4,544,063	$ 3,758,517
Proportion of the Group's ownership	39.42%	39.42%
Carrying amount	$ 1,791,133	$ 1,481,494

	For the Year Ended December 31	
	2023	**2022**
Operating revenue	$ 2,601,375	$ 2,494,128
Net profit for the year	$ 537,089	$ 222,084
Other comprehensive income	(14,381)	8,357
Total comprehensive income for the year	$ 522,708	$ 230,441

As of June 30, 2011, the usage rate of electronic toll collection (ETC) services had not reached the requirement stated in the contract of the Electronic Toll Collection BOT Project ("ETC Project"). Thus, Far Eastern Electronic Toll Collection Co., Ltd. (FETC) filed a lawsuit against Taiwan Area National Freeway Bureau (TANFB), and the Supreme Court remanded this case to the Taipei District Court Civil Division in September 2015. FETC had accrued the related penalties. On October 19, 2018, the Taipei District Court pronounced the judgment in FETC's favor. The TANFB filed an appeal on November 9, 2018. The High Court overruled the TANFB's appeal on June 11, 2019, and on July 8, 2019, the TANFB filed another appeal to the Supreme Court. On January 21, 2021, the Supreme Court reversed the original judgment made by the High Court on June 11, 2019. On November 15, 2022, the High Court corrected the original judgment made by the Taipei District Court on October 19, 2018, and ordered ETC to pay the compensation of $17,000 thousand. Both FETC and TANFB did not appeal; therefore, this judgment was finalized on December 21, 2022 and the case was concluded.

FETC failed to complete the taximeter system infrastructure within a specified period under the ETC Project requirements. The Taipei District Court Civil Division pronounced on May 20, 2016 that FETC should pay the compensation for breach of contract to TANFB. FETC filed an appeal on May 31, 2016 and accrued related penalties. The case was concluded on March 20, 2023 by establishing a mediation according to the judge's suggestion.

b. Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2023	2022
The Group's share of:		
Net profit (loss) for the year	$ 6,165	$ (83,506)
Other comprehensive income	8,838	66,218
Total comprehensive income (loss) for the year	$ 15,003	$ (17,288)

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Operating Equipment	Computer Equipment	Other Equipment	Construction-in-progress	Total
Cost							
Balance at January 1, 2023	$ 6,097,258	$ 9,382,991	$ 98,830,407	$ 13,866,816	$ 6,457,290	$ 2,217,123	$ 136,851,885
Acquisitions through business combinations	1,688,513	266,267	6,494,055	199,858	78,228	451,404	9,178,325
Additions	-	5,252	1,835	12,721	23,871	6,040,327	6,084,006
Disposals	(880)	(82,170)	(3,579,849)	(590,680)	(220,045)	(8,520)	(4,482,144)
Effects of foreign currency exchange difference	-	-	-	(1)	1	-	-
Adjustments and reclassification	173,064	188,840	5,709,791	325,620	146,638	(6,543,953)	-
Balance at December 31, 2023	$ 7,957,955	$ 9,761,180	$ 107,456,239	$ 13,814,334	$ 6,485,983	$ 2,156,381	$ 147,632,072
Accumulated depreciation and impairment							
Balance at January 1, 2023	$ (59,857)	$ (4,526,193)	$ (73,422,676)	$ (13,034,558)	$ (5,480,102)	$ -	$ (96,523,386)
Depreciation expense	-	(311,191)	(7,034,527)	(430,940)	(223,393)	-	(8,000,051)
Disposals	-	80,853	3,423,881	590,680	218,092	-	4,313,506
Effects of foreign currency exchange difference	-	-	-	-	-	-	-
Adjustments and reclassification	-	-	14	(14)	-	-	-
Balance at December 31, 2023	$ (59,857)	$ (4,756,531)	$ (77,033,308)	$ (12,874,832)	$ (5,485,403)	$ -	$ (100,209,931)
Carrying amount at December 31, 2023	$ 7,898,098	$ 5,004,649	$ 30,422,931	$ 939,502	$ 1,000,580	$ 2,156,381	$ 47,422,141
Cost							
Balance at January 1, 2022	$ 6,148,114	$ 9,110,510	$ 93,662,999	$ 14,231,634	$ 6,411,105	$ 2,418,517	$ 131,982,879
Additions	-	6,879	-	13,313	59,468	8,861,140	8,940,800
Disposals	(2,741)	(25,764)	(2,890,562)	(777,793)	(263,982)	(4,955)	(3,965,797)
Transfers to investment properties	(48,115)	(57,923)	-	-	-	-	(106,038)
Effects of foreign currency exchange difference	-	-	-	23	18	-	41
Adjustments and reclassification	-	349,289	8,057,970	399,639	250,681	(9,057,579)	-
Balance at December 31, 2022	$ 6,097,258	$ 9,382,991	$ 98,830,407	$ 13,866,816	$ 6,457,290	$ 2,217,123	$ 136,851,885
Accumulated depreciation and impairment							
Balance at January 1, 2022	$ (59,857)	$ (4,237,947)	$ (68,633,153)	$ (13,363,744)	$ (5,546,164)	$ -	$ (91,840,865)
Depreciation expense	-	(302,465)	(7,361,754)	(448,616)	(226,954)	-	(8,339,789)
Disposals	-	24,814	2,572,231	777,782	260,810	-	3,635,637
Transfers to investment properties	-	21,656	-	-	-	-	21,656
Effects of foreign currency exchange difference	-	-	-	(11)	(14)	-	(25)
Adjustments and reclassification	-	(32,251)	-	31	32,220	-	-
Balance at December 31, 2022	$ (59,857)	$ (4,526,193)	$ (73,422,676)	$ (13,034,558)	$ (5,480,102)	$ -	$ (96,523,386)
Carrying amount at December 31, 2022	$ 6,037,401	$ 4,856,798	$ 25,407,731	$ 832,258	$ 977,188	$ 2,217,123	$ 40,328,499

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	33-56 years
Other building equipment	3-45 years
Operating equipment	3-26 years
Computer equipment	2-8 years
Other equipment	1-20 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	**2022**
Carrying amount		
Land	$ 500	$ 1,358
Buildings	10,420,431	8,015,317
Other equipment	199,864	167,659
	$ 10,620,795	$ 8,184,334

	For the Year Ended December 31	
	2023	**2022**
Acquisitions through business combinations	$ 2,397,104	$ -
Additions to right-of-use assets	$ 3,853,027	$ 3,703,485
Depreciation charge for right-of-use assets		
Land	$ 858	$ 861
Buildings	3,522,090	3,425,788
Other equipment	131,667	130,006
	$ 3,654,615	$ 3,556,655

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

b. Lease liabilities

	December 31	
	2023	**2022**
Carrying amount		
Current	$ 3,755,440	$ 2,739,068
Noncurrent	$ 6,393,420	$ 4,979,074

Discount rate ranges for lease liabilities were as follows:

	December 31	
	2023	**2022**
Land	1.38%	1.38%
Buildings	0.55%-1.99%	0.52%-1.99%
Other equipment	0.58%-1.68%	0.55%-1.68%

c. Material lease activities and terms (the Group is lessee)

The Group leased some of the land and buildings for cell sites, data centers, offices and retail stores and leased other equipment for operating uses with lease terms of 1 to 25 years. The Group does not have bargain purchase options to acquire the land, buildings and equipment at the end of the lease terms.

d. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 104,190	$ 99,532
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 38,261	$ 32,899
Total cash outflow for leases	$ 3,662,469	$ 3,664,092

The Group has elected to apply the recognition exemption for the lease of certain buildings and other equipment that qualify as short-term leases and thus did not recognize right-of-use assets and lease liabilities for these leases.

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 15.

15. INVESTMENT PROPERTIES

	Investment Properties
Balance at January 1, 2023	$ 756,225
Losses on changes in fair value of investment properties	(1,507)
Acquisitions through business combinations	169,654
Balance at December 31, 2023	$ 924,372
Balance at January 1, 2022	$ 624,731
Gains on changes in fair value of investment properties	47,112
Transferred from Property, Plant, and Equipment	84,382
Balance at December 31, 2022	$ 756,225

The lease terms of investment properties range from 2-5 years. The rights of lease term extension contain clauses for market rental reviews. The lessee does not have a bargain purchase option to acquire the investment property at the expiry of the lease period.

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

	December 31	
	2023	2022
Year 1	$ 18,463	$ 14,249
Year 2	14,328	12,502
Year 3	8,546	11,718
Year 4	5,247	8,392
Year 5	-	5,190
	$ 46,584	$ 52,051

The fair values of investment properties measured at fair value on a recurring basis are as follows:

	December 31	
	2023	**2022**
Independent valuation	$ 924,372	$ 756,225

The fair values of the investment properties as of December 31, 2023 and 2022 were based on the valuations respectively carried out on January 3, 2024, January 12, 2024, November 7, 2022 and January 12, 2023 by an independent qualified professional valuators Mr. Tsai, Chia-Ho. The aforementioned valuator is from DTZ Cushman & Wakefield, a member of certified ROC real estate appraisers. After consultation with the appraisers, the Group determined that the fair values reported as of November 7, 2022 was still valid as of December 31, 2022.

The fair values of investment properties were measured using level 3 unobservable inputs. The unrealized gains (losses) on the fair value changes of investment properties are recognized in other gains and losses.

Some of the fair values of investment properties were measured using the income approach. The significant assumptions used are stated below. An increase in estimated future net cash inflows or a decrease in discount rates would result in an increase in the fair value.

	December 31	
	2023	**2022**
Expected future cash inflows	$ 1,138,222	$ 917,065
Expected future cash outflows	(51,041)	(29,161)
Expected future cash inflows, net	$ 1,087,181	$ 887,904
Discount rate	2.345%-2.97%	2.22%-2.845%

The market rentals in the area where the investment properties are located were between $1 thousand and $14 thousand per ping per month (1 ping = 3.3 square meters). The market rentals for comparable properties were between $1 thousand and $13 thousand per ping per month.

All of the investment properties have been leased out under operating leases. The rental incomes generated for the years ended December 31, 2023 and 2022 were $15,529 thousand and $13,528 thousand, respectively.

The expected future cash inflows generated by investment properties referred to rental income, interest income on rental deposits, loss on vacancy rate of space and disposal value. The rental income was extrapolated using the comparative market rentals covering 10 years, excluding values that are overly high or overly low, taking into account the annual rental growth rate, loss on vacancy rate of space was extrapolated using the vacancy rates of the neighboring stores and factories, the interest income on rental deposits was extrapolated using the interest rate announced by the central bank for the one-year average deposit interest rate of five major banks, which was 1.575% and 1.45% for the years ended December 31, 2023 and 2022, respectively, and the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows on investment properties included expenditures such as land value taxes, house taxes, insurance premium, management fee, maintenance costs, replacement allowance and depreciation. The expenditures were extrapolated on the basis of the current level of expenditures, taking into account the future adjustment to the government-announced land value and the tax rate promulgated under the House Tax Act.

The discount rate was determined by reference to the local same class product, a reasonable rental income level and the selling price of investment properties taking into consideration the liquidity, potential risk, appreciation and the complexity of management; in addition, the discount rate should not be lower than the interest rate for two-year time deposits of Chunghwa Post Co., Ltd. plus 0.75%.

Some of the fair values of investment properties were measured using a land development analysis. An increase in the estimated total sales price, an increase in the rate of return, or a decrease in the overall capital interest rate would result in an increase in the fair value. The significant assumptions used were as follows:

	December 31	
	2023	2022
Estimated total sales price	$ 308,268	$ 284,393
Rate of return	15.00%	15.00%
Overall capital interest rate	5.72%	4.21%

16. INTANGIBLE ASSETS

	Concessions	Goodwill	Computer Software	Other Intangible Assets	Total
Cost					
Balance at January 1, 2023	$ 89,925,320	$ 11,194,104	$ 19,704,279	$ 878,627	$ 121,702,330
Additions	-	-	725,042	12,000	737,042
Acquisitions through business combinations	7,544,000	8,373,821	1,066,310	83,800	17,067,931
Disposals	-	-	(89,694)	-	(89,694)
Balance at December 31, 2023	$ 97,469,320	$ 19,567,925	$ 21,405,937	$ 974,427	$ 139,417,609
Accumulated amortization and impairment					
Balance at January 1, 2023	$ (24,839,141)	$ (17,273)	$ (17,561,965)	$ (678,194)	$ (43,096,573)
Amortization	(5,230,694)	-	(1,043,683)	(81,968)	(6,356,345)
Disposals	-	-	89,694	-	89,694
Balance at December 31, 2023	$ (30,069,835)	$ (17,273)	$ (18,515,954)	$ (760,162)	$ (49,363,224)
Carrying amount at December 31, 2023	$ 67,399,485	$ 19,550,652	$ 2,889,983	$ 214,265	$ 90,054,385
Cost					
Balance at January 1, 2022	$ 90,002,000	$ 11,194,104	$ 19,009,499	$ 862,051	$ 121,067,654
Additions	2,103,320	-	702,830	16,576	2,822,726
Disposals	(2,180,000)	-	(8,050)	-	(2,188,050)
Balance at December 31, 2022	$ 89,925,320	$ 11,194,104	$ 19,704,279	$ 878,627	$ 121,702,330

(Continued)

	Concessions	Goodwill	Computer Software	Other Intangible Assets	Total
Accumulated amortization and impairment					
Balance at January 1, 2022	$ (20,062,793)	$ (17,273)	$ (16,530,767)	$ (608,541)	$ (37,219,374)
Amortization	(5,152,658)	-	(1,039,248)	(69,653)	(6,261,559)
Disposals	376,310	-	8,050	-	384,360
Balance at December 31, 2022	$ (24,839,141)	$ (17,273)	$ (17,561,965)	$ (678,194)	$ (43,096,573)
Carrying amount at December 31, 2022	$ 65,086,179	$ 11,176,831	$ 2,142,314	$ 200,433	$ 78,605,757

(Concluded)

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

Concessions	7 to 21 years
Computer software	1 to 6 years
Other intangible assets	
Copyrights	Amortized over the broadcast period
Others	2 to 16 years

The exchange of Far EasTone's 2600 D6 spectrum with the 700 A3 spectrum held by APTC was approved by NCC on May 18, 2022. Far EasTone obtained the approval letter for the spectrum swap from NCC on May 30, 2022. The value of the aforementioned spectrum swap was determined in accordance with the agreement between Far EasTone and APTC. The right to use the 700 A3 spectrum is valid through December 31, 2030.

In order to enhance the Group's operating effectiveness and integrate its telecommunications resources, the Group was divided into four identifiable cash-generating units in 2023 and 2022, which are the mobile telecommunications service business, telecommunications equipment business, integrated network business and cloud service business.

As of December 31, 2023 and 2022, the carrying amount of the property, plant and equipment, right-of-use assets, intangible assets and the incremental costs of obtaining a contract used by the Group was $153,880,755 thousand and $130,820,884 thousand, respectively. The Group's management estimated the recoverable amounts of core assets based on their value in use and considered the expected useful lives and thus based the cash flow forecast on the following discount rates as of December 31, 2023 and 2022: Mobile telecommunications service business 5.01% and 6.69%, respectively; telecommunications equipment business 6.60% and 6.29%, respectively; integrated network business 6.15% and 8.63%, respectively; cloud service business 14.98% and 16.30%, respectively. The operating revenue forecast was based on the expected effective customer base, expected sales and the Group's operating strategies and goals, taking into account the expected future growth rate of the industry along with the projected advancement of the Group's own businesses. The Group's management believes that any reasonable change in the principal assumptions used in the calculation of the recoverable amounts would not result in the carrying amounts exceeding the recoverable amounts. The principal assumptions and the relevant measurement of the recoverable amounts of the Group are summarized as follows:

a. Expected future growth rate of the Group's own businesses

   1) Mobile voice service (MVS): The anticipated MVS is measured based on the actual effective customer base and minutes of usage of previous years, taking into account the market trend.

2) Mobile data service (MDS): The anticipated MDS is measured based on the proportion of MDS to the total telecommunications service revenue of previous years, taking into account the demands and changes of the market.

3) Business of selling cellular phone units: The anticipated sales of cellular phones is based on the historical sales revenue and quantities of previous years, taking into account the market trend.

4) Integrated network business (INB): The anticipated market growth of INB is measured based on the actual effective customer base and service revenue of previous years, taking into account the market trend.

5) Cloud service business (CSB): The anticipated market growth of CSB is measured based on the actual effective customer base and service revenue of previous years, taking into account the market trend.

b. Expected ratio of service EBITDA (earnings before interest, taxes, depreciation and amortization) to operating revenue: The expected ratio is anticipated based on the historical ratio of EBITDA to operating revenue, while the possible impacts of revenue, cost and expense are taken into account individually.

The Group's management believes that any reasonable change in the principal assumptions used in the calculation of the recoverable amounts would not result in the carrying amounts exceeding the recoverable amounts. For the years ended December 31, 2023 and 2022, there was no indication of impairment loss after comparing the recoverable amounts with the carrying amounts of the Group's operating assets and goodwill in accordance with the principal assumptions.

17. OTHER NONCURRENT ASSETS

	December 31	
	2023	**2022**
Refundable deposits	$ 1,249,135	$ 1,136,703
Others	1,793,357	930,111
	$ 3,042,492	$ 2,066,814

18. BORROWINGS

a. Short-term borrowings

	December 31	
	2023	**2022**
Unsecured borrowings		
Credit loans	$ 190,000	$ 436,530
Interest rate range	1.95%-2.10%	1.59%-2.36%

b. Short-term bills payable

	December 31	
	2023	2022
Unsecured borrowings		
Commercial papers payable	$ 180,000	$ 1,205,000
Less: Unamortized discount	(160)	(692)
	179,840	1,204,308
Secured borrowings		
Commercial papers payable	10,400	11,400
Less: Unamortized discount	(62)	(6)
	10,338	11,394
Short-term bills payable	$ 190,178	$ 1,215,702
Interest rate range		
Unsecured commercial papers payable	1.94%-1.99%	1.62%-2.20%
Secured commercial papers payable	2.60%	2.55%

c. Long-term borrowings

	December 31	
	2023	2022
Unsecured borrowings		
Credit loans	$ 23,822,178	$ 16,700,000
Less: Current portion	(1,798)	-
Long-term commercial papers payable	4,300,000	10,300,000
Less: Unamortized discount on commercial papers payable	(1,206)	(5,670)
Less: Current portion	(2,499,830)	-
	25,619,344	26,994,330
Secured borrowings		
Bank loans	186,341	153,215
Less: Current portion	(14,217)	(11,478)
	172,124	141,737
Long-term borrowings	$ 25,791,468	$ 27,136,067
Interest rate range		
Credit loans	1.69%-2.35%	1.49%-2.12%
Unsecured commercial papers payable	0.62%-1.98%	0.60%-1.79%
Secured bank loans	1.50%-2.43%	1.50%-2.23%

1) The credit loans are payable in New Taiwan dollars. Repayment of principal will be made in full on maturity together with interest payment. Under some contracts, loans are treated as revolving credit facilities, and the maturity dates of the loans are based on the terms as specified in the contracts. The repayment dates of the loans are no later than September 2028.

2) The unsecured commercial papers payable are treated as revolving credit facilities under contracts. The repayment dates of the long-term commercial papers payable are no later than December 2025.

3) For related information on the property, plant and equipment that have been pledged as collateral for the secured bank loans and commercial papers payable, see Note 35.

4) As of December 31, 2023 and 2022, the perpetual long-term borrowings were $10,298,793 thousand and $8,999,709 thousand, respectively.

19. BONDS PAYABLE

	December 31	
	2023	2022
Unsecured domestic bonds	$ 33,300,000	$ 29,800,000
Unamortized costs of issuance	(23,415)	(21,607)
	33,276,585	29,778,393
Less: Current portion	(6,698,904)	(2,999,647)
	$ 26,577,681	$ 26,778,746

Period	Maturity	Annual Rate (%)	Issued Amount	December 31 2023	December 31 2022	Repayment
Company						
Unsecured domestic bonds						
2017 2nd unsecured domestic bonds	2017.09.04-2024.09.04	1.17	$ 2,000,000	$ 1,999,657	$ 1,999,150	Note A
2017 3rd unsecured domestic bonds - type A	2017.12.20-2023.06.20	0.95	1,500,000	-	1,499,786	Note A
2017 3rd unsecured domestic bonds - type B	2017.12.20-2024.12.20	1.09	1,500,000	1,499,652	1,499,292	Note A
2018 1st unsecured domestic bonds - type A	2018.05.07-2023.05.07	0.85	1,500,000	-	1,499,861	Note A
2018 1st unsecured domestic bonds - type B	2018.05.07-2025.05.07	1.01	3,500,000	3,499,107	3,498,447	Note A
2019 1st unsecured domestic bonds - type A	2019.06.25-2024.06.25	0.75	3,200,000	3,199,595	3,198,758	Note A
2019 1st unsecured domestic bonds - type B	2019.06.25-2026.06.25	0.81	1,800,000	1,799,164	1,798,828	Note A
2019 2nd unsecured domestic bonds - type A	2019.12.20-2026.12.20	0.80	2,600,000	2,598,361	2,597,808	Note B
2019 2nd unsecured domestic bonds - type B	2019.12.20-2029.12.20	0.85	500,000	499,556	499,482	Note C
2020 1st unsecured domestic bonds - type A	2020.03.16-2025.03.16	0.67	1,500,000	1,499,528	1,499,137	Note A
2020 1st unsecured domestic bonds - type B	2020.03.16-2027.03.16	0.70	2,500,000	2,498,508	2,498,042	Note A
2020 1st unsecured domestic bonds - type C	2020.03.16-2030.03.16	0.77	1,000,000	999,191	999,061	Note A
2020 2nd unsecured domestic bonds	2020.06.02-2027.06.02	0.73	1,000,000	999,021	998,734	Note A
2021 1st unsecured domestic bonds	2021.06.04-2028.06.04	0.55	1,200,000	1,198,410	1,198,051	Note A
2022 1st unsecured domestic bonds	2022.03.29-2027.03.29	0.88	2,700,000	2,697,397	2,696,594	Note D
2022 2nd unsecured domestic bonds	2022.09.08-2027.09.08	1.70	1,800,000	1,797,925	1,797,362	Note A
2023 1st unsecured domestic bonds - type A	2023.03.10-2028.03.10	1.45	1,600,000	1,598,008	-	Note A
2023 1st unsecured domestic bonds - type B	2023.03.10-2030.03.10	1.58	500,000	499,343	-	Note A

(Continued)

Period	Maturity	Annual Rate (%)	Issued Amount	December 31 2023	December 31 2022	Repayment
2023 2nd unsecured domestic bonds	2023.06.14-2028.06.14	1.57	$ 2,300,000	$ 2,297,048	$ -	Note A
2023 3rd unsecured domestic bonds - type A	2023.07.31-2028.07.31	1.60	1,300,000	1,298,231	-	Note A
2023 3rd unsecured domestic bonds - type B	2023.07.31-2030.07.31	1.65	800,000	798,883	-	Note A
Total balance				$ 33,276,585	$ 29,778,393	

(Concluded)

Note A: The principal will be repaid in full on the maturity date. The simple interest of the outstanding balance is due annually.

Note B: Half of the principal amount is to be repaid on the sixth year and the other half is to be repaid on the seventh year after the issuance date. The simple interest of the outstanding balance is due annually.

Note C: Half of the principal amount is to be repaid on the ninth year and the other half is to be repaid on the tenth year after the issuance date. The simple interest of the outstanding balance is due annually.

Note D: Half of the principal amount is to be repaid on the sixth month of the fourth year and the other half is to be repaid on the fifth year after the issuance date. The simple interest of the outstanding balance is due annually.

In January 2022, Far EasTone repaid $5,200,000 thousand, the amount due for the first unsecured domestic bonds of 2016. In April 2022, Far EasTone repaid $4,500,000 thousand, the amount due for the first unsecured domestic bonds of 2017. In May 2023, Far EasTone repaid $1,500,000 thousand, the amount due for the first unsecured domestic bonds-type A of 2018. In June 2023, Far EasTone repaid $1,500,000 thousand, the amount due for the third unsecured domestic bonds-type A of 2017.

On March 29, 2022, Far EasTone issued the first unsecured domestic bonds of 2022 with an aggregate principal amount of $2,700,000 thousand. On September 8, 2022, Far EasTone issued the second unsecured domestic bonds of 2022 with an aggregate principal amount of $1,800,000 thousand. On March 10, 2023, Far EasTone issued the first unsecured domestic bonds of 2023 with an aggregate principal amount of type A $1,600,000 thousand and type B $500,000 thousand. On June 14, 2023, Far EasTone issued the second unsecured domestic bonds of 2023 with an aggregate principal amount of $2,300,000 thousand. On July 31, 2023, Far EasTone issued the third unsecured domestic bonds of 2023 with an aggregate principal amount of type A $1,300,000 thousand and type B $800,000 thousand, respectively.

As of December 31, 2023, and December 31, 2022, the perpetual long-term bonds were $10,986,835 thousand and $4,493,956 thousand, respectively.

As of December 31, 2023 and 2022, the perpetual financial borrowings including long-term borrowings and bonds payable, accounted for 34% and 23%, respectively, of the Group’s total borrowings, refer to Note 18.

20. OTHER LIABILITIES

	December 31	
	2023	2022
Current		
Other payables		
Commission	$ 1,796,704	$ 835,583
Salaries and bonuses	1,734,227	1,620,059
Acquisition of properties	1,203,664	2,171,013
Maintenance fees	997,563	518,824
Compensation of employees and remuneration of directors	327,205	340,419
Others	1,795,712	1,515,380
	$ 7,855,075	$ 7,001,278
Noncurrent		
Other noncurrent liabilities	$ 4,594,397	$ 4,261,210

Other noncurrent liabilities are comprised mainly of government grants related to assets, which are recognized as deferred revenue in accordance with the relevant accounting policy and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

21. PROVISIONS

	December 31	
	2023	2022
Current		
Dismantling obligation	$ 136,413	$ 135,730
Product warranty	43,023	46,595
Legal litigation	23,404	-
	$ 202,840	$ 182,325
Noncurrent		
Dismantling obligation	$ 1,667,729	$ 1,191,522

	Dismantling Obligation	Product Warranty	Legal Litigation
Balance at January 1, 2023	$ 1,327,252	$ 46,595	$ -
Additional provisions recognized	21,619	9,052	-
Reductions arising from payments	(7,910)	(12,624)	-
Acquisitions through business combinations	463,181	-	23,404
Balance at December 31, 2023	$ 1,804,142	$ 43,023	$ 23,404
Balance at January 1, 2022	$ 1,284,266	$ 54,910	$ -
Additional provisions recognized	51,587	277	-
Reductions arising from payments	(8,601)	(8,592)	-
Balance at December 31, 2022	$ 1,327,252	$ 46,595	$ -

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Group makes monthly contributions to employees' individual pension accounts at 6% of monthly wages and salaries. The subsidiaries which are registered in mainland China made contributions at a certain percentage of wages and salaries under the local government's regulations.

The pension costs recognized in total comprehensive income under the defined contribution plan amounted to $302,142 thousand and $296,653 thousand for the years ended December 31, 2023 and 2022, respectively.

b. Defined benefit plan

The defined benefit plan adopted by the Group in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Group contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. 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 is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2023	2022
Present value of defined benefit obligation	$ 1,658,007	$ 1,655,712
Fair value of plan assets	(1,275,889)	(1,274,770)
	$ 382,118	$ 380,942
Net defined benefit liabilities	$ 395,773	$ 399,377
Net defined benefit assets	(13,655)	(18,435)
	$ 382,118	$ 380,942

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2023	$ 1,655,712	$ (1,274,770)	$ 380,942
Service cost			
Current service cost	8,632	-	8,632
Prior service cost	235	-	235
Net interest expense (income)	24,364	(18,901)	5,463
Recognized in profit or loss	33,231	(18,901)	14,330
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(8,098)	(8,098)
Actuarial loss - changes in financial assumptions	870	-	870
Actuarial loss - experience adjustments	25,604	-	25,604
Recognized in other comprehensive income	26,474	(8,098)	18,376
Contributions from the employer	-	(31,530)	(31,530)
Benefits paid	(57,410)	57,410	-
Balance at December 31, 2023	$ 1,658,007	$ (1,275,889)	$ 382,118
Balance at January 1, 2022	$ 1,721,271	$ (1,199,998)	$ 521,273
Service cost			
Current service cost	10,431	-	10,431
Prior service cost	307	-	307
Net interest expense (income)	12,701	(8,883)	3,818
Recognized in profit or loss	23,439	(8,883)	14,556
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(92,155)	(92,155)
Actuarial gain - changes in financial assumptions	(85,577)	-	(85,577)
Actuarial loss - experience adjustments	56,307	-	56,307
Recognized in other comprehensive income	(29,270)	(92,155)	(121,425)
Contributions from the employer	-	(31,740)	(31,740)
Benefits paid	(59,728)	58,006	(1,722)
Balance at December 31, 2022	$ 1,655,712	$ (1,274,770)	$ 380,942

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

1) Investment risk: The plan assets are invested in domestic and foreign 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 corporate/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 using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2023	**2022**
Discount rates	1.25%-1.75%	1.50%
Expected rates of salary increase	2.00%-2.75%	1.75%-2.75%

If possible reasonable changes 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	
	2023	**2022**
Discount rates		
0.25% increase	$ (38,205)	$ (40,135)
0.25% decrease	$ 37,064	$ 40,309
Expected rates of salary increase/decrease		
0.25% increase	$ 37,042	$ 40,093
0.25% decrease	$ (38,005)	$ (40,123)

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

	December 31	
	2023	**2022**
The expected contributions to the plan for the next year	$ 32,162	$ 32,295
The average duration of the defined benefit obligation	9.2-12.4 years	9.9-12.7 years

23. EQUITY

a. Capital stock

1) Common stock

	December 31	
	2023	**2022**
Stock authorized (in thousands)	4,200,000	4,200,000
Capital authorized	$ 42,000,000	$ 42,000,000
Issued and fully paid stock (in thousands)	3,605,705	3,258,501
Issued capital	$ 36,057,054	$ 32,585,008

Issued common stock, which have a par value of NT$10, entitle their holders to one vote per share and a right to dividends.

2) Global depositary receipts (GDRs)

Since 2004, some of Far EasTone's issued common stocks have been traded on the Luxemburg Stock Exchange in the form of GDRs. One GDR unit represents 15 shares of Far EasTone's common stocks. On May 6, 2021, the board of directors of Far EasTone resolved to cease the trading of Far EasTone's issued common stocks on the Luxemburg Stock Exchange in the form of GDRs. The GDRs have been delisted on July 26, 2021. However, the holders of GDRs can request redemption through the depositary trust company until July 28, 2022. As of December 31, 2023 and 2022, there was no outstanding units of GDRs.

b. Capital surplus

	December 31	
	2023	**2022**
From business combinations	$ 23,455,786	$ 351
Share of changes in equities of associates	1,232	14,083
Changes in ownership interest of a subsidiary	28,104	11,732
Share-based payment transactions of subsidiaries	5,437	199
	$ 23,490,559	$ 26,365

Capital surplus from business combinations may be used to offset a deficit. When Far EasTone has no deficit, such capital surplus may be distributed as cash dividends or may be transferred to capital stock once a year within a certain percentage of Far EasTone's paid-in capital. Capital surplus from share of changes in equities of associates may be used to offset a deficit only.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in Far EasTone's articles of incorporation (the "Articles"), where Far EasTone made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses in previous years, setting aside 10% of the net profit after tax plus the items other than the net profit after tax which is included in the current year's retained earnings as legal reserve, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by Far EasTone's board of directors as the basis for proposing a distribution plan, which should be resolved in the stockholders' meeting for the distribution of dividends and bonuses to stockholders. For the policies on the distribution of compensation of employees and remuneration of directors, refer to Note 25 f. compensation of employees and remuneration of directors.

At least 50% of the balance of net income less accumulated deficit, legal reserve and special reserve should be appropriated as dividends. The cash dividends should be at least 50% of total dividends declared. The adjustment of this percentage may be approved by the stockholders depending on the cash requirement for any significant future capital expenditures or plans to improve the financial structure.

The legal reserve may be used to offset a deficit. If Far EasTone has no deficit and the legal reserve exceeds 25% of Far EasTone's paid-in capital, the excess may be transferred to capital or distributed in cash.

Under Rule No. 1090150022 and Rule No. 10901500221 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards", Far EasTone should appropriate or reverse a special reserve.

The appropriations of earnings for 2022 and 2021, which have been approved in the stockholders' meetings on May 31, 2023 and June 14, 2022, respectively, were as follows:

	For the Year Ended December 31	
	2022	**2021**
Legal reserve	$ 964,929	$ 914,759
Special reserve	933,501	578,021
Cash dividends	7,751,973	7,654,218
Cash dividends per share (NT$)	2.379	2.349

In addition to distributing cash dividends at NT$2.379 and NT$2.349 per share from the unappropriated earnings for the years ended December 31, 2022 and 2021, Far EasTone's stockholders approved $2,838,154 thousand and $560,462 thousand from the legal reserve at NT$0.871 and NT$0.172 per share in 2022 and 2021. Moreover, stockholders also approved the cash distribution of $2,375,447 thousand from the additional paid-in capital from business combinations at NT$0.729 per share in 2021. Therefore, Far EasTone's stockholders received NT$3.25 per share in both 2022 and 2021.

The appropriation of earnings for 2023, which had been proposed by Far EasTone's board of directors on February 22, 2024, was as follows:

	For the Year Ended December 31, 2023
Legal reserve	$ 868,412
Special reserve	(1,686,846)
Cash dividends	9,501,034
Cash dividends per share (NT$)	2.635

In addition to distributing cash dividends at NT$2.635 per share from the unappropriated earnings, Far EasTone's board of directors proposed the cash distribution of $2,217,509 thousand from the additional paid-in capital from business combinations at NT$0.615. Therefore, Far EasTone's stockholders will receive NT$3.25 per share in 2024.

The appropriation of earnings for 2023 is subject to the resolution of the stockholders in the stockholders' meeting which is to be held on June 21, 2024.

d. Special reserve

	For the Year Ended December 31	
	2023	**2022**
Beginning balance	$ 1,301,537	$ 723,516
Appropriation (reversal) in respect of		
Application of the fair value model for investment properties	(5,896)	(156,474)
Debits to other equity items	939,397	734,495
Ending balance	$ 2,235,038	$ 1,301,537

e. Other equity items

Adjustments to other equity items for the years ended December 31, 2023 and 2022 are summarized as follows:

	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gains and Losses on Financial Assets at Fair Value through Other Comprehen-sive Income	Gains and Losses on Hedging Instruments	Gains on Property Revaluations	Total
For the year ended December 31, 2023					
Beginning balance	$ 27,360	$ (1,852,282)	$ 2,751	$ 48,395	$ (1,773,776)
Recorded as adjustments to stockholders' equity	(8,885)	(796,353)	-	-	(805,238)
Share of the other comprehensive income of associates	77	3,589	(499)	-	3,167
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	-	2,486,565	-	-	2,486,565
Ending balance	$ 18,552	$ (158,481)	$ 2,252	$ 48,395	$ (89,282)
For the year ended December 31, 2022					
Beginning balance	$ (36,747)	$ (799,017)	$ 1,386	$ -	$ (834,378)
Recorded as adjustments to stockholders' equity	5,131	(1,056,216)	-	48,395	(1,002,690)
Share of the other comprehensive income of associates	65,196	2,951	1,365	-	69,512
Reclassification to profit or loss due to disposal of foreign operations	(6,220)	-	-	-	(6,220)
Ending balance	$ 27,360	$ (1,852,282)	$ 2,751	$ 48,395	$ (1,773,776)

f. Noncontrolling interests

	For the Year Ended December 31	
	2023	2022
Beginning balance	$ 920,719	$ 965,064
Share of profit	107,274	97,993
Other comprehensive income during the year		
Exchange differences on translating the financial statements of foreign operations	(224)	999
Remeasurement of defined benefit plans	(1,219)	1,666
Gain on property revaluation	-	4,712
Cash dividends distributed by subsidiaries	(80,985)	(74,459)
Equity transactions	64,855	(75,256)
Share-based payment transactions of subsidiaries	1,957	-
Ending balance	$ 1,012,377	$ 920,719

24. REVENUE

	For the Year Ended December 31	
	2023	2022
Contract revenue		
Sales of inventories	$ 30,731,189	$ 28,178,920
Telecommunications service revenue	48,460,509	46,466,345
Other revenue	12,454,532	12,516,631
	91,646,230	87,161,896
Other operating revenue	2,044,187	1,989,469
	$ 93,690,417	$ 89,151,365

a. Contract information

Refer to Note 4 - revenue recognition for information on revenue recognition for contracts.

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Contract assets			
Bundle sale of goods	$ 8,886,646	$ 7,987,037	$ 7,570,619
Others	875,361	989,209	1,209,396
Less: Allowance for impairment loss	(149,996)	(145,515)	(148,515)
	$ 9,612,011	$ 8,830,731	$ 8,631,500
Contract assets - current	$ 5,492,682	$ 5,160,260	$ 5,268,830
Contract assets - noncurrent	4,119,329	3,670,471	3,362,670
	$ 9,612,011	$ 8,830,731	$ 8,631,500
Contract liabilities			
Goods	$ 124,584	$ 127,099	$ 135,877
Services	2,839,308	13,476,871	13,465,445
	$ 2,963,892	$ 13,603,970	$ 13,601,322
Contract liabilities - current	$ 2,794,430	$ 3,230,860	$ 2,981,709
Contract liabilities - noncurrent	169,462	10,373,110	10,619,613
	$ 2,963,892	$ 13,603,970	$ 13,601,322

For details of notes receivable and accounts receivable, refer to Note 9.

Far EasTone provides frequency and network sharing services for APTC through a part of 5G spectrum and related cell sites. The consideration received from APTC is included in contract liabilities and revenue is recognized over the useful lives of the assets used in providing frequency and network sharing services. The balance of the aforementioned contract liabilities was settled on December 15, 2023, due to the merger of APTC.

The changes in the balances of contract assets and contract liabilities primarily resulted from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment; other significant changes are as follows:

	For the Year Ended December 31	
	2023	**2022**
Contract assets		
Transfers of beginning balance to accounts receivable	$ (5,256,663)	$ (5,428,913)

The Group measures the loss allowance for contract assets at an amount equal to lifetime ECLs. The expected credit losses on contract assets are estimated using an allowance matrix by reference to past default experience with the debtor and an analysis of the debtor's current financial position, adjusted for the general economic conditions of the industry in which the debtor operates, the unemployment rate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date.

	December 31	
	2023	**2022**
Expected credit loss rate	0.04%-8.09%	0.06%-8.61%
Gross carrying amount	$ 9,762,007	$ 8,976,246
Allowance for impairment loss (Lifetime ECLs)	(149,996)	(145,515)
	$ 9,612,011	$ 8,830,731

The movements of the loss allowance of contract assets are as follows:

	For the Year Ended December 31	
	2023	**2022**
Balance at January 1	$ 145,515	$ 148,515
Add: Net remeasurement of loss allowance	-	(3,000)
Add: Acquisitions through business combinations	4,481	-
Balance at December 31	$ 149,996	$ 145,515

Revenue in the current year that was recognized from the contract liability balance at the beginning of the year is as follows:

	For the Year Ended December 31	
	2023	**2022**
From contract liabilities at the start of the year		
Goods	$ 124,454	$ 130,183
Services	2,046,105	1,955,064
	$ 2,170,559	$ 2,085,247

c. Assets related to contract costs

	December 31	
	2023	2022
Noncurrent		
Incremental costs of obtaining a contract	$ 5,783,434	$ 3,702,294

The Group considered its past experience and believes the commission and subsidies paid for obtaining contracts are wholly recoverable. Total expenses recognized were $2,916,986 thousand and $2,962,513 thousand for the years ended December 31, 2023 and 2022, respectively.

d. Disaggregation of revenue

Refer to Note 39 for information about the disaggregation of revenue.

e. Partially completed contracts

The transaction prices, excluding any estimated amounts of variable consideration that are constrained, allocated to the performance obligations that are not fully satisfied and the expected timing for recognition of revenue are as follows:

	December 31	
	2023	2022
Telecommunications service contracts		
Fulfillment in 2023	$ -	$ 14,729,243
Fulfillment in 2024	15,534,894	8,319,477
Fulfillment in 2025 and beyond	11,550,238	2,404,434
	$ 27,085,132	$ 25,453,154

The disclosure does not include revenue from contracts of which the timing of revenue recognition is not affected by price allocation.

25. CONSOLIDATED NET INCOME

The items included in consolidated net income are as follows:

a. Other income

	For the Year Ended December 31	
	2023	2022
Interest income	$ 134,439	$ 65,286
Dividend income	38,102	24,280
Government grants	35,725	36,549
Rental income	30,834	23,429
	$ 239,100	$ 149,544

b. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Gains (losses) on fair value changes of financial assets at FVTPL	$ 93,274	$ (78,824)
Others	37,413	138,635
	$ 130,687	$ 59,811

c. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	$ 8,000,051	$ 8,339,789
Right-of-use assets	3,654,615	3,556,655
Intangible assets	1,125,651	1,108,901
Other noncurrent assets	14,782	-
	$ 12,795,099	$ 13,005,345
Depreciation expense categorized by function		
Operating costs	$ 10,572,933	$ 10,812,771
Operating expenses	1,081,733	1,083,673
	$ 11,654,666	$ 11,896,444
Amortization expense categorized by function		
Operating costs	$ 236,086	$ 200,430
Marketing expenses	293,023	304,595
General and administrative expenses	611,324	603,876
	$ 1,140,433	$ 1,108,901

d. Financial costs

	For the Year Ended December 31	
	2023	2022
Interest on financial liabilities measured at amortized cost	$ 698,600	$ 569,179
Interest on lease liabilities	95,420	65,408
Other financial costs	7,381	5,010
	$ 801,401	$ 639,597

e. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Retirement benefits		
Defined contribution plans	$ 302,142	$ 296,653
Defined benefit plans (Note 22)	14,330	14,556
	316,472	311,209
Other employee benefits		
Salary	6,336,531	5,998,382
Insurance	598,566	566,487
Others	310,052	308,470
	7,245,149	6,873,339
	$ 7,561,621	$ 7,184,548
Categorized by function		
Operating costs	$ 1,503,013	$ 1,280,002
Operating expenses	6,058,608	5,904,546
	$ 7,561,621	$ 7,184,548

f. Compensation of employees and remuneration of directors

Far EasTone distributes compensation of employees and remuneration of directors at rates of 1% to 2% and no higher than 1%, respectively, of income before income tax, compensation of employees and remuneration of directors. For the years ended December 31, 2023 and 2022, the compensation of employees and the remuneration of directors represented 2% and 0.72%, respectively, of income before income tax, compensation of employees and remuneration of directors.

The accrued compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022 were as follows:

	For the Year Ended December 31	
	2023	2022
Compensation of employees	$ 218,885	$ 233,722
Remuneration of directors	$ 78,799	$ 84,140

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

There was no difference between the amounts of the compensation of employees and the remuneration of directors resolved by the board of directors and the respective amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees and remuneration of directors resolved by Far EasTone's board of directors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

26. INCOME TAX

a. Income tax recognized in profit or loss

The major components of income tax expense were as follows:

	For the Year Ended December 31	
	2023	2022
Current tax	$ 2,570,698	$ 2,346,900
Deferred tax	(41,134)	(53,707)
Income tax expense recognized in profit or loss	$ 2,529,564	$ 2,293,193

The reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2023	2022
Income before tax	$ 13,822,756	$ 11,999,081
Income tax expense computed at the statutory tax rate	$ 2,764,551	$ 2,399,816
Add (deduct) tax effects of:		
Nondeductible (deductible) items in determining taxable income	(94,880)	(17,623)
Tax-exempt income	(7,620)	(4,652)
Land value incremental tax	424	896
Effect of different tax rates on the group entities	14,986	2,524
Others	40,159	28,884
Prior year's adjustments	(188,056)	(116,652)
Income tax expense recognized in profit or loss	$ 2,529,564	$ 2,293,193

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
Deferred tax		
In respect of the current year		
Financial assets at fair value through other comprehensive income	$ 2,000	$ 3,674
Remeasurement of defined benefit plan	(3,674)	24,219
Gain on property revaluation	-	(423)
Income tax recognized in other comprehensive income	$ (1,674)	$ 27,470

c. Deferred income tax assets and liabilities

The movements of deferred income tax assets and deferred income tax liabilities were as follows:

For the year ended December 31, 2023

	Opening Balance	Acquisitions through Business Combinations	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred income tax assets					
Allowance for impairment loss	$ 320,888	$ -	$ 19,841	$ -	$ 340,729
Defined benefit obligation	76,766	-	(3,432)	3,674	77,008
Others	578,398	-	20,728	(2,000)	597,126
	$ 976,052	$ -	$ 37,137	$ 1,674	$ 1,014,863
Deferred income tax liabilities					
Amortization of goodwill	$ 2,056,606	$ -	$ -	$ -	$ 2,056,606
Investment properties	78,073	1,659	(1,346)	-	78,386
Dismantling obligation	61,824	-	(16,148)	-	45,676
Others	7,556	67,586	13,497	-	88,639
	$ 2,204,059	$ 69,245	$ (3,997)	$ -	$ 2,269,307

For the year ended December 31, 2022

	Opening Balance	Effect of Retrospective Application of Amendments to IAS 12	Opening Balance (As Restated)	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred income tax assets						
Allowance for impairment loss	$ 333,375	$ -	$ 333,375	$ (12,487)	$ -	$ 320,888
Defined benefit obligation	104,816	-	104,816	(3,831)	(24,219)	76,766
Others	447,121	70,969	518,090	59,833	475	578,398
	$ 885,312	$ 70,969	$ 956,281	$ 43,515	$ (23,744)	$ 976,052
Deferred income tax liabilities						
Amortization of goodwill	$ 2,056,606	$ -	$ 2,056,606	$ -	$ -	$ 2,056,606
Investment properties	73,723	-	73,723	624	3,726	78,073
Dismantling obligation	-	70,969	70,969	(9,145)	-	61,824
Others	9,227	-	9,227	(1,671)	-	7,556
	$ 2,139,556	$ 70,969	$ 2,210,525	$ (10,192)	$ 3,726	$ 2,204,059

d. Deductible temporary differences and unused loss carryforwards for which no deferred income tax assets have been recognized in the consolidated balance sheets

	December 31	
	2023	**2022**
Loss carryforwards		
Expiry in 2023	$ -	$ 25,647
Expiry in 2024	108,659	108,659
Expiry in 2025	307,602	307,602
Expiry in 2026	247,175	247,175
Expiry in 2027	341,075	341,075
Expiry in 2028	328,620	332,623
Expiry in 2029	203,404	217,996
Expiry in 2030	200,172	209,267
Expiry in 2031	223,380	222,913
Expiry in 2032	179,519	180,596
Expiry in 2033	197,301	-
	2,336,907	2,193,553
Unrealized gains or losses on property, plant and equipment	370,902	383,403
Investment gains or losses	277,592	202,787
Others	139,822	140,023
	$ 3,125,223	$ 2,919,766

e. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2023 comprised:

Unused Amount	**Expiry Year**
$ 108,659	2024
307,602	2025
247,175	2026
341,075	2027
328,620	2028
203,404	2029
200,172	2030
223,380	2031
179,519	2032
197,301	2033
$ 2,336,907	

f. Income tax assessments

Income tax returns of Far EasTone and APTC through 2020 have been assessed by the tax authorities. Income tax returns of YSDT, KGEx.com, ISSDU, New Diligent, Data Express, Home Master, Prime EcoPower, FEIA, Yuan Cing, Nextlink Technology, NCIC, ARCOA and Microfusion Technology through 2021 have been assessed by the tax authorities.

27. EARNINGS PER SHARE

The earnings and weighted average number of common stock used in the calculation of earnings per share were as follows:

Net Income for the Year

	For the Year Ended December 31	
	2023	**2022**
Net income attributable to Far EasTone	$ 11,185,918	$ 9,607,895
Effect of potentially dilutive common stock:		
Compensation of employees	-	-
Earnings used in the calculation of diluted earnings per share	$ 11,185,918	$ 9,607,895

Weighted Average Number of Common Stock Outstanding

(In Thousands of Shares)

	For the Year Ended December 31	
	2023	**2022**
Weighted average number of common stock used in the calculation of basic earnings per share	3,274,672	3,258,501
Effect of potentially dilutive common stock:		
Compensation of employees	3,170	4,012
Weighted average number of common stock used in the calculation of diluted earnings per share	3,277,842	3,262,513

Since Far EasTone offered to settle the compensation paid to employees in cash or stock, Far EasTone assumed the entire amount of the compensation would be settled in stock and the resulting potential stock were included in the weighted average number of common stock outstanding used in the calculation of diluted earnings per share, if the effect was dilutive. Such dilutive effect of the potential stock was included in the calculation of diluted earnings per share until the number of stock to be distributed to employees is resolved in the following year.

28. SHARE-BASED PAYMENT ARRANGEMENT

The Group's share-based payment arrangements were as follows:

Type of Arrangement	Grant Date	Quantity Granted	Contract Period	Vesting Conditions
Employee share options - ISSDU	2022.10	787	3 years	Note A
Employee share options - Nextlink Technology	2023.05	1,080	0.1-1.6 years	Note B
Employee share options - ISSDU	2023.10	515	2 years	Note A

Note A: Exercisable at certain percentages after 9 months from the grant date.

Note B: Exercisable at certain percentages after 15 days from the grant date.

Information on employee share options was as follows:

	December 31, 2023					
	Granted on October 2022		Granted on May 2023		Granted on October 2023	
	Number of Options (In Thousands of Units)	Weighted-Average Exercise Price ($)	Number of Options (In Thousands of Units)	Weighted-Average Exercise Price ($)	Number of Options (In Thousands of Units)	Weighted-Average Exercise Price ($)
Balance at January 1	759	$12.35	-	$ -	-	$ -
Options granted	-	-	1,080	41.25	515	12.42
Options forfeited	(74)	10.80	(180)	39.09	(5)	12.42
Options exercised	(183)	10.80	(775)	43.57	-	-
Options expired	-	-	(6)	44.20	-	-
Balance at December 31	502	10.80	119	29.20	510	12.42
Options exercisable, end of the year	23	10.80	0.5	29.20	-	-

Information on outstanding options was as follows:

	December 31, 2023		
	Granted on October 2022	Granted on May 2023	Granted on October 2023
Range of exercise price ($)	$10.80-$12.35	$29.20-$44.20	$12.42
Weighted-average remaining contractual life (in years)	1.79	0.96	1.79

Options granted were priced using the Black-Scholes pricing model and the Binomial model, and the inputs to the model were as follows:

	Granted on October 2022	Granted on May 2023	Granted on October 2023
Grant-date share price	$11.18	$62.90	$11.45
Exercise price	$12.35	$39.00-$59.00	$12.42
Expected volatility	30.33%-33.63%	42.00%-46.00%	32.73%-35.36%
Expected life (in years)	1.88-2.88	0.10-1.60	1.38-1.88
Risk-free interest rate	1.34%-1.43%	0.88%-0.99%	1.09%-1.14%

The compensation cost arising from employee stock options amounted as follows:

	For the Year Ended December 31	
	2023	2022
Granted on October 2022	$ 655	$ 199
Granted on May 2023	6,398	-
Granted on October 2023	142	-
	$ 7,195	$ 199

29. BUSINESS COMBINATIONS

In order to enhance competitiveness, expand the business scale and achieve operating synergy, Far EasTone issued stocks to merge with APTC, as the share exchange ratio was one share of APTC for 0.0934406 share of Far EasTone. APTC's main businesses included fixed-line and mobile telecommunication services. The effective date of the merger was December 15, 2023, with Far EasTone as the surviving company.

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

	APTC
Cash and cash equivalents	$ 190,316
Notes receivable and accounts receivable	1,483,892
Property, plant and equipment	9,178,325
Right-of-use assets	2,397,104
Investment properties	169,654
Intangible assets	8,694,110
Other assets	15,710,986
Borrowings	(9,307,286)
Trade and other payables	(3,978,211)
Deferred income tax liabilities	(69,245)
Lease liabilities	(2,285,136)
Other liabilities	(1,117,414)
The fair value of the identified net assets acquired	$ 21,067,095

The initial accounting for the acquisition of APTC was only provisionally determined at the end of the year. The provisional fair value of the identified net assets acquired was $21,067,095, which included trademarks and self-developed software licensing amounting to $158,700 thousand. The value of the foregoing assets is under evaluation.

b. Goodwill recognized on acquisitions

	APTC
Consideration for the acquisition	
Equity instruments issued	$ 26,927,481
Fair value of APTC's shares held by Far EasTone at the acquisition date	2,513,435
Less: Fair value of the identified net assets acquired	(21,067,095)
Goodwill recognized on acquisitions	$ 8,373,821

Far EasTone merged with APTC through a share swap. The fair value of ordinary shares issued was based on the closing price of Far EasTone's share at the effective date of the merger. The fair value of ordinary shares issued for APTC's private placement shares was discounted for lack of marketability.

Far EasTone had owned 11.58% of APTC's equity before the merger. The fair value of the originally owned shares of APTC was $2,513,435 thousand and as a part of consideration, they were transferred. The accumulated valuation loss of those shares, which amounted to $2,486,565 thousand was transferred from other equity to retained earnings.

The expected amount to be tax-deductible of goodwill recognized on acquisition is $1,674,764 thousand, which will be amortized over 15 years.

c. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates, which are included in the consolidated statements of comprehensive income, were as follows:

	APTC
Revenue	$ 410,211
Loss	$ (128,598)

Had Asia Pacific Telecom concluded the acquisition at the beginning of 2023, the Group's revenue and profit would have been $102,414,996 thousand and $6,496,667 thousand, respectively.

30. EQUITY TRANSACTIONS WITH NONCONTROLLING INTERESTS

a. Acquisition of ownership interests in subsidiaries

In February 2023, the Group subscribed for new common stock of Yuanshi Digital Technology Co., Ltd. (YSDT) at a percentage different from its existing ownership percentage, decreasing its continuing interest from 99.51% to 99.42%.

In March and June 2022, the Group respectively acquired some of ARCOA's shares from noncontrolling interest in cash and increased its interest from 61.63% to 68.35%.

In March 2022, the Group subscribed for additional new shares of IDEAWORKS Entertainment Co., Ltd. (IDWE) at a percentage different from its existing ownership percentage. Therefore, the Group reduced its continuing interest from 100% to 50%.

In December 2022, the Group acquired some of YSDT's shares from noncontrolling interests in cash, and increased its shareholding proportion from 96.85% to 99.51%.

The above transactions were accounted for as equity transactions since the Group did not cease to have control over these subsidiaries.

For the year ended December 31, 2023

	YSDT
Paid received	$ (695,827)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from noncontrolling interests	696,409
Differences recognized from equity transactions	$ 582

	YSDT
Line items adjusted for equity transactions	
Capital surplus - changes in ownership interest of subsidiaries	$ 582

For the year ended December 31, 2022

	ARCOA	IDWE	YSDT
Consideration (paid) received	$ (116,885)	$ 41,250	$ (29,579)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from (to) noncontrolling interests	128,617	(41,250)	(12,111)
Differences recognized from equity transactions	$ 11,732	$ -	$ (41,690)
Line items adjusted for equity transactions			
Capital surplus - changes in ownership interest of subsidiaries	$ 11,732	$ -	$ -
Unappropriated earnings	-	-	(41,690)
	$ 11,732	$ -	$ (41,690)

b. Employee share options issued by subsidiaries

Employee share options issued by Nextlink Technology Co., Ltd. (Nextlink Technology) and Information Security Service Digital United Inc. (ISSDU) has been exercised in July and September 2023, respectively; therefore, the interests owned by the Group in Nextlink Technology and ISSDU reduced from 70% to 67.29% and 100% to 98.68%.

The above transactions were accounted for as equity transactions since the Group did not cease to have control over these subsidiaries.

For the year ended December 31, 2023

	Nextlink Technology	ISSDU
Cash consideration received from noncontrolling interests	$ 33,745	$ 1,981
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to noncontrolling interests	(17,955)	(2,058)
Differences recognized from equity transactions	$ 15,790	$ (77)
Line items adjusted for equity transactions		
Capital surplus - changes in ownership interest of subsidiaries	$ 15,790	$ -
Unappropriated earnings	-	(77)
	$ 15,790	$ (77)

31. CASH FLOW INFORMATION

Changes in liabilities arising from financing activities (including noncash transactions)

For the years ended December 31, 2023 and 2022, changes in liabilities arising from financing activities, including noncash transactions, were as follows:

For the year ended December 31, 2023

	Balance on January 1, 2023	Cash Flows from Financing Activities	Changes in Noncash Transactions		Cash Flows from Operating Activities - Interest Paid	Balance on December 31, 2023
			New Leases	Others		
Lease liabilities (including the current and noncurrent portion)	$ 7,718,142	$ (3,528,903)	$ 3,836,105	$ 2,218,936	$ (95,420)	$ 10,148,860

For the year ended December 31, 2022

	Balance on January 1, 2022	Cash Flows from Financing Activities	Changes in Noncash Transactions		Cash Flows from Operating Activities - Interest Paid	Balance on December 31, 2022
			New Leases	Others		
Lease liabilities (including the current and noncurrent portion)	$ 7,749,242	$ (3,459,906)	$ 3,656,915	$ (162,701)	$ (65,408)	$ 7,718,142

32. CAPITAL MANAGEMENT

The Group is required to maintain sufficient capital to meet the minimum paid-in capital requirements for the telecommunications industry, and to finance the upgrade of its telecommunications network. Thus, the Group's capital management focuses on its operating plan to ensure good profitability and financial structure and to meet the demand for working capital, capital expenditures, debt repayment and dividends for the next 12 months.

33. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

1) Financial liabilities recognized in the consolidated financial statements with material differences between their carrying amounts and their fair values

	December 31			
	2023		2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities				
Bonds payable	$ 33,276,585	$ 33,253,680	$ 29,778,393	$ 29,785,270

2) Fair value hierarchy

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Bonds payable	$ 33,253,680	$ -	$ -	$ 33,253,680

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Bonds payable	$ 29,785,270	$ -	$ -	$ 29,785,270

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Mutual funds	$ -	$ 712,553	$ -	$ 712,553
Domestic publicly listed common stock	$ 25	$ -	$ -	$ 25
Financial assets at fair value through other comprehensive income				
Domestic/foreign unlisted common stock	$ -	$ -	$ 724,179	$ 724,179

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Mutual funds	$ -	$ 619,275	$ -	$ 619,275
Trade fair investment agreement	$ -	$ -	$ 3,840	$ 3,840
Financial assets at fair value through other comprehensive income				
Stock in domestic listed company through private placement	$ -	$ 3,050,000	$ -	$ 3,050,000
Domestic/foreign unlisted common stock	$ -	$ -	$ 958,122	$ 958,122

There were no transfers of financial assets between the fair value measurements of Level 1 and Level 2 for the years ended December 31, 2023 and 2022.

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

	Financial Assets at fair Value through Profit or Loss	
	2023	2022
Beginning balance	$ 3,840	$ -
Additions	8,005	3,840
Recognized in Profit or Loss	(29)	-
Disposal	(11,816)	-
Ending balance	$ -	$ 3,840

	Financial Instruments at Fair Value Through Other Comprehensive Income	
	2023	2022
Beginning balance	$ 958,122	$ 949,853
Additions	39,676	-
Recognized in other comprehensive income	(257,788)	7,457
Remittance of cash due to capital reduction	(9,000)	-
Effects of foreign currency exchange differences	(6,831)	812
Ending balance	$ 724,179	$ 958,122

3) Valuation techniques and inputs used for Level 2 fair value measurement

Financial Instrument	Valuation Techniques and Inputs
Mutual funds	Valuation based on the fair values of a portfolio of funds; the fair value of a portfolio of funds is the aggregate of the fair values of each subfund in the portfolio net of management and operating expenses for the subfunds.
Stock in domestic listed company through private placement	Transaction method of market approach referring to the weighted average of stock prices, net worth and the ratio of stock price to net worth of comparable companies traded in active market, and with consideration of liquidity premium.

4) Valuation techniques and inputs used for Level 3 fair value measurement

Financial Instrument	Valuation Techniques and Inputs
Domestic/foreign unlisted common stock	a) Asset-based approach. Valuation based on the fair value of an investee, calculated through each investment of the investee using the income approach, market approach or a combination of the two approaches, while also taking the liquidity premium into consideration. b) Transaction method of market approach. The approach is a valuation strategy that looks at market ratios of companies with similar profitability at the end of the reporting period, while taking the liquidity premium into consideration.
Trade fair investment agreement	Income approach. The discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived.

c. Categories of financial instruments

	December 31	
	2023	2022
Financial assets		
Financial assets at fair value through profit or loss	$ 712,578	$ 623,115
Financial assets at amortized cost (Note 1)	18,933,532	17,503,698
Financial assets at fair value through other comprehensive income	724,179	4,008,122
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	78,102,009	72,731,697

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, accounts receivable (including related parties), other receivables (including related parties), refundable deposits and other financial assets.

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, accounts payable (including related parties), other payables (including related parties), bonds payable (including current portion), long-term borrowings (including current portion) and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, accounts receivable, accounts payable, bonds payable and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include currency risk, interest rate risk, credit risk and liquidity risk. In order to reduce financial risk, the Group is committed to identify, assess and avoid the uncertainty of the market and reduce the potential downside effects of market changes against the Group's financial performance.

The Group's significant financial activities are reviewed by the board of directors of the entities in the Group in accordance with the related rules and internal control system. The Group should implement the overall financial management objective as well as observe the levels of delegated authority and ensure that those with delegated authority carry out their duties.

1) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see Note (a) below), interest rates (see Note (b) below) and other price risks (see Note (c) below).

a) Foreign currency risk

The Group owns foreign currency-denominated assets and enters into transactions where expected future purchases or payments are denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed through investing in foreign currency deposits at the appropriate time.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (NTD) against the U.S. dollar. The sensitivity rate of 5% is used when reporting foreign currency risk internally to key management personnel, and it represents management's basis for assessing the reasonably possible changes in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items, for which their translation at the end of the reporting period is adjusted for a 5% change in foreign currency rates. The negative number shown in the currency impact table below indicates a decrease in pre-tax profit associated with the NTD strengthening 5% against the U.S. dollar. For a 5% weakening of the NTD against the U.S. dollar, there would be an equal and opposite impact on pre-tax profit, and the balances below would be positive.

	USD Impact	
	For the Year Ended December 31	
	2023	**2022**
5% change in profit or loss		
USD	$ (27,535)	$ (52,489)

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow loans at both fixed and floating interest rates. To manage this risk, the Group maintains an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2023	**2022**
Fair value interest rate risk		
Financial assets	$ 3,447,102	$ 2,640,129
Financial liabilities	60,253,895	57,722,823
Cash flow interest rate risk		

Financial assets	4,136,019	4,792,722
Financial liabilities	12,439,018	8,942,482

Sensitivity analysis

The sensitivity analysis described below was based on the Group's exposure to interest rates for financial assets and financial liabilities at the end of the reporting period. An increase or decrease of 25 basis points is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. For the financial assets and financial liabilities with fixed interest rates, their fair values will change as the market interest rates change. For the financial assets and financial liabilities with floating interest rates, their effective interest rates will change as the market interest rates change.

Had interest rates been 25 basis points higher/lower and all other variables been held constant, the income before income tax for the years ended December 31, 2023 and 2022 would have decreased/increased by $20,757 thousand and $10,374 thousand, respectively, which was mainly affected by bank deposits and borrowings with floating interest rates.

c) Other price risks

The Group is exposed to equity price risks through its equity investments in mutual fund beneficiary certificates, stock in domestic listed company obtained through private placement and domestic/foreign unlisted common stock. The Group manages the risk by holding a portfolio of investments with different risk levels. In addition, the Group has appointed a special team to monitor the price risk.

Sensitivity analysis

The following sensitivity analysis was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, pre-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $35,629 thousand and $31,156 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL; and the pre-tax other comprehensive income for the years ended December 31, 2023 and 2022 would have increased/decreased by $36,209 thousand and $200,406 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to the failure of the counterparties to discharge their obligation and due to the financial guarantees provided by the Group arises from the carrying amounts of the respective recognized financial assets as stated in the consolidated balance sheets.

The Group has a policy of dealing only with creditworthy counterparties. The credit lines of those counterparties were granted through credit analysis and investigation based on the information supplied by independent rating agencies. The counterparties' transaction type, financial position and collateral are also taken into consideration. All credit lines have expiration dates and are subject to re-examination before any extension is granted.

The Group transacts with a large number of unrelated customers and thus, credit risk is not highly concentrated.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, the management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. The Group's unutilized overdraft and bank loan facilities amounted to $55,205,457 thousand and $59,316,976 thousand as of December 31, 2023 and 2022, respectively.

The table below summarizes the maturity profile of the Group's financial liabilities based on undiscounted contractual payments but does not include the financial liabilities with carrying amounts that approximated contractual cash flows:

	Carrying Amount	Contractual Cash Flows	Within 1 Year	1-5 Years	More than 5 Years
December 31, 2023					
Short-term borrowings	$ 190,000	$ 190,956	$ 190,956	$ -	$ -
Short-term bills payable	190,178	190,400	190,400	-	-
Long-term borrowings	28,307,313	29,091,163	2,988,771	26,102,392	-
Bonds payable	33,276,585	34,519,515	7,043,450	24,866,340	2,609,725
Lease liabilities	10,148,860	10,371,760	3,942,284	6,375,751	53,725
	$ 72,112,936	$ 74,363,794	$ 14,355,861	$ 57,344,483	$ 2,663,450
December 31, 2022					
Short-term borrowings	$ 436,530	$ 438,927	$ 438,927	$ -	$ -
Short-term bills payable	1,215,702	1,216,400	1,216,400	-	-
Long-term borrowings	27,147,545	27,828,308	354,107	27,474,201	-
Bonds payable	29,778,393	30,982,380	3,262,115	24,734,190	2,986,075
Lease liabilities	7,718,142	7,854,802	2,803,100	5,000,776	50,926
	$ 66,296,312	$ 68,320,817	$ 8,074,649	$ 57,209,167	$ 3,037,001

Additional information about the maturity analysis for financial liabilities:

	December 31, 2023				
	Within 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Bonds payable	$ 7,043,450	$ 24,866,340	$ 2,609,725	$ -	$ -
Lease liabilities	3,942,284	6,375,751	48,352	5,357	16
	$ 10,985,734	$ 31,242,091	$ 2,658,077	$ 5,357	$ 16

	December 31, 2022				
	Within 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Bonds payable	$ 3,262,115	$ 24,734,190	$ 2,986,075	$ -	$ -
Lease liabilities	2,803,100	5,000,776	46,307	4,570	49
	$ 6,065,215	$ 29,734,966	$ 3,032,382	$ 4,570	$ 49

34. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between Far EasTone and its subsidiaries, which are related parties of Far EasTone, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

a. The Group's related parties and their relationships

Related Party	Relationship with the Group
Far Eastern New Century Corporation (FENC)	Ultimate parent company
Far Eastern Electronic Toll Collection Co., Ltd.	Subsidiary of FENC
Ding Ding Integrated Marketing Service Co., Ltd.	Subsidiary of FENC
Far Eastern International Leasing Corp.	Other related party (equity-method investee of subsidiary of FENC)
Telecommunication and Transportation Foundation	Other related party (Far EasTone's donation is over one third of the foundation's fund)
Far Eastern Apparel Co., Ltd.	Subsidiary of FENC
Far Cheng Human Resources Consultant Corp.	Subsidiary of FENC
Far Eastern Resource Development Co., Ltd.	Subsidiary of FENC
Pacific Sogo Department Stores Co., Ltd. (SOGO)	Other related party (the chairman of the related party's parent company is the same as Far EasTone's)
Far Eastern Big City Shopping Malls Co., Ltd.	Other related party (subsidiary of SOGO)
Far Eastern Citysuper Co., Ltd.	Other related party (the chairman of the related party's parent company is the same as Far EasTone's)
Ya Tung Department Store Co., Ltd.	Other related party (the chairman of the related party's parent company is the same as Far EasTone's)
Fu Dar Transportation Corporation	Other related party (the chairman of the related party's parent company is the same as Far EasTone's)
Fu-Ming Transportation Co., Ltd.	Other related party (the chairman of the related party's parent company is the same as Far EasTone's)
YDT Technology International Co., Ltd.	Subsidiary of FENC
Nan Hwa Cement Corporation	Other related party (the chairman of the related party's parent company is the same as Far EasTone's)
Ya Tung Ready Mixed Concrete Co., Ltd.	Other related party (the chairman of the related party's parent company is the same as Far EasTone's)
Oriental Securities Corporation Ltd.	Other related party (equity-method investee of FENC)
Yuan Ding Co., Ltd.	Subsidiary of FENC
Far Eastern Department Stores Co., Ltd.	Other related party (same chairman as Far EasTone's)
Asia Cement Co., Ltd.	Other related party (same chairman as Far EasTone's)
Oriental Union Chemical Corporation	Other related party (same chairman as Far EasTone's)

(Continued)

Related Party	Relationship with the Group
Far Eastern Ai Mai Co., Ltd.	Other related party (same chairman as Far EasTone's)
Far Eastern Hospital	Other related party (same chairman as Far EasTone's)
Asia Eastern University of Science and Technology (Oriental Institute of Technology)	Other related party (same chairman as Far EasTone's)
DING DING HOTEL CO., LTD.	Subsidiary of FENC
Yuan-Ze University	Other related party (same chairman as Far EasTone's)
Far Eastern Polytex (Vietnam) Ltd.	Subsidiary of FENC
Deutsche Far Eastern Asset Management Co., Ltd.	Other related party (substantive related party)
Kowloon Cement Corporation Limited	Other related party (substantive related party)
Asia Cement (Singapore) PTE. Ltd	Other related party (substantive related party)
Jianxi Yadong Cement Co., Ltd	Other related party (substantive related party)
Everest Textile Co., Ltd.	Other related party (substantive related party)
Kaohsiung Rapid Transit Corporation	Other related party (substantive related party)
Oriental Petrochemical (Shanghai) Corporation	Subsidiary of FENC
Yuan Ding Enterprise (Shanghai) Limited	Subsidiary of FENC
Systex Corporation	Other related party (substantive related party)
Oriental Green Materials Limited	Subsidiary of FENC
Far Eastern Medical Foundation	Other related party (substantive related party)
Far Eastern Leasing Corporation	Other related party (substantive related party)
Oriental Petrochemical (Taiwan) Co., Ltd.	Subsidiary of FENC
Air Liquide Far Eastern Co., Ltd.	Other related party (equity-method investee of FENC)
Oriental Resources Development Limited	Subsidiary of FENC
Fu Kwok Garment Manufacturing Co., Ltd.	Subsidiary of FENC
U-Ming Marine Transport Corporation	Other related party (same chairman as Far EasTone's)
Ding & Ding Management Consultant Co., Ltd.	Other related party (substantive related party)
Chiahui Power Corporation	Other related party (same chairman as Far EasTone's)
Far Eastern International Bank (FEIB)	Other related party (Far EasTone's chairman is FEIB's vice chairman)
Far Eastern Fibertech Co., Ltd.	Subsidiary of FENC
Far Eastern Union Petrochemical (Yangzhou) Corporation	Other related party (substantive related party)
FETC International Co., Ltd.	Subsidiary of FENC
Far Eastern General Contractor Inc.	Subsidiary of FENC
Yuan Hsin Digital Payment Co., Ltd.	Subsidiary of FENC (dissolved on January 2, 2023 and the liquidation procedures have not been completed)
Far Eastern Polyclinic of Far Eastern Medical Foundation	Other related party (same chairman as Far EasTone's)
Far Eastern Realty Management Co., Ltd.	Subsidiary of FENC
Far Eastern Apparel (Vietnam) Ltd.	Subsidiary of FENC
Drive Catalyst SPC-SP Tranche Two	Associate
Drive Catalyst SPC-SP Tranche Three	Associate
Opas Fund Segregated Portfolio Company	Other related party (substantive related party)

(Continued)

Related Party	Relationship with the Group
Star Ritz International Entertainment Co., Ltd.	Other related party (substantive related party)
Yuanxun (Shanghai) Digital Technology Co., Ltd.	Subsidiary of FENC
Yuan Long Stainless Steel Corporation	Other related party (substantive related party)
JuAn Long-Age Co., Ltd.	Associate
Chongqing Metropolitan Plaza Pacific Department Store Co., Ltd.	Other related party (substantive related party)
Foxconn Global Network Corporation	Associate (from December 15, 2023)
U-MING Marine Transport (Hong Kong) Ltd	Other related party (same chairman as Far EasTone's)
U-MING Marine Transport (Singapore) Private Ltd	Other related party (same chairman as Far EasTone's)

(Concluded)

b. Operating revenue

	For the Year Ended December 31	
	2023	2022
FENC	$ 148,560	$ 86,260
Subsidiaries of FENC	203,550	230,147
Other related parties	860,509	537,212
Associates	406	-
	$ 1,213,025	$ 853,619

Operating revenue from related parties includes revenue from sales of inventories, mobile telecommunications services, fixed network telecommunications services, storage service, customer services, communication integration services and power plant construction of which the terms and conditions conformed to normal business practices.

c. Operating costs and expenses

	For the Year Ended December 31	
	2023	2022
Operating costs		
FENC	$ 5,025	$ 5,159
Subsidiaries of FENC	22,934	15,305
Other related parties	146,303	161,080
Associates	4,651	-
	$ 178,913	$ 181,544
Operating expenses		
FENC	$ 98,124	$ 86,542
Subsidiaries of FENC	238,591	236,101
Other related parties	137,304	125,557
Associates	8,807	-
	$ 482,826	$ 448,200

The above related parties provide telecommunications operating related services to the Group. The terms and conditions conformed to normal business practices.

d. Property transactions

	For the Year Ended December 31	
	2023	2022
Acquisition of property, plant and equipment and intangible assets		
Subsidiaries of FENC	$ 182,368	$ 4,232
Other related parties	1,254	10,715
	$ 183,622	$ 14,947
Acquisition of securities		
Subsidiaries of FENC	$ -	$ 15,033
Other related parties	-	3,124
Associate	-	110,680
	$ -	$ 128,837
Acquisition of financial assets at FVTPL		
Other related parties	$ -	$ 138,050
Disposal of property, plant, equipment and intangible assets		
FENC	$ 4	$ -
Disposal of financial assets at FVTPL		
Other related parties	$ -	$ 139,125

In January 2022, the Group acquired a partial interest in Drive Catalyst SPC-SP Tranche Two that amounted to $110,680 thousand.

In January 2022, the Group acquired OPAS Fund Segregated Portfolio Tranche C that amounted to $138,050 thousand from Opas Fund Segregated Portfolio Company. In January 2022, the Group disposed of OPAS Fund Segregated Portfolio Tranche A with the proceeds from disposal amounting to $139,125 thousand. The gain on disposal of the fund was $11,847 thousand.

In December 2022, the Group acquired YSDT's stock from Yuan Ding Co., Ltd., Ding Ding Integrated Marketing Service Co., Ltd. and Pacific Sogo Department Stores Co., Ltd.; the total amounts of the stock acquired were $14,984 thousand, $49 thousand and $3,124 thousand, respectively.

e. Lease arrangements - the Group is lessee

	For the Year Ended December 31	
	2023	2022
Acquisition of right-of-use assets		
Subsidiaries of FENC	$ 1,564	$ -
Other related parties	37,641	19,191
	$ 39,205	$ 19,191

	December 31	
	2023	2022
Lease liabilities - current		
Subsidiaries of FENC	$ 540	$ 804
Other related parties	24,607	12,446
	$ 25,147	$ 13,250
Lease liabilities - noncurrent		
Subsidiaries of FENC	$ 957	$ -
Other related parties	9,606	5,908
	$ 10,563	$ 5,908

	For the Year Ended December 31	
	2023	2022
Financial costs		
FENC	$ -	$ 1
Subsidiaries of FENC	4	26
Other related parties	248	173
	$ 252	$ 200

All the terms and conditions of the above lease contracts conformed to normal business practices.

f. Bank deposits, financial assets at amortized cost and other financial assets

	December 31	
	2023	2022
Other related parties		
FEIB	$ 1,724,129	$ 1,984,863

The Group had bank deposits in FEIB. These deposits included a portion of the proceeds of Far EasTone's sale of prepaid cards and NCIC's sale of international calling cards, which were consigned to FEIB as a trust fund and included in other financial assets - current.

g. Receivables and payables - related parties

	December 31	
	2023	2022
Accounts receivable - related parties		
FENC	$ 42,250	$ 17,946
Subsidiaries of FENC	34,538	37,817
Other related parties	327,205	280,067
Associates	31,273	-
	$ 435,266	$ 335,830

(Continued)

	December 31	
	2023	2022
Other receivables - related parties (included in other current assets)		
FENC	$ 5	$ 1
Subsidiaries of FENC	11	4,842
Other related parties	6,372	3,185
Associates	2,843	-
	$ 9,231	$ 8,028
Accounts payable - related parties (included in accounts payable)		
Subsidiaries of FENC	$ 16,952	$ 8,673
Other related parties	16,416	17,120
Associates	74,391	-
	$ 107,759	$ 25,793
Other payables - related parties (included in other current liabilities)		
FENC	$ 25,410	$ 22,232
Subsidiaries of FENC	24,874	22,669
Other related parties	9,863	11,331
Associates	166,478	-
	$ 226,625	$ 56,232

(Concluded)

h. Refundable deposits (included in other noncurrent assets)

	December 31	
	2023	2022
Refundable deposits		
Subsidiaries of FENC	$ 21,592	$ 21,457
Other related parties	2,120	1,416
	$ 23,712	$ 22,873

i. Others

	For the Year Ended December 31	
	2023	2022
Interest income		
Subsidiaries of FENC	$ 31	$ 17
Other related parties		
FEIB	21,509	14,456
Others	5	3
	21,514	14,459
	$ 21,545	$ 14,476
Financial costs		
Other related parties	$ 435	$ 214

j. Remuneration of key management personnel

The remuneration of directors and other members of key management personnel during the years ended December 31, 2023 and 2022 was as follows:

	For the Year Ended December 31	
	2023	2022
Short-term benefits	$ 307,732	$ 306,352
Post-employment benefits	3,939	3,597
	$ 311,671	$ 309,949

The remuneration of directors and key management personnel is determined by the remuneration committee based on the performance of individuals and market trends.

35. ASSETS PLEDGED OR MORTGAGED AS COLLATERAL

Assets pledged or mortgaged, i.e., used as collateral for the purchase of inventory, for transactions with financial institutions and for litigation, were as follows:

	December 31	
	2023	2022
Other financial assets - current	$ 109,195	$ 103,902
Property, plant and equipment, net	262,554	190,468
	$ 371,749	$ 294,370

36. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments of the Group were as follows:

a. Significant commitments

	December 31	
	2023	2022
Unpaid acquisition of property, plant and equipment and intangible assets under contracts	$ 11,991,409	$ 11,957,889
Unpaid acquisition of inventories under contracts	$ 5,690,483	$ 8,040,670

b. All lease commitments (the Group as a lessee), including short-term leases, with lease terms commencing after the balance sheet dates are as follows:

	December 31	
	2023	2022
Lease commitments	$ 303,933	$ 258,577

c. The Group provided $300,000 thousand as bank guarantees for its purchases from suppliers as of December 31, 2023 and 2022, respectively.

37. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the entities in the Group and the exchange rates between the foreign currencies and the respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

(In Thousands, Except Exchange Rate)

	December 31, 2023		
	Foreign Currency	**Exchange Rate**	**Carrying Amount**
Financial assets			
Monetary items			
USD	$ 37,172	30.71 (USD:NTD)	$ 1,141,357
Nonmonetary items			
USD	45,879	30.71 (USD:NTD)	1,408,724
USD	2,286	7.096 (USD:RMB)	70,198
Financial liabilities			
Monetary items			
USD	19,236	30.71 (USD:NTD)	590,653

	December 31, 2022		
	Foreign Currency	**Exchange Rate**	**Carrying Amount**
Financial assets			
Monetary items			
USD	$ 54,940	30.71 (USD:NTD)	$ 1,687,207
Nonmonetary items			
USD	41,917	30.71 (USD:NTD)	1,287,284
USD	10,040	6.967 (USD:RMB)	308,322
Financial liabilities			
Monetary items			
USD	20,757	30.71 (USD:NTD)	637,434

The Group is mainly exposed to the U.S. dollar. The following information is aggregated by the functional currencies of the entities in the Group and the exchange rates between the respective functional currencies and the presentation currency are disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2023		2022	
Functional Currency	**Exchange Rate (Functional Currency: Presentation Currency)**	**Net Foreign Exchange Gains (Losses)**	**Exchange Rate (Functional Currency: Presentation Currency)**	**Net Foreign Exchange Gains (Losses)**
NTD	1 (NTD:NTD)	$ (25,051)	1 (NTD:NTD)	$ 29,323
RMB	4.396 (RMB:NTD)	2,896	4.422 (RMB:NTD)	15,469
HKD	3.980 (HKD:NTD)	1,193	3.806 (HKD:NTD)	(1,131)
		$ (20,962)		$ 43,661

38. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions

1) Financing provided to others: Schedule A

2) Endorsements/guarantees provided: None

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Schedule B

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: Schedule C

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Schedule D

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Schedule E

9) Trading in derivative instruments: None

10) Significant transactions between Far EasTone and its subsidiaries and among subsidiaries: Schedule F

b. Information on investees: Schedule G

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Schedule H

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

d. Information on major stockholders: List all stockholders with ownership of 5% or greater showing the name of the stockholder, the number of shares owned, and percentage of ownership of each stockholder: Schedule I

39. SEGMENT INFORMATION

Products and services from which reportable segments derive their revenue:

The information provided to the Group's chief operating decision maker in order to allocate resources to the segments and assess their performance focuses on the type of goods or services delivered or provided. As required by IFRS 8 "Operating Segments," the Group defined its operating segments as follows:

a. Mobile services business: Providing mobile telecommunications services

b. Fixed-line services business: Providing international direct dial, local network, long-distance network and broadband access services

c. Sales business: Selling cellular phones, computers and accessories

Segment operating income represented the profit generated by each operating segment, which included specifically attributable segment revenue, costs, expenses, interest revenue, other revenue, equity in investees' net income and loss, financial costs, other expense and general and administrative expenses. The profits were the measures reported to the chief operating decision maker to allocate resources to the segments and assess their performance. However, the measure of segment assets was not provided to the chief operating decision maker.

d. The Group's revenue and operating results analyzed by the operating segments were as follows:

	For the Year Ended December 31, 2023				
	Mobile Services Business	Fixed-line Services Business	Sales Business	Adjustment and Elimination	Consolidation
Revenue generated from external customers	$ 47,283,543	$ 11,139,449	$ 35,267,425	$ -	$ 93,690,417
Revenue generated within the Group (Note)	164,899	2,052,115	104,953	(2,321,967)	-
Total revenue	$ 47,448,442	$ 13,191,564	$ 35,372,378	$ (2,321,967)	$ 93,690,417
Segment income before income tax	$ 10,703,051	$ 2,092,594	$ 2,909,281	$ (1,882,170)	$ 13,822,756

	For the Year Ended December 31, 2022				
	Mobile Services Business	Fixed-line Services Business	Sales Business	Adjustment and Elimination	Consolidation
Revenue generated from external customers	$ 45,299,291	$ 11,549,930	$ 32,302,144	$ -	$ 89,151,365
Revenue generated within the Group (Note)	182,441	2,056,084	113,889	(2,352,414)	-
Total revenue	$ 45,481,732	$ 13,606,014	$ 32,416,033	$ (2,352,414)	$ 89,151,365
Segment income before income tax	$ 9,096,811	$ 2,274,075	$ 2,546,696	$ (1,918,501)	$ 11,999,081

Note: Represents sales of goods and other income between segments.

e. Geographical information

The Group's revenues are generated mostly from its domestic business. Overseas revenues are primarily generated from international calls and data services and cloud services.

Consolidated geographic information for revenues was as follows:

	For the Year Ended December 31	
	2023	2022
ROC	$ 89,426,661	$ 84,860,255
Overseas	4,263,756	4,291,110
	$ 93,690,417	$ 89,151,365

f. Information on major customers

There was no customer that accounted for at least 10% of the Group's total operating revenue in both 2023 and 2022.

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Year	Ending Balance	Actual Amount Borrowed	Interest Rate	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note)	Aggregate Financing Limit (Note)
													Item	Value		
1	New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Other receivables - related parties	Yes	$ 1,800,000	$ 1,800,000	$ 1,800,000	0.9120%-1.48311%	Business transaction	$ 2,009,317	-	$ -	-	$ -	$ 2,009,317	$ 12,560,512
		Far EasTone Telecommunications Co., Ltd.	Other receivables - related parties	Yes	9,700,000	9,400,000	9,400,000	0.9120%-1.5103%	Short-term financing	-	For business operations	-	-	-	10,048,410	12,560,512

Note: Where New Century InfoComm Tech Co., Ltd. (NCIC) provides loans for business transactions and short-term financing needs, the amount of loans is limited to 50% of NCIC’s net worth. A) For business transactions: The individual loan amount should not exceed the business transaction amount between the two parties. The business transaction amount refers to the estimated amount in the year the loan contract was signed or the prior year’s actual transaction amount. B) For loans provided due to short-term financing needs, both the financing limit for each borrower and the aggregate financing limit should not exceed 40% of NCIC’s net worth.

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note	Highest Shares/Units Held During the Year
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value		
Far EasTone Telecommunications Co., Ltd.	Stock								
	App Works Fund II Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	4,455,000	$ 43,519	11.11	$ 43,519	B	5,355,000
	CDIB Capital Innovation Accelerator Limited	-	Financial assets at fair value through other comprehensive income - noncurrent	10,186,199	158,625	10.71	158,625	B	10,186,199
	LINE Bank Taiwan Limited	-	Financial assets at fair value through other comprehensive income - noncurrent	37,500,000	304,276	2.50	304,276	B	37,500,000
	LiTV (Taiwan) Inc.	-	Financial assets at fair value through other comprehensive income - noncurrent	1,250,000	4,697	2.50	4,697	B	1,250,000
	iHH Co., Ltd	-	Financial assets at fair value through other comprehensive income - noncurrent	991,912	39,676	19.59	39,676	B	991,912
ARCOA Communication Co., Ltd.	Stock								
	THI consultants	-	Financial assets at fair value through other comprehensive income - noncurrent	1,213,594	12,190	18.32	12,190	B	1,213,594
	Web Point Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	160,627	1,618	0.63	1,618	B	160,627
	Taiwan Mobile Co., Ltd.		Financial assets at fair value through profit or loss - current	257	25	-	25	C	257
New Century InfoComm Tech Co., Ltd.	Stock								
	Kaohsiung Rapid Transit Corporation	Other related party	Financial assets at fair value through other comprehensive income - noncurrent	8,858,191	47,569	3.18	47,569	B	8,858,191
	Bank Pro E-service Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	600,000	4,500	3.33	4,500	B	600,000
	Stock certificate								
	Changing.ai Inc.	-	Financial assets at fair value through other comprehensive income - noncurrent	500,000	37,311	2.27	37,311	B	500,000
	Overseas funds								
	Opas Fund Segregated Portfolio Tranche A	Other related party	Financial assets at fair value through profit or loss - current	9,666.832	371,890	-	371,890	A	9,666.832
	Opas Fund Segregated Portfolio Tranche B	Other related party	Financial assets at fair value through profit or loss - current	5,000	181,724	-	181,724	A	5,000
	Opas Fund Segregated Portfolio Tranche C	Other related party	Financial assets at fair value through profit or loss - current	2,216.711	158,939	-	158,939	A	2,216.711

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note	Highest Shares/Units Held During the Year
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value		
Digital United (Cayman) Ltd.	Stock certificate TBCASoft, Inc.	-	Financial assets at fair value through other comprehensive income - noncurrent	726,995	$ 70,198	4.59	$ 70,198	B	726,995

Note A: The market values of the overseas funds were calculated at their net asset values as of December 31, 2023.

Note B: The fair values of financial assets at fair value through other comprehensive income were calculated using inputs and valuation methods.

Note C: The fair value was calculated at the closing price as of December 31, 2023.

(Concluded)

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Far EasTone Telecommunications Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	Investments accounted for using the equity method	Yuanshi Digital Technology Co., Ltd.	Subsidiary	10,820,870	$ (445,664)	69,582,676	$ 695,827 (Note A)	-	$ -	$ -	$ -	80,403,546	$ 60,601 (Note B)
	Asia Pacific Telecom Co., Ltd. through private placement	Financial assets at fair value through other comprehensive income - noncurrent	Asia Pacific Telecom Co., Ltd.	Financial assets	500,000,000	3,050,000	-	-	500,000,000	2,513,435	5,000,000 (Note C)	(2,486,565) (Note C)	-	-

Note A: The amount is the cost of acquisition.

Note B: The amount is the balance of investments accounted for using the equity method.

Note C: Far EasTone merged with Asia Pacific Telecom Co., Ltd. through the share swap. The original holding of 500,000,000 shares of APTC's private ordinary stocks was evaluated at a fair value of $2,513,435 thousand as of the merger reference date, resulting in a difference of $2,486,565 thousand compared to the original acquisition cost of $5,000,000 thousand. This loss was transferred from other equity items to retained earnings as of the merger reference date.

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Purchaser (Seller) of Goods	Related Party	Relationship	Transaction Details				Abnormal Transaction		Accounts/Other Receivables (Payables)	
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	Subsidiary	Operating costs and marketing expenses	$ 8,191,416	15	Based on agreement	-	-	Accounts payable and other payables $ (534,510)	(2)
			Operating revenue	(2,137,409)	(3)	Based on agreement	-	-	Accounts receivable (Note C) 265,135	2
	New Century InfoComm Tech Co., Ltd.	Subsidiary	Operating revenue	(114,122)	-	Based on agreement	-	-	Accounts receivable 8,987	-
			Operating costs	1,895,195	4	Based on agreement	-	-	Accounts payable and other payables (Note A) (459,345)	(2)
	DataExpress Infotech Co., Ltd.	Subsidiary of ARCOA Communication Co., Ltd.	Operating costs and marketing expenses	253,353	-	Based on agreement	-	-	Accounts payable and other payables (58,119)	-
	Yuanshi Digital Technology Co., Ltd.	Subsidiary	Operating revenue	(839,052)	(1)	Based on agreement	-	-	Accounts receivable (Note C) 151,466	1
	FarEastone Insurance Agency Co., Ltd.	Subsidiary	Operating revenue	(406,032)	(1)	Based on agreement	-	-	Accounts receivable 115,732	1
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	Operating revenue	(1,895,195)	(21)	Based on agreement	-	-	Accounts receivable (Note B) 459,345	28
			Operating costs	114,122	1	Based on agreement	-	-	Accounts payable (8,987)	(1)
	Nextlink Technology Co., Ltd.	Subsidiary	Operating costs	117,245	1	Based on agreement	-	-	Accounts payable (22,162)	(3)
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	Operating revenue	(8,191,416)	(40)	Based on agreement	-	-	Accounts receivable 534,510	54
			Operating costs	2,137,409	11	Based on agreement	-	-	Accounts payable (Note C) (265,135)	(23)
	Home Master Technology Ltd.	Subsidiary of DataExpress Infotech Co., Ltd.	Operating revenue	(550,243)	(3)	Based on agreement	-	-	Accounts receivable 84,906	9
DataExpress Infotech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	Operating revenue	(253,353)	(4)	Based on agreement	-	-	Accounts receivable 58,119	9
	Home Master Technology Ltd.	Subsidiary	Operating revenue	(185,758)	(3)	Based on agreement	-	-	Accounts receivable 28,254	4
	Yuanshi Digital Technology Co., Ltd.	Same parent company	Operating revenue	(187,993)	(3)	Based on agreement	-	-	Accounts receivable (Note C) 12,286	2
Home Master Technology Ltd.	ARCOA Communication Co., Ltd.	Parent company	Operating costs	550,243	35	Based on agreement	-	-	Accounts payable (84,906)	(51)
	DataExpress Infotech Co., Ltd.	Parent company	Operating costs	185,758	12	Based on agreement	-	-	Accounts payable (28,254)	(17)
Yuanshi Digital Technology Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	Operating costs	839,052	25	Based on agreement	-	-	Accounts payable (Note C) (151,466)	(39)
	Far Eastern Ai Mai Co., Ltd.	Other related party	Operating revenue	(278,929)	(8)	Based on agreement	-	-	Accounts receivable 33,249	27
	DataExpress Infotech Co., Ltd.	Same parent company	Operating costs	187,993	6	Based on agreement	-	-	Accounts payable (Note C) (12,286)	(3)
FarEastone Insurance Agency Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	Operating costs	406,032	86	Based on agreement	-	-	Accounts payable (115,732)	(89)
Nextlink Technology Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Parent company	Operating revenue	(117,245)	(9)	Based on agreement	-	-	Accounts receivable 22,162	13

Note A: All interconnection revenue, costs and collection of international direct dial revenue between Far EasTone and NCIC were settled at net amounts and were included in accounts payable - related parties.

Note B: Including the receivables collected by Far EasTone for NCIC.

Note C: Part of the revenue from Yuanshi Digital Technology Co., Ltd. is collected by ARCOA Communication Co., Ltd. on behalf of Far EasTone Telecommunications Co., Ltd. and DataExpress Infotech Co., Ltd.

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	Subsidiary	$ 267,888	13.97	$ -	-	$ 212,673	$ -
	FarEastone Insurance Agency Co., Ltd.	Subsidiary	115,732	3.45	-	-	34,305	-
	Yuanshi Digital Technology Co., Ltd.	Subsidiary	157,202	7.03	-	-	4,399	-
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	11,745,339	(Note)	-	-	256,949	-
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	534,510	18.76	-	-	467,992	-

Note: All interconnection revenue, costs and collection of revenue from international direct dialing between Far EasTone and NCIC were settled in net amounts and included in accounts receivable/payable-related parties. The turnover rate was unavailable as the receivables from related parties were due to the collection of telecommunications bills by Far EasTone on behalf of NCIC and the financing provided by NCIC to Far EasTone.

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Number (Note A)	Company Name	Counterparty	Flow of Transactions (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Consolidated Assets/Revenue (Note C)
0	Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	1	Accounts receivable - related parties	$ 8,987	Note E	-
				Other receivables - related parties	86,566	Note E	-
				Refundable deposits	5,266	Note E	-
				Other payables - related parties	11,745,339	Note E	6
				Lease liabilities	66,225	Note E	-
				Operating revenue	114,122	Note E	-
				Operating costs	1,895,195	Note E	2
				Operating expenses	58,682	Note E	-
				Nonoperating income and gains	45,057	Note E	-
				Nonoperating expenses	136,438	Note E	-
		ARCOA Communication Co., Ltd.	1	Accounts receivable - related parties	265,135	Note E	-
				Other receivables - related parties	2,753	Note E	-
				Accounts payable - related parties	476,753	Note E	-
				Other payables - related parties	57,757	Note E	-
				Contract liabilities	175,915	Note E	-
				Operating revenue	2,137,409	Note E	2
				Operating costs	7,639,419	Note E	8
				Operating expenses	572,541	Note E	1
				Nonoperating income and gains	3,155	Note E	-
		KGEx.com Co., Ltd.	1	Accounts receivable - related parties	3,585	Note E	-
				Operating revenue	22,471	Note E	-
				Operating expenses	75,765	Note E	-
				Nonoperating income and gains	1,013	Note E	-
		Yuan Cing Co., Ltd.	1	Other receivables - related parties	1,855	Note E	-
				Other payables - related parties	29,985	Note E	-
				Operating revenue	3,360	Note E	-
				Operating costs	43,500	Note E	-
				Operating expenses	161,661	Note E	-
				Nonoperating income and gains	3,973	Note E	-
		DataExpress Infotech Co., Ltd.	1	Accounts receivable - related parties	34,628	Note E	-
				Other receivables - related parties	5,916	Note E	-
				Accounts payable - related parties	21,493	Note E	-
				Other payables - related parties	36,626	Note E	-
				Operating revenue	134,292	Note E	-
				Operating costs	4,488	Note E	-
				Operating expenses	248,869	Note E	-
				Nonoperating income and gains	4,663	Note E	-

(Continued)

Number (Note A)	Company Name	Counterparty	Flow of Transactions (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Consolidated Assets/Revenue (Note C)
		Home Master Technology Ltd.	1	Other payables - related parties	$ 11,964	Note E	-
				Operating expenses	71,652	Note E	-
		Information Security Service Digital United Inc.	1	Other receivables - related parties	2,942	Note E	-
				Accounts payable - related parties	6,611	Note E	-
				Other payables - related parties	16,603	Note E	-
				Operating revenue	1,350	Note E	-
				Operating costs	69,115	Note E	-
				Operating expenses	17,216	Note E	-
		Yuanshi Digital Technology Co., Ltd.	1	Accounts receivable - related parties	151,466	Note E	-
				Other receivables - related parties	5,736	Note E	-
				Accounts payable - related parties	10,769	Note E	-
				Other payables - related parties	39,185	Note E	-
				Operating revenue	839,052	Note E	1
				Operating costs	8,368	Note E	-
				Operating expenses	33,592	Note E	-
				Nonoperating income and gains	4,408	Note E	-
		Prime EcoPower Co., Ltd.	1	Operating costs	5,858	Note E	-
		FarEasTone Insurance Agency Co., Ltd.	1	Accounts receivable - related parties	115,732	Note E	-
				Operating revenue	406,032	Note E	-
		Nextlink Technology Co., Ltd.	1	Operating expenses	4,842	Note E	-
1	New Century InfoComm Tech Co., Ltd.	KGEx.com Co., Ltd.	3	Accounts receivable - related parties	3,105	Note E	-
				Other receivables - related parties	1,257	Note E	-
				Accounts payable - related parties	5,570	Note E	-
				Other payables - related parties	5,335	Note E	-
				Operating revenue	19,968	Note E	-
				Operating costs	33,179	Note E	-
				Operating expenses	61,393	Note E	-
		Yuan Cing Co., Ltd.	3	Accounts payable - related parties	4,340	Note E	-
				Operating costs	20,973	Note E	-
				Operating expenses	4,938	Note E	-
		DataExpress Infotech Co., Ltd.	3	Operating revenue	1,498	Note E	-
		Information Security Service Digital United Inc.	3	Accounts payable - related parties	13,663	Note E	-
				Operating revenue	4,369	Note E	-
				Operating costs	41,020	Note E	-
				Nonoperating income and gains	3,391	Note E	-
		Yuanshi Digital Technology Co., Ltd.	3	Operating revenue	5,658	Note E	-
				Operating expenses	5,101	Note E	-
		Prime Ecopower Co., Ltd	3	Operating costs	4,821	Note E	-
		Sino Lead Enterprise Limited	3	Operating costs	2,692	Note E	-
		FarEasTone Insurance Agency Co., Ltd.	3	Operating revenue	4,185	Note E	-
		Nextlink Technology Co., Ltd.	3	Accounts payable - related parties	22,162	Note E	-
				Operating costs	117,245	Note E	-
		Microfusion Technology Co., Ltd.	3	Accounts payable - related parties	9,509	Note E	-
				Operating costs	68,564	Note E	-

(Continued)

Number (Note A)	Company Name	Counterparty	Flow of Transactions (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Consolidated Assets/Revenue (Note C)
2	ARCOA Communication Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	3	Accounts receivable - related parties	$ 4,759	Note E	-
				Operating revenue	35,222	Note E	-
		DataExpress Infotech Co., Ltd.	3	Accounts receivable - related parties	1,753	Note E	-
				Other receivables - related parties	1,349	Note E	-
				Accounts payable - related parties	4,316	Note E	-
				Operating revenue	13,006	Note E	-
				Operating costs	18,302	Note E	-
				Nonoperating income and gains	1,164	Note E	-
		Home Master Technology Ltd.	3	Accounts receivable - related parties	84,906	Note E	-
				Operating revenue	550,243	Note E	1
3	Yuan Cing Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	3	Accounts receivable - related parties	1,120	Note E	-
				Operating revenue	11,668	Note E	-
4	DataExpress Infotech Co., Ltd.	Home Master Technology Ltd.	3	Accounts receivable - related parties	28,254	Note E	-
				Operating revenue	185,758	Note E	-
				Operating costs	1,622	Note E	-
				Nonoperating income and gains	11,310	Note E	-
		Yuanshi Digital Technology Co., Ltd.	3	Accounts receivable - related parties	12,286	Note E	-
				Operating revenue	187,993	Note E	-
5	Information Security Service Digital United Inc.	Yuanshi Digital Technology Co., Ltd.	3	Accounts receivable - related parties	1,125	Note E	-
				Operating revenue	2,250	Note E	-
6	Nextlink Technology Co., Ltd.	Microfusion Technology Co., Ltd.	3	Other receivables - related parties	3,885	Note E	-
				Operating costs	7,183	Note E	-
				Nonoperating income and gains	39,634	Note E	-
		Nextlink (HK) Technology Co., Ltd.	3	Other receivables - related parties	7,762	Note E	-
				Operating revenue	8,134	Note E	-
				Nonoperating income and gains	65,911	Note E	-
		Microfusion (HK) Technology Co., Ltd.	3	Nonoperating income and gains	2,880	Note E	-
7	Microfusion Technology Co., Ltd.	Nextlink (HK) Technology Co., Ltd.	3	Accounts receivable - related parties	4,168	Note E	-
				Operating revenue	70,405	Note E	-
				Nonoperating income and gains	1,791	Note E	-
		Microfusion (HK) Technology Co., Ltd.	3	Operating revenue	5,000	Note E	-
8	Microfusion (HK) Technology Co., Ltd.	Nextlink (HK) Technology Co., Ltd.	3	Operating revenue	1,823	Note E	-

Note A: Parties to the intercompany transactions are identified and numbered as follows:

1. “0” for Far EasTone Telecommunications Co., Ltd. (“Far EasTone”).
2. “1” onward for subsidiaries.

(Continued)

Note B: The flow of related-party transactions is as follows:

1. From the parent company to its subsidiary.
2. From a subsidiary to its parent company.
3. Between subsidiaries.

Note C: For assets and liabilities, amount is shown as a percentage of consolidated total assets as of December 31, 2023; while revenues, costs and expenses are shown as a percentage of consolidated total operating revenues for the year ended December 31, 2023.

Note D: The information shown in the schedule represents the eliminated material intercompany transactions.

Note E: Payment terms varied depending on the related agreements.

(Concluded)

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note	Highest Shares/Units Held During the Year
				December 31, 2023	December 31, 2022	Number of Shares	Percentage of Ownership (%)	Carrying Amount				
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Taiwan	Telecommunications services	$ 22,249,283	$ 22,249,283	2,100,000,000	100.00	$ 26,458,904	$ 1,832,071	$ 1,756,553	Note A	2,100,000,000
	ARCOA Communication Co., Ltd.	Taiwan	Sales of communications products and office equipment	1,305,802	1,305,802	82,762,221	61.63	662,138	185,631	75,518	Note A	82,762,221
	KGEx.com Co., Ltd.	Taiwan	Telecommunications services	2,340,472	2,340,472	68,897,234	99.99	901,366	114,527	114,511	Note A	68,897,234
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information services	2,381,996	1,686,169	80,403,546	98.96	60,601	(175,413)	(172,915)	Note A	80,403,546
	Yuan Cing Co., Ltd.	Taiwan	Call center services	-	-	3,680,000	100.00	65,866	19,604	19,604	Notes A and E	3,680,000
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investments	92,616	92,616	1,200	100.00	5,489	151	151	Note A	1,200
	IDEAWORKS Entertainment Co., Ltd.	Taiwan	Filmmaking and publishing services	82,500	41,250	8,250,000	50.00	67,360	(22,863)	(11,432)	Note A	8,250,000
	FarEastone Insurance Agency Co., Ltd.	Taiwan	Property and life insurance agent	5,000	5,000	500,000	100.00	104,180	93,218	93,218	Note A	500,000
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic information services and electronic toll collection services	2,542,396	2,542,396	118,250,967	39.42	1,791,133	537,089	315,309	Note B	118,250,967
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	139,500	139,500	5,446,644	15.00	29,930	32,719	2,663	Note B	5,446,644
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Other financing and supporting services	-	600,000	-	-	-	-	-	Note F	-
	Asia Pacific Telecom Co., LTD.	Hong Kong	Telecommunications services	3,292	-	7,800,002	100.00	3,227	-	-	Note A	7,800,002
	Foxconn Global Nerwork Company	Taiwan	System integration services	242,100	-	14,180,000	40.40	234,085	(115,278)	(8,015)	Note B	14,180,000
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	Taiwan	Sales of communications products	141,750	141,750	18,917,781	70.00	339,646	123,071	-	Note C	18,917,781
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Taiwan	Investments	540,000	540,000	54,000,000	100.00	84,041	141	-	Note C	54,000,000
	Information Security Service Digital United Inc.	Taiwan	Security and monitoring services via internet	148,777	148,777	13,763,655	98.68	181,080	31,297	-	Note C	13,763,655
	Digital United (Cayman) Ltd.	Cayman Islands	Investments	317,446	317,446	10,320,000	100.00	114,810	(86,016)	-	Note C	10,320,000
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information services	49,579	49,579	374,968	0.46	283	(175,413)	-	Note A	374,968
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	46,500	46,500	1,815,548	5.00	9,977	32,719	-	Note B	1,815,548
	Prime EcoPower Co., Ltd.	Taiwan	Energy technology services	160,000	160,000	16,000,000	100.00	153,105	26,980	-	Note C	16,000,000
	Drive Catalyst SPC-SP Tranche One	Cayman Islands	Investments	123,220	123,220	4,000	25.00	136,575	7,123	-	Note B	4,000
	Drive Catalyst SPC-SP Tranche Two	Cayman Islands	Investments	224,820	224,820	8,000	25.00	258,777	15,102	-	Note B	8,000
	Drive Catalyst SPC-SP Tranche Three	Cayman Islands	Investments	236,440	236,440	8,000	25.00	263,508	22,014	-	Note B	8,000
	Nextlink Technology Co., Ltd.	Taiwan	Electronic information services	420,000	420,000	13,465,900	67.29	543,070	90,140	-	Note C	13,465,900
	JuAn Long-Age Co., Ltd.	Taiwan	Electronic information services	15,500	15,500	1,000,000	25.00	13,239	5,659	-	Note B	1,000,000
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Other financing and supporting services	-	42,358	-	-	-	-	-	Note F	-
	ARCOA Communication Co., Ltd.	Taiwan	Sales of communications products and office equipment	116,885	116,885	9,025,890	6.72	128,322	185,631	-	Note A	9,025,890
IDEAWORKS Entertainment Co., Ltd.	Mission International Co., Ltd.	Taiwan	Filmmaking and publishing services	160,000	80,000	16,000,000	100.00	130,132	(22,578)	-	Note C	16,000,000
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Hong Kong	Telecommunications services	125	125	30,000	100.00	480	71	-	Note C	30,000
	New Diligent Hong Kong Co., Ltd.	Hong Kong	Investments	-	3,051	-	-	-	132	-	Note C	-
DataExpress Infotech Co., Ltd.	Home Master Technology Ltd.	Taiwan	Sales of communications products	10,000	10,000	-	100.00	84,127	25,656	-	Note C	-
Nextlink Technology Co., Ltd.	Microfusion Technology Co., Ltd.	Taiwan	Electronic information services	17,000	17,000	4,495,000	100.00	89,253	24,513	-	Note C	4,495,000
	Nextlink (HK) Technology Co., Ltd.	Hong Kong	Electronic information services	973	973	-	100.00	76,898	39,802	-	Note C	-
	Microfusion (HK) Technology Co., Ltd.	Hong Kong	Electronic information services	1,494	1,494	-	100.00	3,981	3,736	-	Note C	-
	MICROFUSION TECHNOLOGY (MY) SDN. BHD.	Malaysia	Electronic information services	6,896	-	-	100.00	4,790	(1,859)	-	Note C	-
	NEXTLINK (SG) TECHNOLOGY PTE. LTD.	Singapore	Electronic information services	3,205	-	-	100.00	2,850	(338)	-	Note C	-

Note A: Subsidiary.

Note B: Investee of the Group accounted for using the equity method.

Note C: Subsidiary of New Century InfoComm Tech Co., Ltd., New Diligent Co., Ltd., ARCOA Communication Co., Ltd., DataExpress Infotech Co., Ltd., Nextlink Technology Co., Ltd or IDEAWORKS Entertainment Co., Ltd.

Note D: Investments in mainland China are shown in Schedule H.

Note E: Yuan Cing Co., Ltd. reduced capital and remitted cash which exceeded the original investment amount. Thus, the investment amount is $0.

Note F: On December 20, 2022, the shareholders of Yuan Hsin Digital Payment Co., Ltd. approved the liquidation date set on January 2, 2023. Therefore, the Company discontinued the use of the equity method to account for the investment and the liquidation refund receivable from investee was reclassified to other current assets.

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of June 30, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outward	Inward						
Digital United Information Technologies (Shanghai) Ltd.	Design, research, installment and maintenance of computer software and system	$ 95,186 (US$ 3,100,000)	2	$ 95,186 (US$ 3,100,000)	$ -	$ -	$ 95,186 (US$ 3,100,000)	$ (206)	100.00	$ (206)	$ 15,818 (RMB 3,372,000)	$ -
Nextlink (Shanghai) Technology Co., Ltd.	Electronic information services	2,211 (US$ 72,000)	2	2,211 (US$ 72,000)	-	-	2,211 (US$ 72,000)	344	67.29	344	2,770 (HK$ 698,000)	-

Company Name	Accumulated Investments in Mainland China as of December 31, 2023	Investment Amounts Authorized by the Investment Commission, MOEA	Limit on Investments (Note B)
Far EasTone Telecommunications Co., Ltd.	$ 92,616 (Note C)	$ 92,616 (Note C)	$ 54,596,737
New Century InfoComm Tech Co., Ltd.	95,186 (US$ 3,100,000)	95,186 (US$ 3,100,000)	15,193,516
New Diligent Co., Ltd.	451,024 (US$ 14,689,000) (Note C)	451,024 (US$ 14,689,000) (Note C)	50,424
Nextlink Technology Co., Ltd.	2,211 (US$ 72,000)	2,211 (US$ 72,000)	201,696

Note A: Method of investment is as follows:

1. Far EasTone made the investment directly.
2. Far EasTone made the investment indirectly through a company registered in a third region. The companies registered in a third region are Digital United (Cayman) Ltd. and Nextlink (HK) Technology Co., Ltd.
3. Others.

Note B: The limit is up to 60% of the higher of the investor's net worth or consolidated net worth as stated in the Principles Governing the Review of Investment or Technical Cooperation in mainland China, which was issued on August 29, 2008 by the Investment Commission of the MOEA.

Note C: The amount includes $92,616 thousand and US$14,689,000 from investee companies which were dissolved, but the registration of the investment amount had not been written off with the Investment Commission of the MOEA. In addition, an investment amount of US$73,000 and US$238,000 registered with the Investment Commission of the MOEA was remitted back to Taiwan on June 27, 2012 and July 15, 2022, respectively, and the same amount was written off on the same date.

SCHEDULE I

FAR EASTONE TELECOMMUNICATIONS CO., LTD.

INFORMATION ON MAJOR STOCKHOLDERS
DECEMBER 31, 2023

Name of Major Stockholder	Shareholding	
	Number of Shares	Percentage of Ownership (%)
Yuan Ding Investment Co., Ltd.	1,066,657,614	29.58
Cathay Life Insurance Co., Ltd.	215,345,337	5.97
Asia Cement Corporation	184,577,945	5.11

Note: The information on major stockholders presented in the above table lists the major stockholders whose combined shareholdings of ordinary and preference shares are at least 5% of Far EasTone's total shares, as calculated by the Taiwan Depository & Clearing Corporation based on the number of dematerialized shares (including treasury shares) which have been registered and delivered on the last working day of the current quarter. The number of shares recorded in Far EasTone's consolidated financial statements may be different from the number of dematerialized shares which have completed registration and delivery due to differences in the basis of preparation and calculation.