

**Far EastOne Telecommunications
Co., Ltd. and Subsidiaries**

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

INDEPENDENT AUDITORS' REVIEW REPORT

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

Introduction

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

Scope of Review

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

Conclusion

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 2025

Notice to Readers

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

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the 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' review report and consolidated financial statements shall prevail.

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 33)	\$ 5,428,565	3	\$ 5,416,289	3	\$ 5,270,820	3
Financial assets at fair value through profit or loss - current (Note 32)	957,604	1	1,052,421	1	845,260	-
Financial assets at amortized cost - current (Notes 8 and 33)	635,926	-	647,070	-	815,824	-
Contract assets - current (Note 24)	6,077,164	3	5,886,564	3	5,714,192	3
Notes receivable, net (Note 9)	27,525	-	25,271	-	62,582	-
Accounts receivable, net (Note 9)	11,100,692	6	12,233,197	7	10,654,390	6
Accounts receivable - related parties (Notes 9 and 33)	335,034	-	448,228	-	300,307	-
Inventories (Note 10)	3,753,746	2	4,362,043	2	3,247,947	2
Prepaid expenses	1,946,190	1	1,590,658	1	1,511,554	1
Other financial assets - current (Notes 33 and 34)	481,999	-	557,730	-	466,612	-
Other current assets (Note 33)	218,246	-	182,534	-	342,729	-
Total current assets	30,962,691	16	32,402,005	17	29,232,217	15
NONCURRENT ASSETS						
Financial assets at fair value through profit or loss - noncurrent (Note 32)	10,000	-	10,000	-	10,000	-
Financial assets at fair value through other comprehensive income - noncurrent (Notes 7 and 32)	843,056	-	842,134	-	694,830	-
Investments accounted for using the equity method (Notes 12 and 33)	2,813,549	2	2,787,104	1	2,733,862	1
Contract assets - noncurrent (Note 24)	4,572,860	2	4,447,746	2	4,255,467	2
Property, plant and equipment, net (Notes 13, 33 and 34)	43,548,249	25	44,408,911	25	46,850,104	24
Right-of-use assets (Notes 14 and 33)	9,004,679	5	8,843,205	5	9,844,444	5
Investment properties (Note 15)	887,751	-	887,751	-	924,372	-
Concessions, net (Note 16)	58,873,465	32	60,361,311	33	64,824,850	35
Goodwill (Note 16)	19,476,886	11	19,476,886	10	19,409,799	10
Other intangible assets (Notes 16 and 33)	3,664,515	2	3,855,816	2	4,172,609	2
Deferred income tax assets (Note 4)	1,089,988	1	1,042,475	1	1,032,589	1
Incremental costs of obtaining a contract - noncurrent (Note 24)	4,612,142	3	4,734,345	3	5,493,886	3
Other noncurrent assets (Notes 9, 17 and 33)	2,680,534	1	2,653,479	1	3,028,442	2
Total noncurrent assets	152,077,674	84	154,351,163	83	163,275,254	85
TOTAL	\$ 183,040,365	100	\$ 186,753,168	100	\$ 192,507,471	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 18)	\$ 3,571,000	2	\$ 340,000	-	\$ 2,975,000	2
Short-term bills payable (Notes 18 and 34)	859,250	-	-	-	8,001,291	4
Contract liabilities - current (Note 24)	3,082,860	2	3,120,854	2	2,758,930	1
Notes payable	8,512	-	5,645	-	6,245	-
Accounts payable (Note 33)	8,183,217	4	9,035,689	5	8,054,394	4
Other payables (Note 20)	6,245,132	3	7,338,701	4	6,935,009	4
Current tax liabilities (Note 4)	3,328,202	2	2,566,102	1	2,877,453	2
Provisions - current (Note 21)	258,574	-	366,494	-	301,831	-
Lease liabilities - current (Notes 14, 31, 32, and 33)	3,138,924	2	2,938,331	2	3,748,077	2
Current portion of long-term borrowings (Notes 18, 19, 32 and 34)	4,864,583	3	6,365,540	3	10,713,672	6
Other current liabilities (Note 33)	1,408,103	1	1,742,901	1	1,669,956	1
Total current liabilities	34,948,357	19	33,820,257	18	48,041,858	26
NONCURRENT LIABILITIES						
Contract liabilities - noncurrent (Note 24)	143,575	-	143,030	-	155,798	-
Bonds payable (Notes 19 and 32)	26,778,355	15	23,780,842	13	28,575,186	15
Long-term borrowings (Notes 18, 32 and 34)	10,223,653	6	21,271,385	11	6,736,177	3
Provisions - noncurrent (Note 21)	1,761,885	1	1,765,686	1	1,684,566	1
Deferred income tax liabilities (Note 4)	2,422,125	1	2,393,616	1	2,273,025	1
Lease liabilities - noncurrent (Notes 14, 31, 32 and 33)	5,637,040	3	5,495,619	3	5,871,146	3
Net defined benefit liabilities - noncurrent (Notes 4 and 22)	330,054	-	334,206	-	391,632	-
Guarantee deposits received - noncurrent	477,197	-	445,128	-	389,316	-
Other noncurrent liabilities (Note 20)	4,523,092	2	4,778,586	3	4,395,316	2
Total noncurrent liabilities	52,296,976	28	60,408,098	32	50,472,162	25
Total liabilities	87,245,333	47	94,228,355	50	98,514,020	51
EQUITY ATTRIBUTABLE TO OWNERS OF FAR EASTONE						
Capital stock						
Common stock	36,057,054	20	36,057,054	19	36,057,054	19
Capital surplus	21,362,567	12	21,362,840	11	23,475,326	12
Retained earnings						
Legal reserve	20,471,766	11	20,471,766	11	19,603,354	10
Special reserve	548,192	-	548,192	-	2,235,038	1
Unappropriated earnings	16,098,836	9	12,855,390	8	11,618,781	6
Total retained earnings	37,118,794	20	33,875,348	19	33,457,173	17
Other equity	(150,403)	-	(150,002)	-	(103,918)	-
Total equity attributable to owners of Far Eastone	94,388,012	52	91,145,240	49	92,885,635	48
NONCONTROLLING INTERESTS						
	1,407,020	1	1,379,573	1	1,107,816	1
Total equity	95,795,032	53	92,524,813	50	93,993,451	49
TOTAL	\$ 183,040,365	100	\$ 186,753,168	100	\$ 192,507,471	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

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 33)	\$ 26,042,307	100	\$ 25,746,084	100
OPERATING COSTS (Notes 10, 25 and 33)	<u>17,764,349</u>	<u>68</u>	<u>17,961,654</u>	<u>70</u>
GROSS PROFIT	<u>8,277,958</u>	<u>32</u>	<u>7,784,430</u>	<u>30</u>
OPERATING EXPENSES (Notes 25 and 33)				
Marketing	2,709,925	10	2,952,444	11
General and administrative	1,475,466	6	1,439,525	6
Expected credit losses	<u>66,207</u>	<u>-</u>	<u>86,991</u>	<u>-</u>
Total operating expenses	<u>4,251,598</u>	<u>16</u>	<u>4,478,960</u>	<u>17</u>
OTHER OPERATING INCOME AND EXPENSES	<u>289,339</u>	<u>1</u>	<u>234,003</u>	<u>1</u>
OPERATING INCOME	<u>4,315,699</u>	<u>17</u>	<u>3,539,473</u>	<u>14</u>
NONOPERATING INCOME AND EXPENSES (Notes 25 and 33)				
Other income	36,065	-	36,442	-
Other gains and losses	(88,992)	-	169,338	1
Financial costs	(218,010)	(1)	(238,396)	(1)
Share of the (losses) gains of associates	(33)	-	43,409	-
Losses on disposal of property, plant and equipment and intangible assets	<u>(27,524)</u>	<u>-</u>	<u>(5,637)</u>	<u>-</u>
Total nonoperating income and expenses	<u>(298,494)</u>	<u>(1)</u>	<u>5,156</u>	<u>-</u>
INCOME BEFORE INCOME TAX	4,017,205	16	3,544,629	14
INCOME TAX (Notes 4 and 26)	<u>748,912</u>	<u>3</u>	<u>574,831</u>	<u>3</u>
NET INCOME	<u>3,268,293</u>	<u>13</u>	<u>2,969,798</u>	<u>11</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 23, 26 and 32)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized losses on investments in equity instruments designated as at fair value through other comprehensive income	(27,974)	-	(29,878)	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	<u>19,707</u>	<u>-</u>	<u>(15,092)</u>	<u>-</u>
	<u>(8,267)</u>	<u>-</u>	<u>(44,970)</u>	<u>-</u>

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FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ 11,247	-	\$ 32,331	-
Share of the other comprehensive loss of associates accounted for using the equity method	<u>(877)</u>	<u>-</u>	<u>(1,591)</u>	<u>-</u>
	<u>10,370</u>	<u>-</u>	<u>30,740</u>	<u>-</u>
 Total other comprehensive income (loss), net of income tax	 <u>2,103</u>	 <u>-</u>	 <u>(14,230)</u>	 <u>-</u>
 TOTAL COMPREHENSIVE INCOME	 <u>\$ 3,270,396</u>	 <u>13</u>	 <u>\$ 2,955,568</u>	 <u>11</u>
 NET INCOME ATTRIBUTABLE TO:				
Owners of Far EasTone	\$ 3,241,554	13	\$ 2,939,173	11
Noncontrolling interests	<u>26,739</u>	<u>-</u>	<u>30,625</u>	<u>-</u>
	<u>\$ 3,268,293</u>	<u>13</u>	<u>\$ 2,969,798</u>	<u>11</u>
 TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of Far EasTone	\$ 3,243,053	13	\$ 2,923,971	11
Noncontrolling interests	<u>27,343</u>	<u>-</u>	<u>31,597</u>	<u>-</u>
	<u>\$ 3,270,396</u>	<u>13</u>	<u>\$ 2,955,568</u>	<u>11</u>
 EARNINGS PER SHARE, IN NEW TAIWAN DOLLARS (Note 27)				
Basic	<u>\$ 0.90</u>		<u>\$ 0.82</u>	
Diluted	<u>\$ 0.90</u>		<u>\$ 0.81</u>	

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
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of Far Eastone											
	Equity Attributable to Owners of Far Eastone					Other Equity (Note 23)					Noncontrolling Interests (Notes 23, 28 and 30)	Total Equity
	Capital Stock (Note 23)	Capital Surplus (Notes 23, 28 and 30)	Legal Reserve (Note 23)	Special Reserve	Unappropriated Earnings (Notes 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 on Hedging Instruments	Gains on Property Revaluations	Total		
BALANCE AT JANUARY 1, 2024	\$ 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
Net income for the three months ended March 31, 2024	-	-	-	-	2,939,173	-	-	-	-	2,939,173	30,625	2,969,798
Other comprehensive income (loss) for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	30,060	(44,970)	(292)	-	(15,202)	972	(14,230)
Changes in ownership interests in subsidiaries	-	(15,233)	-	-	(5,287)	-	-	-	-	(20,520)	63,842	43,322
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associate	-	-	-	-	(566)	-	566	-	-	-	-	-
BALANCE AT MARCH 31, 2024	\$ 36,057,054	\$ 23,475,326	\$ 19,603,354	\$ 2,235,038	\$ 11,618,781	\$ 48,612	\$ (202,885)	\$ 1,960	\$ 48,395	\$ 92,885,635	\$ 1,107,816	\$ 93,993,451
BALANCE AT JANUARY 1, 2025	\$ 36,057,054	\$ 21,362,840	\$ 20,471,766	\$ 548,192	\$ 12,855,390	\$ 75,234	\$ (274,520)	\$ 889	\$ 48,395	\$ 91,145,240	\$ 1,379,573	\$ 92,524,813
Unclaimed dividends	-	(15)	-	-	-	-	-	-	-	(15)	-	(15)
Net income for the three months ended March 31, 2025	-	-	-	-	3,241,554	-	-	-	-	3,241,554	26,739	3,268,293
Other comprehensive (loss) income for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	10,071	(8,267)	(305)	-	1,499	604	2,103
Changes in ownership interests in subsidiaries	-	(258)	-	-	(8)	-	-	-	-	(266)	104	(162)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associate	-	-	-	-	1,900	-	(1,900)	-	-	-	-	-
BALANCE AT MARCH 31, 2025	\$ 36,057,054	\$ 21,362,567	\$ 20,471,766	\$ 548,192	\$ 16,098,836	\$ 85,305	\$ (284,687)	\$ 584	\$ 48,395	\$ 94,388,012	\$ 1,407,020	\$ 95,795,032

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

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 4,017,205	\$ 3,544,629
Adjustments for:		
Depreciation	3,277,644	3,425,811
Amortization	394,429	440,949
Amortization of concessions	1,487,846	1,481,935
Expected credit losses	66,207	86,991
Net losses (gains) on fair value changes of financial assets at fair value through profit or loss	94,817	(132,682)
Financial costs	218,010	238,396
Interest income	(22,617)	(22,451)
Shared-based payment	107	741
Share of the losses (gains) of associates	33	(43,409)
Losses on disposal of property, plant and equipment and intangible assets	27,524	5,637
Write-down of inventories (reversal of write-down)	6,038	(9,328)
(Gains) losses on modifications of lease arrangements	(615)	2,030
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	-	(10,000)
Contract assets	(315,714)	(357,648)
Notes receivable	(2,254)	(24,393)
Accounts receivable	1,082,843	241,943
Accounts receivable - related parties	113,194	134,959
Inventories	602,259	12,261
Prepaid expenses	(357,682)	(81,490)
Other current assets	(34,801)	21,458
Incremental costs of obtaining a contract	122,203	289,548
Contract liabilities	(37,449)	(55,701)
Notes payable	2,867	(8,242)
Accounts payable	(852,472)	592,625
Other payables	(1,075,938)	(1,141,760)
Provisions	(121,860)	(3,486)
Other current liabilities	(334,834)	(85,494)
Net defined benefit liabilities	(4,229)	(4,183)
Other noncurrent liabilities	(294,656)	(241,161)
Cash generated from operations	8,058,105	8,298,485
Interest received	21,079	21,696
Interest paid	(326,815)	(259,908)
Income taxes paid	(7,634)	(8,504)
Net cash generated from operating activities	7,744,735	8,051,769

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FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	\$ (28,220)	\$ -
Proceeds from the disposal of financial assets at amortized cost	11,144	159,922
Acquisition of investments accounted for using the equity method	-	(20,000)
Acquisition of property, plant and equipment	(1,379,980)	(1,394,110)
Proceeds from the disposal of property, plant and equipment	6,311	1,395
Increase in refundable deposits	(284,479)	(169,337)
Decrease in refundable deposits	169,031	129,385
Acquisition of intangible assets	(129,488)	(145,001)
Decrease in other financial assets	75,731	105,739
Increase in other noncurrent assets	-	(30,022)
Other investing activities	39,162	42,080
Net cash used in investing activities	(1,520,788)	(1,319,949)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	3,231,000	2,785,000
Increase in short-term bills payable	859,250	7,811,113
Proceeds from the issuance of bonds payable	2,995,970	3,495,630
Repayment of bonds payable	(1,500,000)	-
Repayment of long-term borrowings	(11,049,004)	(19,056,420)
Increase in guarantee deposits received	57,393	24,774
Decrease in guarantee deposits received	(23,358)	(22,850)
Repayment of the principal portion of lease liabilities	(785,406)	(938,824)
Net changes in noncontrolling interests	(255)	42,581
Payment of overdue dividends	(15)	-
Net cash used in financing activities	(6,214,425)	(5,858,996)
EFFECT OF EXCHANGE RATE CHANGES	2,754	5,513
INCREASE IN CASH AND CASH EQUIVALENTS	12,276	878,337
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	5,416,289	4,392,483
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	\$ 5,428,565	\$ 5,270,820

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 THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (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. Far EasTone’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, expanding our fixed network communication service operations.

Far EasTone’s ultimate parent is Far Eastern New Century Corporation (“Far Eastern New Century”). As of March 31, 2025 and 2024, Far Eastern New Century and its affiliates directly and indirectly owned 32.82% of Far EasTone’s shares, and appointed the chairman, which showed de facto control over Far EasTone. 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, the parent company, on May 7, 2025.

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)

Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

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

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025.

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

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</u>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

IFRS 18 “Presentation and Disclosures in Financial Statements”

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

- 1) Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- 2) The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- 3) Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as ‘other’ only if it cannot find a more informative label.
- 4) Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing 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

a. Statement of compliance

The interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of Far EasTone and the entities controlled by Far EasTone (i.e., 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 dates of acquisitions up to the effective dates of disposals, 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 F and Schedule G for detailed information on subsidiaries, including the percentages of ownership and main businesses.

d. Other material accounting policy information

Except for the following, the accounting policies applied in the interim consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2024. For the summary of other material accounting policy information, refer to the consolidated financial statements for the year ended December 31, 2024.

1) Retirement benefits

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

2) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The material accounting judgments and key sources of estimation uncertainty are the same as those applicable to the consolidated financial statements for the year ended December 31, 2024.

6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ 9,655	\$ 9,636	\$ 8,783
Checking and demand deposits	3,785,687	4,042,878	3,094,641
Cash equivalents			
Commercial paper purchased under resale agreements	1,148,364	1,137,912	1,822,751
Certificates of deposits	<u>484,859</u>	<u>225,863</u>	<u>344,645</u>
	<u>\$ 5,428,565</u>	<u>\$ 5,416,289</u>	<u>\$ 5,270,820</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Investments in equity instruments-noncurrent</u>			
Domestic/foreign unlisted common stock	<u>\$ 843,056</u>	<u>\$ 842,134</u>	<u>\$ 694,830</u>

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.

8. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Certificates of deposits with original maturities of more than 3 months	<u>\$ 635,926</u>	<u>\$ 647,070</u>	<u>\$ 815,824</u>

9. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 27,525	\$ 25,271	\$ 62,582
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 27,525</u>	<u>\$ 25,271</u>	<u>\$ 62,582</u>

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Accounts receivable (including related parties and noncurrent portion)</u>			
At amortized cost			
Gross carrying amount	\$ 12,948,712	\$ 14,182,266	\$ 12,496,773
Less: Allowance for impairment loss	(1,206,968)	(1,175,515)	(1,199,419)
Less: Unrealized interest income	(341)	(394)	(627)
Less: Unearned finance income	<u>(33,918)</u>	<u>(36,565)</u>	<u>(40,067)</u>
	<u>\$ 11,707,485</u>	<u>\$ 12,969,792</u>	<u>\$ 11,256,660</u>
			(Concluded)

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:

	March 31, 2025	December 31, 2024	March 31, 2024
Gross amount of installment accounts receivable	\$ 12,910	\$ 13,895	\$ 25,536
Less amount of unrealized interest income	<u>(341)</u>	<u>(394)</u>	<u>(627)</u>
	<u>\$ 12,569</u>	<u>\$ 13,501</u>	<u>\$ 24,909</u>
Current	\$ 3,768	\$ 3,753	\$ 12,340
Noncurrent	<u>8,801</u>	<u>9,748</u>	<u>12,569</u>
	<u>\$ 12,569</u>	<u>\$ 13,501</u>	<u>\$ 24,909</u>

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 a finance lease were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Gross amount of finance lease receivables	\$ 362,372	\$ 379,751	\$ 386,923
Less amount of unearned finance income	<u>(33,918)</u>	<u>(36,565)</u>	<u>(40,067)</u>
	<u>\$ 328,454</u>	<u>\$ 343,186</u>	<u>\$ 346,856</u>

Undiscounted lease payments

Year 1	\$ 75,974	\$ 75,577	\$ 68,673
Year 2	75,504	75,265	71,034
Year 3	61,956	67,394	70,564
Year 4	46,525	48,261	57,017
			(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
Year 5	\$ 41,876	\$ 42,280	\$ 41,412
Year 6 onwards	<u>60,537</u>	<u>70,974</u>	<u>78,223</u>
	362,372	379,751	386,923
Less: Unearned finance income	(33,918)	(36,565)	(40,067)
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
Finance lease receivables	<u>\$ 328,454</u>	<u>\$ 343,186</u>	<u>\$ 346,856</u>
Current	\$ 65,496	\$ 64,567	\$ 57,462
Noncurrent	<u>262,958</u>	<u>278,619</u>	<u>289,394</u>
	<u>\$ 328,454</u>	<u>\$ 343,186</u>	<u>\$ 346,856</u>
			(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 rate inherent in the lease was 3.0%-4.5%, which was 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 loss (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 writes off an allowance for impairment loss when there is evidence indicating that the debtor is in 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.

The Group's expected credit loss rate ranges of receivables which were not overdue and receivables which were overdue were 0.00%-6.11% and 0.002%-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 March 31, 2025, December 31, 2024 and March 31, 2024, 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:

March 31, 2025

	Not Overdue	Overdue Up to 60 Days	Overdue 61 Days or More	Total
Gross carrying amount	\$ 11,224,678	\$ 1,116,674	\$ 600,626	\$ 12,941,978
Loss allowance (lifetime ECLs)	<u>(589,253)</u>	<u>(138,620)</u>	<u>(479,095)</u>	<u>(1,206,968)</u>
Amortized cost	<u>\$ 10,635,425</u>	<u>\$ 978,054</u>	<u>\$ 121,531</u>	<u>\$ 11,735,010</u>

December 31, 2024

	Not Overdue	Overdue Up to 60 Days	Overdue 61 Days or More	Total
Gross carrying amount	\$ 12,369,829	\$ 1,133,784	\$ 666,965	\$ 14,170,578
Loss allowance (lifetime ECLs)	<u>(484,533)</u>	<u>(145,535)</u>	<u>(545,447)</u>	<u>(1,175,515)</u>
Amortized cost	<u>\$ 11,885,296</u>	<u>\$ 988,249</u>	<u>\$ 121,518</u>	<u>\$ 12,995,063</u>

March 31, 2024

	Not Overdue	Overdue Up to 60 Days	Overdue 61 Days or More	Total
Gross carrying amount	\$ 10,669,940	\$ 1,149,213	\$ 699,508	\$ 12,518,661
Loss allowance (lifetime ECLs)	<u>(547,282)</u>	<u>(148,909)</u>	<u>(503,228)</u>	<u>(1,199,419)</u>
Amortized cost	<u>\$ 10,122,658</u>	<u>\$ 1,000,304</u>	<u>\$ 196,280</u>	<u>\$ 11,319,242</u>

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

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	\$ 1,175,515	\$ 1,169,566
Add: Amounts recovered	75,683	69,287
Add: Net remeasurement of loss allowance	66,207	86,991
Less: Amounts written off	(110,500)	(127,015)
Foreign exchange gains and losses	<u>63</u>	<u>590</u>
Balance at March 31	<u>\$ 1,206,968</u>	<u>\$ 1,199,419</u>

10. INVENTORIES

	March 31, 2025	December 31, 2024	March 31, 2024
Cellular phone equipment and accessories	\$ 2,910,483	\$ 3,266,474	\$ 2,632,457
Construction in progress	307,351	316,381	-
Others	<u>535,912</u>	<u>779,188</u>	<u>615,490</u>
	<u>\$ 3,753,746</u>	<u>\$ 4,362,043</u>	<u>\$ 3,247,947</u>

Costs of inventories sold were \$7,810,418 thousand and \$8,337,089 thousand for the three months ended March 31, 2025 and 2024, respectively.

The write-down of inventories amounting to \$6,038 thousand and the reversal of write-down of inventories amounting to \$9,328 thousand were included in the cost of sales for the three months ended March 31, 2025 and 2024, respectively.

On May 1, 2024, Field Delivery Service Co, Ltd (“FDS”) was recognized as a subsidiary and its inventory, which comprises of construction in progress, has been included in the consolidated financial statement. The cost of construction in progress comprises raw materials, direct labor, other direct costs and related manufacturing overheads; refer to Note 29.

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 (%)			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
Far EasTone	NCIC	Telecommunications services	100.00	100.00	100.00	Recognized as a subsidiary on May 1, 2024; refer to Note 29
	ARCOA	Sales of communications products and office equipment	61.63	61.63	61.63	
	KGEx.com	Telecommunications services	99.99	99.99	99.99	
	YSDT	Electronic information services	98.96	98.96	98.96	
	Yuan Cing	Call center services	100.00	100.00	100.00	
	FEIS	Investment	100.00	100.00	100.00	
	FEIA	Property and life insurance agent	100.00	100.00	100.00	
	IDWE	Television and film production and distribution	50.00	50.00	50.00	
	APTHK	Telecommunications services	100.00	100.00	100.00	
	FDS	System integration services	34.41	34.41	-	
NCIC	FRE	Management consulting	100.00	100.00	-	
	ISSDU	Security and monitoring service via internet	96.76	96.76	98.68	
	DU (Cayman)	Investment	100.00	100.00	100.00	
	New Diligent	Investment	100.00	100.00	100.00	
	YSDT	Electronic information services	0.46	0.46	0.46	
	Prime EcoPower	Energy technology services	100.00	100.00	100.00	
	Nextlink Technology	Electronic information services	57.64	57.64	64.60	
	ARCOA	Sales of communications products and office equipment	6.72	6.72	6.72	
New Diligent DU (Cayman)	FDS	System integration services	8.64	8.64	-	
	Sino Lead	Telecommunications services	100.00	100.00	100.00	
	DUIT	Design, research, installment and maintenance of computer software and systems	100.00	100.00	100.00	
ARCOA	DataExpress	Sale of communications products	70.00	70.00	70.00	
DataExpress	Home Master	Sale of communications products	100.00	100.00	100.00	

(Continued)

Investor Company	Investee Company	Main Businesses and Products	Percentage of Ownership (%)			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
Nextlink Technology	Microfusion	Electronic information services	100.00	100.00	100.00	
	Nextlink (HK) Technology	Electronic information services	100.00	100.00	100.00	
	Microfusion (HK) Technology	Electronic information services	100.00	100.00	100.00	
	MICROFUSION TECHNOLOGY (MY) SDN. BHD.	Electronic information services	100.00	100.00	100.00	
	NEXTLINK (SG) TECHNOLOGY PTE. LTD.	Electronic information services	100.00	100.00	100.00	
Nextlink (HK) Technology	Nextlink (SH) Technology	Electronic information services	100.00	100.00	100.00	
IDWE	Mission International	Television and film production and distribution	100.00	100.00	100.00	

(Concluded)

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	March 31, 2025	December 31, 2024	March 31, 2024
Material associate			
Far Eastern Electronic Toll Collection Co., Ltd.	\$ 2,126,123	\$ 2,083,842	\$ 1,851,467
Associates that are not individually material	<u>687,426</u>	<u>703,262</u>	<u>882,395</u>
	<u>\$ 2,813,549</u>	<u>\$ 2,787,104</u>	<u>\$ 2,733,862</u>

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 as of March 31, 2025, December 31, 2024 and March 31, 2024. 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 F) for the nature of activities, principal place of business and country of incorporation of the associate.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Operating Equipment	Computer Equipment	Other Equipment	Construction-in-progress	Total
<u>Cost</u>							
Balance at January 1, 2025	\$ 7,993,718	\$ 9,982,812	\$ 91,196,432	\$ 11,988,978	\$ 6,727,421	\$ 1,415,392	\$ 129,304,753
Additions	-	-	-	773	6,055	1,469,174	1,476,002
Disposals	-	(3,323)	(1,719,999)	(32,512)	(34,001)	(1,878)	(1,791,713)
Effects of foreign currency exchange difference	-	-	-	2	1	-	3
Adjustments and reclassification	-	87,484	1,404,641	138,827	99,093	(1,730,045)	-
Balance at March 31, 2025	<u>\$ 7,993,718</u>	<u>\$ 10,066,973</u>	<u>\$ 90,881,074</u>	<u>\$ 12,096,068</u>	<u>\$ 6,798,569</u>	<u>\$ 1,152,643</u>	<u>\$ 128,989,045</u>

(Continued)

	Freehold Land	Buildings	Operating Equipment	Computer Equipment	Other Equipment	Construction-in-progress	Total
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2025	\$ (59,857)	\$ (5,046,325)	\$ (63,251,420)	\$ (11,113,562)	\$ (5,424,678)	\$ -	\$ (84,895,842)
Depreciation expense	-	(88,464)	(2,035,332)	(120,014)	(58,026)	-	(2,301,836)
Disposals	-	3,323	1,687,059	32,506	33,998	-	1,756,886
Effects of foreign currency exchange difference	-	-	-	(3)	(1)	-	(4)
Balance at March 31, 2025	<u>\$ (59,857)</u>	<u>\$ (5,131,466)</u>	<u>\$ (63,599,693)</u>	<u>\$ (11,201,073)</u>	<u>\$ (5,448,707)</u>	<u>\$ -</u>	<u>\$ (85,440,796)</u>
Carrying amount at January 1, 2025	<u>\$ 7,933,861</u>	<u>\$ 4,936,487</u>	<u>\$ 27,945,012</u>	<u>\$ 875,416</u>	<u>\$ 1,302,743</u>	<u>\$ 1,415,392</u>	<u>\$ 44,408,911</u>
Carrying amount at March 31, 2025	<u>\$ 7,933,861</u>	<u>\$ 4,935,507</u>	<u>\$ 27,281,381</u>	<u>\$ 894,995</u>	<u>\$ 1,349,862</u>	<u>\$ 1,152,643</u>	<u>\$ 43,548,249</u>
<u>Cost</u>							
Balance at January 1, 2024	\$ 7,958,055	\$ 9,765,048	\$ 107,494,213	\$ 13,811,029	\$ 6,485,389	\$ 2,156,381	\$ 147,670,115
Additions	-	60	-	2,069	8,869	1,622,707	1,633,705
Disposals	-	(7,986)	(435,398)	(286,708)	(128,007)	(1,024)	(859,123)
Effects of foreign currency exchange difference	-	-	-	9	4	-	13
Adjustments and reclassification	-	17,468	1,677,110	104,691	204,545	(2,003,814)	-
Balance at March 31, 2024	<u>\$ 7,958,055</u>	<u>\$ 9,774,590</u>	<u>\$ 108,735,925</u>	<u>\$ 13,631,090</u>	<u>\$ 6,570,800</u>	<u>\$ 1,774,250</u>	<u>\$ 148,444,710</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2024	\$ (59,857)	\$ (4,756,531)	\$ (77,033,308)	\$ (12,874,832)	\$ (5,485,403)	\$ -	\$ (100,209,931)
Depreciation expense	-	(85,886)	(1,954,658)	(123,493)	(61,590)	-	(2,225,627)
Disposals	-	7,986	420,498	286,708	125,773	-	840,965
Effects of foreign currency exchange difference	-	-	-	(9)	(4)	-	(13)
Balance at March 31, 2024	<u>\$ (59,857)</u>	<u>\$ (4,834,431)</u>	<u>\$ (78,567,468)</u>	<u>\$ (12,711,626)</u>	<u>\$ (5,421,224)</u>	<u>\$ -</u>	<u>\$ (101,594,606)</u>
Carrying amount at March 31, 2024	<u>\$ 7,898,198</u>	<u>\$ 4,940,159</u>	<u>\$ 30,168,457</u>	<u>\$ 919,464</u>	<u>\$ 1,149,576</u>	<u>\$ 1,774,250</u>	<u>\$ 46,850,104</u>

(Concluded)

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	25-56 years
Other building equipment	3-45 years
Operating equipment	3-26 years
Computer equipment	2-8 years
Other equipment	2-20 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amount</u>			
Land	\$ 1,208	\$ 1,435	\$ 302
Buildings	8,785,795	8,616,706	9,654,575
Other equipment	<u>217,676</u>	<u>225,064</u>	<u>189,567</u>
	<u>\$ 9,004,679</u>	<u>\$ 8,843,205</u>	<u>\$ 9,844,444</u>

	For the Three Months Ended March 31	
	2025	2024
Additions to right-of-use assets	<u>\$ 1,197,226</u>	<u>\$ 879,358</u>
Depreciation charge for right-of-use assets		
Land	\$ 227	\$ 224
Buildings	941,748	1,166,778
Other equipment	<u>33,833</u>	<u>33,182</u>
	<u>\$ 975,808</u>	<u>\$ 1,200,184</u>

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

b. Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amount</u>			
Current	<u>\$ 3,138,924</u>	<u>\$ 2,938,331</u>	<u>\$ 3,748,077</u>
Noncurrent	<u>\$ 5,637,040</u>	<u>\$ 5,495,619</u>	<u>\$ 5,871,146</u>

Discount rate ranges for lease liabilities were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Land	1.71%	1.71%	1.38%
Buildings	0.59%-2.11%	0.59%-2.09%	0.58%-1.99%
Other equipment	1.43%-2.31%	0.72%-2.31%	0.58%-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 20 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 Three Months Ended March 31	
	2025	2024
Expenses relating to short-term leases	<u>\$ 32,959</u>	<u>\$ 31,626</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 9,267</u>	<u>\$ 9,187</u>
Total cash outflow for leases	<u>\$ 799,275</u>	<u>\$ 1,001,995</u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Balance of investment properties	<u>\$ 887,751</u>	<u>\$ 887,751</u>	<u>\$ 924,372</u>

The lease terms of investments properties range from 1-5 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:

	March 31, 2025	December 31, 2024	March 31, 2024
Year 1	\$ 15,337	\$ 16,809	\$ 17,335
Year 2	8,989	10,121	13,428
Year 3	4,114	6,367	7,428
Year 4	<u>-</u>	<u>-</u>	<u>3,394</u>
	<u>\$ 28,440</u>	<u>\$ 33,297</u>	<u>\$ 41,585</u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Independent valuation	<u>\$ 887,751</u>	<u>\$ 887,751</u>	<u>\$ 924,372</u>

The fair values of the investment properties as of December 31, 2024 and 2023 were based on the valuations respectively carried out on January 10, 2025, January 23, 2025, January 3, 2024, and January 12, 2024 by independent qualified professional valuator Mr. Tsai, Chia-Ho. The aforementioned valutors are 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 December 31, 2024 and 2023 were still valid as of March 31, 2025 and 2024, respectively.

The fair value of investment properties was 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.

	March 31, 2025	December 31, 2024	March 31, 2024
Expected future cash inflows	\$ 1,116,696	\$ 1,116,696	\$ 1,138,222
Expected future cash outflows	<u>(46,758)</u>	<u>(46,758)</u>	<u>(51,041)</u>
Expected future cash inflows, net	<u>\$ 1,069,938</u>	<u>\$ 1,069,938</u>	<u>\$ 1,087,181</u>
Discount rate	2.47%-3.095%	2.47%-3.095%	2.345%-2.97%

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 \$14 thousand per ping per month.

All of the investment properties have been leased out under operating leases. The rental incomes generated for the three months ended March 31, 2025 and 2024 were \$4,842 thousand and \$4,682 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 1.7% and 1.575% for the years ended December 31, 2024 and 2023, 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 are 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 all result in an increase in the fair value. The significant assumptions used were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Estimated total sales price	<u>\$ 332,191</u>	<u>\$ 332,191</u>	<u>\$ 308,268</u>
Rate of return	15.00%	15.00%	15.00%
Overall capital interest rate	5.88%	5.88%	5.72%

16. INTANGIBLE ASSETS

	Concessions	Goodwill	Computer Software	Other Intangible Assets	Total
<u>Cost</u>					
Balance at January 1, 2025	\$ 96,376,620	\$ 19,494,159	\$ 16,567,091	\$ 2,282,203	\$ 134,720,073
Additions	-	-	129,537	1,000	130,537
Disposals	-	-	(10,485)	-	(10,485)
Other (Note)	-	-	-	(1,049)	(1,049)
Balance at March 31, 2025	<u>\$ 96,376,620</u>	<u>\$ 19,494,159</u>	<u>\$ 16,686,143</u>	<u>\$ 2,282,154</u>	<u>\$ 134,839,076</u>
<u>Accumulated amortization and impairment</u>					
Balance at January 1, 2025	\$ (36,015,309)	\$ (17,273)	\$ (14,049,795)	\$ (943,683)	\$ (51,026,060)
Amortization	(1,487,846)	-	(277,333)	(43,456)	(1,808,635)
Disposals	-	-	10,485	-	10,485
Balance at March 31, 2025	<u>\$ (37,503,155)</u>	<u>\$ (17,273)</u>	<u>\$ (14,316,643)</u>	<u>\$ (987,139)</u>	<u>\$ (52,824,210)</u>
Carrying amount at January 1, 2025	<u>\$ 60,361,311</u>	<u>\$ 19,476,886</u>	<u>\$ 2,517,296</u>	<u>\$ 1,338,520</u>	<u>\$ 83,694,013</u>
Carrying amount at March 31, 2025	<u>\$ 58,873,465</u>	<u>\$ 19,476,886</u>	<u>\$ 2,369,500</u>	<u>\$ 1,295,015</u>	<u>\$ 82,014,866</u>
<u>Cost</u>					
Balance at January 1, 2024	\$ 96,376,620	\$ 19,427,072	\$ 21,391,973	\$ 2,268,727	\$ 139,464,392
Additions	-	-	142,353	2,648	145,001
Disposals	-	-	(2,774,439)	-	(2,774,439)
Balance at March 31, 2024	<u>\$ 96,376,620</u>	<u>\$ 19,427,072</u>	<u>\$ 18,759,887</u>	<u>\$ 2,271,375</u>	<u>\$ 136,834,954</u>
<u>Accumulated amortization and impairment</u>					
Balance at January 1, 2024	\$ (30,069,835)	\$ (17,273)	\$ (18,515,954)	\$ (760,162)	\$ (49,363,224)
Amortization	(1,481,935)	-	(309,075)	(47,901)	(1,838,911)
Disposals	-	-	2,774,439	-	2,774,439
Balance at March 31, 2024	<u>\$ (31,551,770)</u>	<u>\$ (17,273)</u>	<u>\$ (16,050,590)</u>	<u>\$ (808,063)</u>	<u>\$ (48,427,696)</u>
Carrying amount at March 31, 2024	<u>\$ 64,824,850</u>	<u>\$ 19,409,799</u>	<u>\$ 2,709,297</u>	<u>\$ 1,463,312</u>	<u>\$ 88,407,258</u>

Note: Recovery of the cost of investment.

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 15 years
Other intangible assets	
Copyrights	Amortized over the broadcast period
Others	1 to 16 years

Refer to Note 16 of the consolidated financial statements for the year ended December 31, 2024 for the related information on the assessment of impairment of assets and goodwill.

17. OTHER NONCURRENT ASSETS

	March 31, 2025	December 31, 2024	March 31, 2024
Refundable deposits	\$ 1,555,148	\$ 1,439,682	\$ 1,288,893
Others	<u>1,125,386</u>	<u>1,213,797</u>	<u>1,739,549</u>
	<u>\$ 2,680,534</u>	<u>\$ 2,653,479</u>	<u>\$ 3,028,442</u>

18. BORROWINGS

a. Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Unsecured borrowings</u>			
Credit loans	<u>\$ 3,571,000</u>	<u>\$ 340,000</u>	<u>\$ 2,975,000</u>
Interest rate range	1.83%-2.02%	1.98%-2.10%	1.60%-2.22%

b. Short-term bills payable

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Unsecured borrowings</u>			
Commercial papers payable	\$ 860,000	\$ -	\$ 8,000,000
Less: Unamortized discount	<u>(750)</u>	<u>-</u>	<u>(8,955)</u>
	<u>859,250</u>	<u>-</u>	<u>7,991,045</u>
<u>Secured borrowings</u>			
Commercial papers payable	-	-	10,300
Less: Unamortized discount	<u>-</u>	<u>-</u>	<u>(54)</u>
	<u>-</u>	<u>-</u>	<u>10,246</u>
Short-term bills payable	<u>\$ 859,250</u>	<u>\$ -</u>	<u>\$ 8,001,291</u>
<u>Interest rate range</u>			
Unsecured commercial papers payable	1.89%-2.23%	-	1.57%-2.17%
Secured commercial papers payable	-	-	2.60%

For related information on the property, plant and equipment that have been pledged as collateral for the commercial papers payable, see Note 34.

c. Long-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Unsecured borrowings</u>			
Credit loans	\$ 10,119,930	\$ 21,165,380	\$ 4,771,728
Less: Current portion	(16,563)	(16,945)	(1,797)
Long-term commercial papers payable	-	-	4,300,000
Less: Unamortized discount on commercial papers payable	-	-	(3,622)
Less: Current portion	<u>-</u>	<u>-</u>	<u>(2,498,702)</u>
	<u>10,103,367</u>	<u>21,148,435</u>	<u>6,567,607</u>
<u>Secured borrowings</u>			
Bank loans	168,570	172,124	182,787
Less: Current portion	<u>(48,284)</u>	<u>(49,174)</u>	<u>(14,217)</u>
	<u>120,286</u>	<u>122,950</u>	<u>168,570</u>
Long-term borrowings	<u>\$ 10,223,653</u>	<u>\$ 21,271,385</u>	<u>\$ 6,736,177</u>
<u>Interest rate range</u>			
Credit loans	1.82%-2.48%	1.84%-2.48%	1.69%-2.48%
Unsecured commercial papers payable	-	-	0.62%-2.12%
Secured bank loans	1.50%-2.48%	1.50%-2.48%	1.50%-2.48%

- 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 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, see Note 34.
- 4) As of March 31, 2025, December 31, 2024 and March 31, 2024, the perpetual long-term borrowings were \$853,338 thousand, \$6,656,571 thousand and \$6,046,378 thousand, respectively.

19. BONDS PAYABLE

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured domestic bonds	\$ 31,600,000	\$ 30,100,000	\$ 36,800,000
Unamortized costs of issuance	<u>(21,909)</u>	<u>(19,737)</u>	<u>(25,858)</u>
	31,578,091	30,080,263	36,774,142
Less: Current portion	<u>(4,799,736)</u>	<u>(6,299,421)</u>	<u>(8,198,956)</u>
Long-term bonds payable	<u>\$ 26,778,355</u>	<u>\$ 23,780,842</u>	<u>\$ 28,575,186</u>

Period	Maturity	Annual Rate (%)	Issued Amount	March 31, 2025	December 31, 2024	March 31, 2024	Repayment
<u>Parent Company</u>							
Unsecured domestic bonds							
2017 2nd unsecured domestic bonds	2017.09.04-2024.09.04	1.17	\$ 2,000,000	\$ -	\$ -	\$ 1,999,783	Note A
2017 3rd unsecured domestic bonds - type B	2017.12.20-2024.12.20	1.09	1,500,000	-	-	1,499,742	Note A
2018 1st unsecured domestic bonds - type B	2018.05.07-2025.05.07	1.01	3,500,000	3,499,934	3,499,769	3,499,273	Note A
2019 1st unsecured domestic bonds - type A	2019.06.25-2024.06.25	0.75	3,200,000	-	-	3,199,805	Note A
2019 1st unsecured domestic bonds - type B	2019.06.25-2026.06.25	0.81	1,800,000	1,799,585	1,799,501	1,799,249	Note A
2019 2nd unsecured domestic bonds - type A	2019.12.20-2026.12.20	0.80	2,600,000	2,599,051	2,598,913	2,598,499	Note B
2019 2nd unsecured domestic bonds - type B	2019.12.20-2029.12.20	0.85	500,000	499,649	499,631	499,575	Note C
2020 1st unsecured domestic bonds - type A	2020.03.16-2025.03.16	0.67	1,500,000	-	1,499,919	1,499,626	Note A
2020 1st unsecured domestic bonds - type B	2020.03.16-2027.03.16	0.70	2,500,000	2,499,089	2,498,973	2,498,624	Note A
2020 1st unsecured domestic bonds - type C	2020.03.16-2030.03.16	0.77	1,000,000	999,354	999,322	999,224	Note A
2020 2nd unsecured domestic bonds	2020.06.02-2027.06.02	0.73	1,000,000	999,379	999,307	999,092	Note A
2021 1st unsecured domestic bonds	2021.06.04-2028.06.04	0.55	1,200,000	1,198,859	1,198,769	1,198,500	Note A
2022 1st unsecured domestic bonds	2022.03.29-2027.03.29	0.88	2,700,000	2,698,400	2,698,200	2,697,597	Note D
2022 2nd unsecured domestic bonds	2022.09.08-2027.09.08	1.70	1,800,000	1,798,628	1,798,488	1,798,065	Note A
2023 1st unsecured domestic bonds - type A	2023.03.10-2028.03.10	1.45	1,600,000	1,598,602	1,598,483	1,598,126	Note A
2023 1st unsecured domestic bonds - type B	2023.03.10-2030.03.10	1.58	500,000	499,476	499,449	499,370	Note A
2023 2nd unsecured domestic bonds	2023.06.14-2028.06.14	1.57	2,300,000	2,297,877	2,297,711	2,297,214	Note A
2023 3rd unsecured domestic bonds - type A	2023.07.31-2028.07.31	1.60	1,300,000	1,298,713	1,298,617	1,298,327	Note A
2023 3rd unsecured domestic bonds - type B	2023.07.31-2030.07.31	1.65	800,000	799,095	799,052	798,925	Note A
2024 1st unsecured domestic bonds - type A	2024.03.12-2029.03.12	1.68	2,700,000	2,697,248	2,697,074	2,696,551	Note A
2024 1st unsecured domestic bonds - type B	2024.03.12-2031.03.12	1.72	800,000	799,122	799,085	798,975	Note A
2025 1st unsecured domestic bonds - type A	2025.03.12-2028.03.12	1.91	1,500,000	1,498,022	-	-	Note A
2025 1st unsecured domestic bonds - type B	2025.03.12-2030.03.12	1.96	1,500,000	<u>1,498,008</u>	<u>-</u>	<u>-</u>	Note A
Total balance				<u>\$ 31,578,091</u>	<u>\$ 30,080,263</u>	<u>\$ 36,774,142</u>	

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.

As of March 31, 2025, December 31, 2024 and March 31, 2024, the perpetual long-term bonds were \$10,990,791 thousand, \$10,990,000 thousand and \$10,987,624 thousand, respectively.

As of March 31, 2025, December 31, 2024 and March 31, 2024, the perpetual financial borrowings including long-term borrowings and bonds payable, accounted for 26%, 34% and 30%, respectively, of the Group's total borrowings, refer to Note 18.

20. OTHER LIABILITIES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Other payables			
Commission	\$ 1,331,335	\$ 1,434,249	\$ 1,485,329
Salaries and bonuses	1,202,763	1,924,676	1,132,477
Acquisition of properties	859,060	765,136	1,449,827
Maintenance fees	567,486	661,338	951,588
Utility bill	321,968	362,730	325,603
Compensation of employees and remuneration of directors	220,359	440,292	200,779
Others	<u>1,742,161</u>	<u>1,750,280</u>	<u>1,389,406</u>
	<u>\$ 6,245,132</u>	<u>\$ 7,338,701</u>	<u>\$ 6,935,009</u>
<u>Noncurrent</u>			
Other noncurrent liabilities	<u>\$ 4,523,092</u>	<u>\$ 4,778,586</u>	<u>\$ 4,395,316</u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Dismantling obligation	\$ 136,157	\$ 135,584	\$ 135,288
Product warranty	47,190	47,082	42,265
Legal litigation	8,576	114,117	124,278
Onerous contract	<u>66,651</u>	<u>69,711</u>	<u>-</u>
	<u>\$ 258,574</u>	<u>\$ 366,494</u>	<u>\$ 301,831</u>
<u>Noncurrent</u>			
Dismantling obligation	\$ 1,761,160	\$ 1,764,961	\$ 1,684,566
Onerous contract	<u>725</u>	<u>725</u>	<u>-</u>
	<u>\$ 1,761,885</u>	<u>\$ 1,765,686</u>	<u>\$ 1,684,566</u>

	Dismantling Obligation	Product Warranty	Legal Litigation	Onerous Contracts
Balance at January 1, 2025	\$ 1,900,545	\$ 47,082	\$ 114,117	\$ 70,436
Additional provisions recognized	9,815	3,095	179	-
Reductions arising from payments	<u>(13,043)</u>	<u>(2,987)</u>	<u>(105,720)</u>	<u>(3,060)</u>
Balance at March 31, 2025	<u>\$ 1,897,317</u>	<u>\$ 47,190</u>	<u>\$ 8,576</u>	<u>\$ 67,376</u>
Balance at January 1, 2024	\$ 1,804,142	\$ 43,023	\$ 124,048	\$ -
Additional provisions recognized	18,670	2,817	230	-
Reductions arising from payments	<u>(2,958)</u>	<u>(3,575)</u>	<u>-</u>	<u>-</u>
Balance at March 31, 2024	<u>\$ 1,819,854</u>	<u>\$ 42,265</u>	<u>\$ 124,278</u>	<u>\$ -</u>

22. RETIREMENT BENEFIT PLANS

For defined benefit plans, employee benefit expenses amounted to \$3,761 thousand and \$3,713 thousand for the three months ended March 31, 2025 and 2024, respectively, which were calculated by using the actuarially determined pension cost discount rates as of December 31, 2024 and 2023, respectively.

23. EQUITY

a. Capital stock

Common stock

	March 31, 2025	December 31, 2024	March 31, 2024
Stock authorized (in thousands)	<u>4,200,000</u>	<u>4,200,000</u>	<u>4,200,000</u>
Capital authorized	<u>\$ 42,000,000</u>	<u>\$ 42,000,000</u>	<u>\$ 42,000,000</u>
Issued and fully paid stock (in thousands)	<u>3,605,705</u>	<u>3,605,705</u>	<u>3,605,705</u>
Issued capital	<u>\$ 36,057,054</u>	<u>\$ 36,057,054</u>	<u>\$ 36,057,054</u>

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

b. Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
From business combinations	\$ 21,238,277	\$ 21,238,277	\$ 23,455,786
Share of changes in equities of associates	1,232	1,232	1,232
Changes in ownership interest of subsidiaries	112,163	112,421	18,308
Difference between consideration and carrying amount of subsidiaries acquired or disposed	10,410	10,410	-
Unclaimed dividends	<u>485</u>	<u>500</u>	<u>-</u>
	<u>\$ 21,362,567</u>	<u>\$ 21,362,840</u>	<u>\$ 23,475,326</u>

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, changes in ownership interests in subsidiaries, and unclaimed dividends 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 d. 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 2024 and 2023, which had been proposed by the board of directors on February 20, 2025 and approved in the stockholders’ meeting on June 21, 2024, respectively, were as follows:

	For the Year Ended December 31	
	2024	2023
Legal reserve	\$ 1,285,253	\$ 868,412
Special reserve	71,931	(1,686,846)
Cash dividends	11,494,989	9,501,034
Cash dividends per share (NT\$)	3.188	2.635

In addition to distributing cash dividends at NT\$3.188 and NT\$2.635 per share from the unappropriated earnings for the years ended December 31, 2024 and 2023, Far EasTone’s board of directors proposed and stockholders approved \$1,341,322 thousand and \$2,217,509 thousand from the capital surplus and legal reserve at NT\$0.372 and NT\$0.615 per share in 2024 and 2023. Therefore, Far EasTone’s stockholders received at NT\$3.56 and NT\$3.25 per share in 2024 and 2023.

The appropriation of earnings for 2024 is subject to the resolution of the stockholders in the stockholders’ meeting which is to be held on May 16, 2025.

d. Other equity items

Adjustments to other equity items for the three months ended March 31, 2025 and 2024 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 Compre- hensive Income	Gains and Losses on Hedging Instruments	Gains on Property Revaluation	Total
<u>For the three months ended March 31, 2025</u>					
Beginning balance	\$ 75,234	\$ (274,520)	\$ 889	\$ 48,395	\$ (150,002)
Recorded as adjustments to stockholders' equity	2,995	(27,974)	-	-	(24,979)
Share of the other comprehensive income of associates	7,076	19,707	(305)	-	26,478
Cumulative unrealized gain of associate's equity instruments at fair value through other comprehensive income transferred to retained earnings due to disposal	<u>-</u>	<u>(1,900)</u>	<u>-</u>	<u>-</u>	<u>(1,900)</u>
Ending balance	<u>\$ 85,305</u>	<u>\$ (284,687)</u>	<u>\$ 584</u>	<u>\$ 48,395</u>	<u>\$ (150,403)</u>
<u>For the three months ended March 31, 2024</u>					
Beginning balance	\$ 18,552	\$ (158,481)	\$ 2,252	\$ 48,395	\$ (89,282)
Recorded as adjustments to stockholders' equity	4,047	(29,878)	-	-	(25,831)
Share of the other comprehensive income of associates	26,013	(15,092)	(292)	-	10,629
Cumulative unrealized gain of associate's equity instruments at fair value through other comprehensive income transferred to retained earnings due to disposal	<u>-</u>	<u>566</u>	<u>-</u>	<u>-</u>	<u>566</u>
Ending balance	<u>\$ 48,612</u>	<u>\$ (202,885)</u>	<u>\$ 1,960</u>	<u>\$ 48,395</u>	<u>\$ (103,918)</u>

e. Noncontrolling interests

	For the Three Months Ended March 31	
	2025	2024
Beginning balance	\$ 1,379,573	\$ 1,012,377
Share of profit	26,739	30,625
Other comprehensive income during the period		
Exchange differences on translating the financial statements of foreign operations	604	972
Equity transactions	<u>104</u>	<u>63,842</u>
Ending balance	<u>\$ 1,407,020</u>	<u>\$ 1,107,816</u>

24. REVENUE

	For the Three Months Ended March 31	
	2025	2024
Contract revenue		
Sales of inventories	\$ 7,613,762	\$ 8,127,298
Telecommunications service revenue	14,140,166	13,935,924
Other revenue	<u>3,727,325</u>	<u>3,079,277</u>
	25,481,253	25,142,499
Other operating revenue	<u>561,054</u>	<u>603,585</u>
	<u>\$ 26,042,307</u>	<u>\$ 25,746,084</u>

a. Contract balances

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Contract assets				
Bundle sale of goods	\$ 9,782,459	\$ 9,616,369	\$ 9,099,958	\$ 8,886,646
Others	1,017,561	867,937	1,019,697	875,361
Less: Allowance for impairment loss	<u>(149,996)</u>	<u>(149,996)</u>	<u>(149,996)</u>	<u>(149,996)</u>
	<u>\$ 10,650,024</u>	<u>\$ 10,334,310</u>	<u>\$ 9,969,659</u>	<u>\$ 9,612,011</u>
Contract assets - current	\$ 6,077,164	\$ 5,886,564	\$ 5,714,192	\$ 5,492,682
Contract assets - noncurrent	<u>4,572,860</u>	<u>4,447,746</u>	<u>4,255,467</u>	<u>4,119,329</u>
	<u>\$ 10,650,024</u>	<u>\$ 10,334,310</u>	<u>\$ 9,969,659</u>	<u>\$ 9,612,011</u>
Contract liabilities				
Goods	\$ 164,789	\$ 155,296	\$ 101,223	\$ 124,584
Services	<u>3,061,646</u>	<u>3,108,588</u>	<u>2,813,505</u>	<u>2,839,308</u>
	<u>\$ 3,226,435</u>	<u>\$ 3,263,884</u>	<u>\$ 2,914,728</u>	<u>\$ 2,963,892</u>
Contract liabilities - current	\$ 3,082,860	\$ 3,120,854	\$ 2,758,930	\$ 2,794,430
Contract liabilities - noncurrent	<u>143,575</u>	<u>143,030</u>	<u>155,798</u>	<u>169,462</u>
	<u>\$ 3,226,435</u>	<u>\$ 3,263,884</u>	<u>\$ 2,914,728</u>	<u>\$ 2,963,892</u>

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

For the three months ended March 31, 2025 and 2024, the changes in contract asset and contract liability balances primarily resulted from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

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.

b. Assets related to contract costs

	March 31, 2025	December 31, 2024	March 31, 2024
Noncurrent			
Incremental costs of obtaining a contract	<u>\$ 4,612,142</u>	<u>\$ 4,734,345</u>	<u>\$ 5,493,886</u>

The Group considered its past experience and believes the commission and subsidies paid for obtaining contracts are wholly recoverable. Total expenses recognized were \$965,353 thousand and \$1,109,968 thousand for the three months ended March 31, 2025 and 2024, respectively.

c. Disaggregation of revenue

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

25. CONSOLIDATED NET INCOME

a. Depreciation and amortization

	For the Three Months Ended March 31	
	2025	2024
Property, plant and equipment	\$ 2,301,836	\$ 2,225,627
Right-of-use assets	975,808	1,200,184
Intangible assets	320,789	356,976
Other noncurrent assets	<u>73,640</u>	<u>83,973</u>
	<u>\$ 3,672,073</u>	<u>\$ 3,866,760</u>
Depreciation expense categorized by function		
Operating costs	\$ 2,990,239	\$ 3,127,323
Operating expenses	<u>287,405</u>	<u>298,488</u>
	<u>\$ 3,277,644</u>	<u>\$ 3,425,811</u>
Amortization expense categorized by function		
Operating costs	\$ 139,496	\$ 152,773
Marketing expenses	71,658	93,443
General and administrative expenses	<u>183,275</u>	<u>194,733</u>
	<u>\$ 394,429</u>	<u>\$ 440,949</u>

b. Financial costs

	For the Three Months Ended March 31	
	2025	2024
Interest on financial liabilities measured at amortized cost	\$ 180,847	\$ 202,705
Interest on lease liabilities	35,677	34,146
Other financial costs	<u>1,486</u>	<u>1,545</u>
	<u>\$ 218,010</u>	<u>\$ 238,396</u>

c. Employee benefits expense

	For the Three Months Ended March 31	
	2025	2024
Retirement benefits		
Defined contribution plans	\$ 84,630	\$ 81,719
Defined benefit plans (Note 22)	<u>3,761</u>	<u>3,713</u>
	<u>88,391</u>	<u>85,432</u>
Other employee benefits		
Salary	1,806,793	1,715,368
Insurance	173,520	161,569
Others	<u>98,700</u>	<u>92,366</u>
	<u>2,079,013</u>	<u>1,969,303</u>
	<u>\$ 2,167,404</u>	<u>\$ 2,054,735</u>
Categorized by function		
Operating costs	\$ 572,146	\$ 432,762
Operating expenses	<u>1,595,258</u>	<u>1,621,973</u>
	<u>\$ 2,167,404</u>	<u>\$ 2,054,735</u>

d. Compensation of employees and remuneration of directors

According to the Far EasTone's Articles, 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. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of Far EasTone expect to resolve the amendments to the Far EasTone's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of a specific percentage of the compensation of employees as compensation distributions for non-executive employees.

Far EasTone's compensation of employees is estimated on a pro rata basis based on income before income tax, compensation of employees and remuneration of directors, and the remuneration of directors is assessed based on the current period's profitability and estimated according to the expected payout amount. 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. The accrued compensation of employees and remuneration of directors for the three months ended March 31, 2025 and 2024 were as follows:

	For the Three Months Ended March 31	
	2025	2024
Compensation of employees	<u>\$ 79,241</u>	<u>\$ 67,985</u>

The appropriations of compensation of employees and remuneration of directors for 2024 and 2023 resolved by the board of directors on February 20, 2025 and February 22, 2024, respectively, are stated below:

	For the Year Ended December 31			
	2024		2023	
	Cash	Stock	Cash	Stock
Compensation of employees	\$ 301,914	\$ -	\$ 218,885	\$ -
Remuneration of directors	90,574	-	78,799	-

The difference between the amounts of the compensation resolved by Far EasTone's board of directors for the year ended December 31, 2024, and the amount recognized in the financial statements for the year ended December 31, 2024 will be adjusted in 2025. 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, 2023.

Information on compensation of employees and remuneration of directors resolved by Far EasTone's board of directors is available at 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 Three Months Ended March 31	
	2025	2024
Current tax	\$ 767,324	\$ 588,106
Deferred tax	<u>(18,412)</u>	<u>(13,275)</u>
Income tax expense recognized in profit or loss	<u>\$ 748,912</u>	<u>\$ 574,831</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2025	2024
<u>Deferred tax</u>		
In respect of the current period		
Fair value changes of financial assets at fair value through other comprehensive income	<u>\$ (592)</u>	<u>\$ (733)</u>

c. Income tax assessments

Income tax returns of APTC through 2020 have been assessed by the tax authorities. Income tax returns of Far EasTone, ISSDU, FEIA, FDS, Data Express, Home Master, Nextlink Technology and Microfusion Technology through 2022 have been assessed by the tax authorities. Income tax returns of NCIC, New Diligent, KGEx.com, Yuan Cing, IDWE, MI, Prime EcoPower, YSDT and ARCOA through 2023 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 Period

	For the Three Months Ended March 31	
	2025	2024
Net income for the period attributable to Far EasTone	\$ 3,241,554	\$ 2,939,173
Effect of potentially dilutive common stock:		
Compensation of employees	_____ -	_____ -
Earnings used in the calculation of diluted earnings per share	<u>\$ 3,241,554</u>	<u>\$ 2,939,173</u>

Weighted Average Number of Common Stock Outstanding

(In Thousands of Shares)

	For the Three Months Ended March 31	
	2025	2024
Weighted average number of common stock used in the calculation of basic earnings per share	3,605,705	3,605,705
Effect of potentially dilutive common stock:		
Compensation of employees	<u>2,805</u>	<u>2,388</u>
Weighted average number of common stock used in the calculation of diluted earnings per share	<u>3,608,510</u>	<u>3,608,093</u>

Since Far EasTone may settle the compensation paid to employees in cash or stock, Far EasTone assumes that the entire amount of the compensation will be settled in stock and the resulting potential stock will be 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:

	For the Three Months Ended March 31			
	2025			
	Granted on October 2022		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 (\$)
Balance at January 1	248	\$ 10.00	301	\$ 10.40
Options forfeited	<u>(7)</u>	10.00	<u>(5)</u>	10.40
Balance at March 31	<u>241</u>	10.00	<u>296</u>	10.40
Options exercisable, end of the period	<u>17.10</u>	10.00	<u>4.50</u>	10.40

	For the Three Months Ended March 31					
	2024					
	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	502	\$ 10.80	119	\$ 29.20	510	\$ 12.42
Options forfeited	<u>(30)</u>	10.80	<u>(12)</u>	29.20	<u>(34)</u>	12.42
Balance at March 31	<u>472</u>	10.80	<u>107</u>	29.20	<u>476</u>	12.42
Options exercisable, end of the period	<u>22.00</u>	10.80	<u>0.50</u>	29.20	<u>-</u>	-

Information on outstanding options was as follows:

	<u>March 31, 2025</u>		
	Granted on October 2022	Granted on October 2023	
Range of exercise price (\$)	\$10.00	\$10.40	
Weighted-average remaining contractual life (in years)	0.54	0.54	
	<u>March 31, 2024</u>		
	Granted on October 2022	Granted on May 2023	Granted on October 2023
Range of exercise price (\$)	\$10.80	\$29.20	\$12.42
Weighted-average remaining contractual life (in years)	1.54	0.71	1.54

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:

	<u>For the Three Months Ended March 31</u>	
	2025	2024
Granted on October 2022	\$ 38	\$ 71
Granted on May 2023	-	520
Granted on October 2023	<u>69</u>	<u>150</u>
	<u>\$ 107</u>	<u>\$ 741</u>

29. BUSINESS COMBINATIONS

APTC

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. An appraisal report was obtained in the fourth quarter of 2024, and the provisional amount from the merger date has been adjusted based on the report, with comparative information restated accordingly.

FDS

On December 15, 2023, Far EasTone merged with APTC and acquired 40.40% of FDS's equities. In order to develop the market for information and communication technology and achieve the operating synergy, Far EasTone obtained control of FDS's operations, finances and personnel on May 1, 2024 and recognized FDS as a subsidiary thereafter.

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

	FDS
Cash and cash equivalents	\$ 259,675
Accounts receivable	153,515
Inventories	652,804
Other assets	238,150
Borrowings	(100,000)
Trade and other payables	(558,783)
Contract liability	(378,652)
Other liabilities	<u>(69,101)</u>
The fair value of the identified net assets acquired	<u>\$ 197,608</u>

b. Noncontrolling interests

The noncontrolling interest (a 59.60% ownership interest in FDS) recognized at the acquisition date was measured by reference to the fair value of the noncontrolling interest and amounted to \$117,777 thousand. This fair value was estimated by applying a market value.

c. Goodwill recognized on acquisitions

	FDS
Consideration for the acquisition	
Fair value of FDS's shares held by Far EasTone at the acquisition date	\$ 146,918
Add: noncontrolling interests	117,777
Less: Fair value of the identified net assets acquired	<u>(197,608)</u>
Goodwill recognized on acquisitions	<u>\$ 67,087</u>

The goodwill generated from the acquisition of FDS mainly represents the benefits of expected synergies of mergers, revenue growth, future market developments and the assembled workforces of FDS. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

The total amount of acquired goodwill is not tax-deductible.

d. Impact of acquisitions on the results of the Group

Had FDS concluded the acquisition at the beginning of 2024, the Group's revenue and net income would have been \$25,877,772 thousand and \$2,940,535 thousand for the three months ended March 31, 2024, respectively. This pro forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of 2024, nor is it intended to be a projection of future results.

30. EQUITY TRANSACTIONS WITH NONCONTROLLING INTERESTS

In January 2025, the Group acquired a portion of the shares of Yuanshi Digital Technology Co., Ltd.(YSDT) from non-controlling interests for cash consideration, resulting in a slight increase in its ownership percentage.

In January 2024, the Group disposed of a portion of its equity interest in Nextlink Technology, decreasing its continuing interest from 67.29% to 64.60%.

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

For the three months ended March 31, 2025

	YSDT
Paid received	\$ (255)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from noncontrolling interests	<u>(3)</u>
Differences recognized from equity transactions	<u>\$ (258)</u>
<u>Line items adjusted for equity transactions</u>	
Capital surplus - changes in ownership interest of subsidiaries	<u>\$ (258)</u>

For the three months ended March 31, 2024

	Nextlink Technology
Consideration received	\$ 42,581
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to noncontrolling interests	<u>(63,656)</u>
Differences recognized from equity transactions	<u>\$ (21,075)</u>
<u>Line items adjusted for equity transactions</u>	
Capital surplus - changes in ownership interest of subsidiaries	\$ (15,788)
Retained earnings	<u>(5,287)</u>
	<u>\$ (21,075)</u>

31. CASH FLOW INFORMATION

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

For the three months ended March 31, 2025 and 2024, changes in liabilities arising from financing activities, including noncash transactions, were as follows:

For the three months ended March 31, 2025

	Balance on January 1, 2025	Cash Flows from Financing Activities	<u>Changes in Noncash Transactions</u>		Cash Flows from Operating Activities - Interest Paid	Balance on March 31, 2025
			New Leases	Others		
Lease liabilities (including the current and noncurrent portion)	\$ 8,433,950	\$ (785,406)	\$ 1,187,978	\$ (24,881)	\$ (35,677)	\$ 8,775,964

For the three months ended March 31, 2024

	Balance on January 1, 2024	Cash Flows from Financing Activities	<u>Changes in Noncash Transactions</u>		Cash Flows from Operating Activities - Interest Paid	Balance on March 31, 2024
			New Leases	Others		
Lease liabilities (including the current and noncurrent portion)	\$ 10,148,860	\$ (938,824)	\$ 862,682	\$ (419,349)	\$ (34,146)	\$ 9,619,223

32. FINANCIAL INSTRUMENTS

Financial instruments measure by fair value, 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:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

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).

Level 3: Inputs are unobservable inputs for the asset or liability.

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

	<u>March 31, 2025</u>		<u>December 31, 2024</u>		<u>March 31, 2024</u>	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial liabilities</u>						
Bonds payable	\$ 31,578,091	\$ 31,522,048	\$ 30,080,263	\$ 30,012,070	\$ 36,774,142	\$ 36,765,208

2) Fair value hierarchy

	March 31, 2025			
	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 31,522,048</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,522,048</u>
	December 31, 2024			
	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 30,012,070</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,012,070</u>
	March 31, 2024			
	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 36,765,208</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,765,208</u>

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

1) Fair value hierarchy

	March 31, 2025			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Mutual funds	<u>\$ -</u>	<u>\$ 951,076</u>	<u>\$ -</u>	<u>\$ 951,076</u>
Domestic publicly listed common stock	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30</u>
Film and television investment agreement	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,498</u>	<u>\$ 16,498</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Domestic/foreign unlisted common stock	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 843,056</u>	<u>\$ 843,056</u>

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Mutual funds	\$ -	\$ 1,045,894	\$ -	\$ 1,045,894
Domestic publicly listed common stock	\$ 29	\$ -	\$ -	\$ 29
Film and television investment agreement	\$ -	\$ -	\$ 16,498	\$ 16,498
<u>Financial assets at fair value through other comprehensive income</u>				
Domestic/foreign unlisted common stock	\$ -	\$ -	\$ 842,134	\$ 842,134
	March 31, 2024			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Mutual funds	\$ -	\$ 845,234	\$ -	\$ 845,234
Domestic publicly listed common stock	\$ 26	\$ -	\$ -	\$ 26
Film and television investment agreement	\$ -	\$ -	\$ 10,000	\$ 10,000
<u>Financial assets at fair value through other comprehensive income</u>				
Domestic/foreign unlisted common stock	\$ -	\$ -	\$ 694,830	\$ 694,830

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

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

	Financial Assets at fair Value through Profit or Loss For the Three Months Ended March 31	
	2025	2024
Beginning balance	\$ 16,498	\$ -
Additions	-	10,000
Ending balance	\$ 16,498	\$ 10,000

	Financial Instruments at Fair Value Through Other Comprehensive Income	
	For the Three Months Ended March 31	
	2025	2024
Beginning balance	\$ 842,134	\$ 724,179
Additions	28,220	-
Recognized in other comprehensive income	(28,566)	(30,611)
Effects of foreign currency exchange differences	<u>1,268</u>	<u>1,262</u>
Ending balance	<u>\$ 843,056</u>	<u>\$ 694,830</u>

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.

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

Financial Instrument	Valuation Techniques and Inputs
Domestic/foreign unlisted common stock	<p>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.</p> <p>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.</p>
Film and television 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

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
Financial assets at fair value through profit or loss	\$ 967,604	\$ 1,062,421	\$ 855,260
Financial assets at amortized cost (Note 1)	19,668,015	20,846,139	19,197,469
Financial assets at fair value through other comprehensive income	843,056	842,134	694,830
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	61,450,896	68,818,071	72,744,301

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 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 Three Months Ended	
	March 31	
	2025	2024
5% change in sensitivity rate		
USD	<u>\$ (30,191)</u>	<u>\$ (51,892)</u>

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:

	March 31,	December 31,	March 31,
	2025	2024	2024
Fair value interest rate risk			
Financial assets	\$ 3,756,700	\$ 3,363,334	\$ 4,243,605
Financial liabilities	50,196,781	51,195,508	63,880,175
Cash flow interest rate risk			
Financial assets	4,646,764	5,009,278	3,990,737
Financial liabilities	5,535,162	9,620,934	3,323,247

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 three months ended March 31, 2025 and 2024 would have decreased/increased by \$555 thousand and \$417 thousand, respectively, which were 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, the pre-tax profit for the three months ended March 31, 2025 and 2024 would have increased/decreased by \$47,555 thousand and \$42,263 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 three months ended March 31, 2025 and 2024 would have increased/decreased by \$42,153 thousand and \$34,742 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 reexamination 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 \$66,292,014 thousand, \$61,421,487 thousand and \$62,551,849 thousand as of March 31, 2025, December 31, 2024 and March 31, 2024, 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
<u>March 31, 2025</u>					
Short-term borrowings	\$ 3,571,000	\$ 3,591,081	\$ 3,591,081	\$ -	\$ -
Short-term bills payable	859,250	860,000	860,000	-	-
Long-term borrowings	10,288,500	10,570,924	281,842	10,289,082	-
Bonds payable	31,578,091	32,882,905	5,186,820	26,069,125	1,626,960
Lease liabilities	<u>8,775,964</u>	<u>9,026,661</u>	<u>3,255,518</u>	<u>5,667,734</u>	<u>103,409</u>
	<u>\$ 55,072,805</u>	<u>\$ 56,931,571</u>	<u>\$ 13,175,261</u>	<u>\$ 42,025,941</u>	<u>\$ 1,730,369</u>
<u>December 31, 2024</u>					
Short-term borrowings	\$ 340,000	\$ 340,560	\$ 340,560	\$ -	\$ -
Long-term borrowings	21,337,504	22,093,057	539,562	21,553,495	-
Bonds payable	30,080,263	31,299,185	6,638,820	21,504,045	3,156,320
Lease liabilities	<u>8,433,950</u>	<u>8,666,303</u>	<u>3,047,928</u>	<u>5,534,303</u>	<u>84,072</u>
	<u>\$ 60,191,717</u>	<u>\$ 62,399,105</u>	<u>\$ 10,566,870</u>	<u>\$ 48,591,843</u>	<u>\$ 3,240,392</u>
<u>March 31, 2024</u>					
Short-term borrowings	\$ 2,975,000	\$ 2,982,811	\$ 2,982,811	\$ -	\$ -
Short-term bills payable	8,001,291	8,010,300	8,010,300	-	-
Long-term borrowings	9,250,893	9,420,780	2,622,883	6,797,897	-
Bonds payable	36,774,142	38,252,525	8,602,570	26,228,310	3,421,645
Lease liabilities	<u>9,619,223</u>	<u>9,942,181</u>	<u>3,889,721</u>	<u>5,981,922</u>	<u>70,538</u>
	<u>\$ 66,620,549</u>	<u>\$ 68,608,597</u>	<u>\$ 26,108,285</u>	<u>\$ 39,008,129</u>	<u>\$ 3,492,183</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	March 31, 2025				
	Within 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Bonds payable	\$ 5,186,820	\$ 26,069,125	\$ 1,626,960	\$ -	\$ -
Lease liabilities	<u>3,255,518</u>	<u>5,667,734</u>	<u>65,852</u>	<u>22,646</u>	<u>14,911</u>
	<u>\$ 8,442,338</u>	<u>\$ 31,736,859</u>	<u>\$ 1,692,812</u>	<u>\$ 22,646</u>	<u>\$ 14,911</u>
	December 31, 2024				
	Within 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Bonds payable	\$ 6,638,820	\$ 21,504,045	\$ 3,156,320	\$ -	\$ -
Lease liabilities	<u>3,047,928</u>	<u>5,534,303</u>	<u>59,374</u>	<u>15,732</u>	<u>8,966</u>
	<u>\$ 9,686,748</u>	<u>\$ 27,038,348</u>	<u>\$ 3,215,694</u>	<u>\$ 15,732</u>	<u>\$ 8,966</u>
	March 31, 2024				
	Within 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Bonds payable	\$ 8,602,570	\$ 26,228,310	\$ 3,421,645	\$ -	\$ -
Lease liabilities	<u>3,889,721</u>	<u>5,981,922</u>	<u>60,145</u>	<u>8,390</u>	<u>2,003</u>
	<u>\$ 12,492,291</u>	<u>\$ 32,210,232</u>	<u>\$ 3,481,790</u>	<u>\$ 8,390</u>	<u>\$ 2,003</u>

33. 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
Sustaihub Inc.	Associate
Field Delivery Service Co., Ltd.	Associate (Subsidiary of FENC from May 1, 2024)
Far Eastern Electronic Toll Collection Co., Ltd.	Subsidiary of FENC
Ding Ding Integrated Marketing Service Co., Ltd.	Subsidiary of FENC
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
YDT Technology International Co., Ltd.	Subsidiary of FENC
Yuan Ding Co., Ltd.	Subsidiary of FENC
Yuan Ding Enterprise (Shanghai) Limited	Subsidiary of FENC
DING DING HOTEL CO., LTD.	Subsidiary of FENC
Oriental Green Materials Limited	Subsidiary of FENC
Oriental Petrochemical (Taiwan) Co., Ltd.	Subsidiary of FENC
Oriental Resources Development Limited	Subsidiary of FENC
Fu Kwok Garment Manufacturing Co., Ltd.	Subsidiary of FENC
Far Eastern Fibertech Co., Ltd.	Subsidiary of FENC
Far Eastern Polytex (Vietnam) Ltd.	Subsidiary of FENC
FETC International Co., Ltd.	Subsidiary of FENC
Far Eastern General Contractor Inc.	Subsidiary of FENC
Far Eastern Realty Management Co., Ltd.	Subsidiary of FENC
Far Eastern Construction Co., Ltd.	Subsidiary of FENC
Far Eastern Ishizuka Green Pet Corporation	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)
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)
Yuan-Ze University	Other related party (same chairman as Far EasTone's)
U-Ming Marine Transport Corporation	Other related party (same chairman as Far EasTone's)
Chiahui Power Corporation	Other related party (same chairman as Far EasTone's)
Far Eastern Polyclinic of Far Eastern Medical Foundation	Other related party (same chairman as Far EasTone's)

(Continued)

Related Party	Relationship with the Group
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)
Pacific Sogo Department Stores Co., Ltd.	Other related party (the chairman of the related party's parent company is the same as Far EasTone's)
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)
Nan Hwa Cement Corporation	Other related party (the chairman of the related party's parent company is the same as Far EasTone's)
U-Ming Marine Offshore Company, Ltd.	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)
Far Eastern Big City Shopping Malls Co., Ltd.	Other related party (subsidiary of Pacific Sogo Department Stores Co., Ltd.)
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 International Bank (FEIB)	Other related party (Far EasTone's chairman is FEIB's vice chairman)
Oriental Securities Corporation, Ltd.	Other related party (equity-method investee of FENC)
Air Liquide Far Eastern Co., Ltd.	Other related party (equity-method investee of FENC)
Deutsche Far Eastern Asset Management Co., Ltd.	Other related party (substantive related party)
Kowloon Cement Corporation, 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)
System Corporation	Other related party (substantive related party)
Far Eastern Medical Foundation	Other related party (substantive related party)
Ding & Ding Management Consultant Co., Ltd.	Other related party (substantive related party)
Star Ritz International Entertainment Co., Ltd.	Other related party (substantive related party)
Yuan Long Stainless Steel Corporation	Other related party (substantive related party)

(Continued)

Related Party	Relationship with the Group
Chongqing Metropolitan Plaza Pacific Department Store Co., Ltd.	Other related party (substantive related party)
TECO Electric & Machinery Co., Ltd.	Other related party (substantive related party)
Wanshixing Co., Ltd.	Other related party (substantive related party)
Far Eastern Leasing Corporation	Other related party (substantive related party) (Concluded)

b. Operating revenue

	For the Three Months Ended March 31	
	2025	2024
FENC	\$ 15,158	\$ 20,987
Subsidiaries of FENC	52,625	75,857
Other related parties	206,505	229,868
Associates	<u>-</u>	<u>4,500</u>
	<u>\$ 274,288</u>	<u>\$ 331,212</u>

Operating revenue from related parties includes revenue from sales of inventories, mobile telecommunications services, fixed network telecommunications services, storage services and 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 Three Months Ended March 31	
	2025	2024
Operating costs		
FENC	\$ 386	\$ 612
Subsidiaries of FENC	29,660	23,685
Other related parties	32,103	36,942
Associates	<u>-</u>	<u>37,446</u>
	<u>\$ 62,149</u>	<u>\$ 98,685</u>
Operating expenses		
FENC	\$ 37,235	\$ 27,979
Subsidiaries of FENC	41,635	42,588
Other related parties	41,114	38,965
Associates	<u>-</u>	<u>1,195</u>
	<u>\$ 119,984</u>	<u>\$ 110,727</u>

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 Three Months Ended March 31	
	2025	2024
Acquisition of property, plant, equipment and intangible assets		
Subsidiaries of FENC	\$ 323	\$ 1,622
Other related parties	1,146	4,447
Associates	<u>-</u>	<u>821</u>
	<u>\$ 1,469</u>	<u>\$ 6,890</u>
Acquisition of investments accounted for using the equity method		
Associate	<u>\$ -</u>	<u>\$ 20,000</u>

e. Lease arrangements - the Group is lessee

	For the Three Months Ended March 31		
	2025	2024	
	March 31, 2025	December 31, 2024	March 31, 2024
Acquisition of right-of-use assets			
Other related parties		<u>\$ 10,232</u>	<u>\$ 4,802</u>
Lease liabilities - current			
Subsidiaries of FENC	\$ 18	\$ 16	\$ 18
Other related parties	<u>16,457</u>	<u>18,550</u>	<u>14,496</u>
	<u>\$ 16,475</u>	<u>\$ 18,566</u>	<u>\$ 14,514</u>
Lease liabilities - noncurrent			
Subsidiaries of FENC	\$ 18	\$ 23	\$ 34
Other related parties	<u>14,436</u>	<u>18,734</u>	<u>3,362</u>
	<u>\$ 14,454</u>	<u>\$ 18,757</u>	<u>\$ 3,396</u>
Financial costs			
Subsidiaries of FENC		\$ -	\$ 3
Other related parties		<u>121</u>	<u>100</u>
		<u>\$ 121</u>	<u>\$ 103</u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Other related parties			
FEIB	<u>\$ 1,529,203</u>	<u>\$ 1,803,180</u>	<u>\$ 1,420,787</u>

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

g. Receivables and payables - related parties

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable - related parties			
FENC	\$ 9,152	\$ 12,401	\$ 15,096
Subsidiaries of FENC	45,304	108,455	29,397
Other related parties	280,578	327,372	252,935
Associates	<u>-</u>	<u>-</u>	<u>2,879</u>
	<u>\$ 335,034</u>	<u>\$ 448,228</u>	<u>\$ 300,307</u>

Other receivables - related parties (included in other current assets)			
FENC	\$ -	\$ -	\$ 5
Subsidiaries of FENC	79	48	61
Other related parties	6,938	6,341	6,737
Associates	<u>-</u>	<u>-</u>	<u>3,719</u>
	<u>\$ 7,017</u>	<u>\$ 6,389</u>	<u>\$ 10,522</u>

Accounts payable - related parties (included in accounts payable)			
Subsidiaries of FENC	\$ 17,395	\$ 21,765	\$ 17,198
Other related parties	9,550	12,594	14,070
Associates	<u>-</u>	<u>-</u>	<u>74,372</u>
	<u>\$ 26,945</u>	<u>\$ 34,359</u>	<u>\$ 105,640</u>

Other payables - related parties (included in other current liabilities)			
FENC	\$ 36,310	\$ 23,245	\$ 30,607
Subsidiaries of FENC	9,042	18,003	13,014
Other related parties	12,704	14,296	11,778
Associates	<u>-</u>	<u>-</u>	<u>109,055</u>
	<u>\$ 58,056</u>	<u>\$ 55,544</u>	<u>\$ 164,454</u>

h. Refundable deposits (included in other noncurrent assets)

	March 31, 2025	December 31, 2024	March 31, 2024
Subsidiaries of FENC	\$ 17,443	\$ 23,005	\$ 16,324
Other related parties	<u>2,400</u>	<u>2,394</u>	<u>2,329</u>
	<u>\$ 19,843</u>	<u>\$ 25,399</u>	<u>\$ 18,653</u>

i. Others

	For the Three Months Ended March 31	
	2025	2024
Interest income		
Subsidiaries of FENC	\$ <u>6</u>	\$ <u>8</u>
Other related parties		
FEIB	6,858	5,225
Others	<u>1</u>	<u>1</u>
	<u>6,859</u>	<u>5,226</u>
	<u>\$ 6,865</u>	<u>\$ 5,234</u>
Financial costs		
Other related parties	<u>\$ 131</u>	<u>\$ 132</u>

j. Remuneration of key management personnel

The remuneration of directors and other members of key management personnel during the three months ended March 31, 2025 and 2024 was as follows:

	For the Three Months Ended March 31	
	2025	2024
Short-term benefits	\$ 138,105	\$ 117,401
Post-employment benefits	1,105	1,096
Share-based payment	<u>40</u>	<u>42</u>
	<u>\$ 139,250</u>	<u>\$ 118,539</u>

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

34. ASSETS PLEDGED OR MORTGAGED AS COLLATERAL

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

	March 31, 2025	December 31, 2024	March 31, 2024
Other financial assets - current	\$ 30,767	\$ 64,321	\$ 17,427
Property, plant and equipment, net	<u>237,645</u>	<u>241,791</u>	<u>258,336</u>
	<u>\$ 268,412</u>	<u>\$ 306,112</u>	<u>\$ 275,763</u>

35. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

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

a. Significant commitments

	March 31, 2025	December 31, 2024	March 31, 2024
Unpaid acquisition of property, plant and equipment and intangible assets under contracts	<u>\$ 10,340,132</u>	<u>\$ 11,048,100</u>	<u>\$ 10,509,318</u>
Unpaid acquisition of inventories under contracts	<u>\$ 4,138,224</u>	<u>\$ 5,317,810</u>	<u>\$ 4,474,753</u>

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:

	March 31, 2025	December 31, 2024	March 31, 2024
Lease commitments	<u>\$ 486,010</u>	<u>\$ 371,020</u>	<u>\$ 237,762</u>

c. The Group provided \$300,000 thousand as bank guarantees for its purchases from suppliers as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

d. The Group entered into long-term energy purchase agreements with renewable energy suppliers. The relative fulfillment period, quantity and price are specified in the agreements.

36. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

a. On May 7, 2025, the board of directors of Far EasTone resolved to issue domestic unsecured corporate bonds at an amount not exceeding \$6,000,000 thousand to fulfill the needs for strengthening working capital, and debt repayments. The bonds shall be issued in a lump sum or in different installments. The chairman, or his appointed deputy in his absence, is authorized to decide on all matters pertaining to the issuance of bonds.

- b. On May 7, 2025, the board of directors of the Group resolved to approve the investments in InSynerger Technology Co., Ltd., with a total amount not exceeding \$430,000 thousand. This investment aims to enhance the Group's strategic positioning in energy management and to further develop IoT service applications.

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)

March 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 41,510	33.21 (USD:NTD)	\$ 1,378,341
Nonmonetary items			
USD	52,154	33.21 (USD:NTD)	1,731,770
USD	1,476	7.261 (USD:RMB)	49,000
<u>Financial liabilities</u>			
Monetary items			
USD	23,325	33.21 (USD:NTD)	774,516

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 47,728	32.79 (USD:NTD)	\$ 1,564,756
Nonmonetary items			
USD	56,337	32.79 (USD:NTD)	1,847,323
USD	1,978	7.321 (USD:RMB)	64,858
<u>Financial liabilities</u>			
Monetary items			
USD	24,029	32.79 (USD:NTD)	787,792

March 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 50,019	32.00 (USD:NTD)	\$ 1,600,604
Nonmonetary items			
USD	48,062	32.00 (USD:NTD)	1,537,990
USD	1,752	7.260 (USD:RMB)	56,056

Financial liabilities

Monetary items			
USD	17,587	32.00 (USD:NTD)	562,773

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:

Foreign Currency	For the Three Months Ended March 31			
	2025		2024	
	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)	\$ (8,928)	1 (NTD:NTD)	\$ 29,136
RMB	4.512 (RMB:NTD)	(125)	4.366 (RMB:NTD)	758
HKD	4.228 (HKD:NTD)	552	4.021 (HKD:NTD)	855
SGD	24.390 (SGD:NTD)	(26)	23.47 (SGD:NTD)	73
MYR	7.122 (MYR:NTD)	-	6.378 (MYR:NTD)	-
		<u>\$ (8,527)</u>		<u>\$ 30,822</u>

38. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions

- 1) Financing provided to others: Schedule A
- 2) Endorsements/guarantees provided: None
- 3) Significant Marketable securities held (excluding investment in subsidiaries, associates and joint ventures): Schedule B
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Schedule C
- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Schedule D

- 6) Significant transactions between Far EastOne and its subsidiaries and among subsidiaries: Schedule E
- b. Information on investees: Schedule F
- 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 G
 - 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 the financing of funds.
 - f) Other transactions that have material effect on profit or loss for the period or on the financial position, such as the rendering or receipt of services.

39. SEGMENT INFORMATION

Products and services from which reportable segments derive their revenues:

To align with its business development strategy, the Group has redefined its operating segments for decision-making and performance evaluation purposes. The redefined reportable segments are: Mobile Services & Lifestyle Business, ICT & Fixed-line Services Business. This adjustment became effective on January 1, 2025. The segment information of previous period has been retrospectively restated accordingly. The business scope of each segment is described as follows:

- a. Mobile Services & Lifestyle Business: Providing mobile telecommunications services, internet services, and selling cellular phones, accessories, and related products.
- b. ICT & Fixed-line Services Business: Providing international direct dial, local network, long-distance network, broadband access services and enterprise information and communications integration service.

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

	For the Three Months Ended March 31, 2025			
	Mobile Services & Lifestyle Business	ICT & Fixed-line Services Business	Adjustment and Elimination	Consolidation
Revenue generated from external customers	\$ 21,418,029	\$ 4,624,278	\$ -	\$ 26,042,307
Revenue generated within the Group	<u>37,157</u>	<u>731,516</u>	<u>(768,673)</u>	<u>-</u>
Total revenue	<u>\$ 21,455,186</u>	<u>\$ 5,355,794</u>	<u>\$ (768,673)</u>	<u>\$ 26,042,307</u>
Segment income before income tax	<u>\$ 3,784,516</u>	<u>\$ 601,809</u>	<u>\$ (369,120)</u>	<u>\$ 4,017,205</u>
	For the Three Months Ended March 31, 2024			
	Mobile Services & Lifestyle Business	ICT & Fixed-line Services Business	Adjustment and Elimination	Consolidation
Revenue generated from external customers	\$ 21,655,523	\$ 4,090,561	\$ -	\$ 25,746,084
Revenue generated within the Group	<u>36,533</u>	<u>523,086</u>	<u>(559,619)</u>	<u>-</u>
Total revenue	<u>\$ 21,692,056</u>	<u>\$ 4,613,647</u>	<u>\$ (559,619)</u>	<u>\$ 25,746,084</u>
Segment income before income tax	<u>\$ 3,299,229</u>	<u>\$ 888,718</u>	<u>\$ (643,318)</u>	<u>\$ 3,544,629</u>

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

**FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars)**

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	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	1.69600%-1.69833%	Business transaction	\$ 2,009,317	-	\$ -	-	\$ -	\$ 2,009,317	\$ 13,092,416
		Far EasTone Telecommunications Co., Ltd.	Other receivables - related parties	Yes	9,700,000	9,700,000	9,700,000	1.69600%-1.69833%	Short-term financing	-	For business operations	-	-	-	10,473,933	13,092,416
2	KGEx.Com Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Other receivables - related parties	Yes	21,000	21,000	21,000	1.69600%-1.69833%	Business transaction	22,471	-	-	-	-	22,471	455,504
		Far EasTone Telecommunications Co., Ltd.	Other receivables - related parties	Yes	359,000	359,000	329,000	1.69600%-1.69833%	Short-term financing	-	For business operations	-	-	-	364,403	455,504

Note A: 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.

Note B: Where KGEx. Com Co., Ltd. (KGEx) provides loans for business transactions and short-term financing needs, the amount of loans is limited to 50% of KGEx'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 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 KGEx's net worth.

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

MARCH 31, 2025

(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	March 31, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Far EasTone Telecommunications Co., Ltd.	<u>Stock</u> CDIB Capital Innovation Accelerator Limited	-	Financial assets at fair value through other comprehensive income - noncurrent	14,197,885	\$ 140,516	10.71	\$ 140,516	Note B
	LINE Bank Taiwan Limited	-	Financial assets at fair value through other comprehensive income - noncurrent	37,500,000	278,568	2.50	278,568	Note B
	Modernity Financial Holdings, Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	1,431,475	166,025	3.10	166,025	Note B
New Century InfoComm Tech Co., Ltd.	<u>Overseas funds</u> Opas Fund Segregated Portfolio Tranche A	Other related party	Financial assets at fair value through profit or loss - current	9,666.832	493,548	-	493,548	Note A
	Opas Fund Segregated Portfolio Tranche B	Other related party	Financial assets at fair value through profit or loss - current	5,000	239,590	-	239,590	Note A
	Opas Fund Segregated Portfolio Tranche C	Other related party	Financial assets at fair value through profit or loss - current	2,216.711	217,938	-	217,938	Note A

Note A: The market values of the overseas funds were calculated at their net asset values as of March 31, 2025.

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

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 THREE MONTHS ENDED MARCH 31, 2025
(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	\$ 2,319,591	15	Based on agreement	-	-	Accounts payable and other payables	\$ (701,833)	(3)
	New Century InfoComm Tech Co., Ltd.	Subsidiary	Operating revenue	(448,499)	(2)	Based on agreement	-	-	Accounts receivable	325,573	3
			Operating costs	491,198	4	Based on agreement	-	-	Accounts payable and other payables (Note A)	(386,920)	(2)
	Yuanshi Digital Technology Co., Ltd.	Subsidiary	Operating revenue	(145,476)	(1)	Based on agreement	-	-	Accounts receivable	63,844	1
	FarEastone Insurance Agency Co., Ltd.	Subsidiary	Operating revenue	(106,439)	(1)	Based on agreement	-	-	Accounts receivable	120,741	1
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	Operating revenue	(491,198)	(21)	Based on agreement	-	-	Accounts receivable (Note B)	386,920	27
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	Operating revenue	(2,319,591)	(64)	Based on agreement	-	-	Accounts receivable	701,833	64
			Operating costs	448,499	13	Based on agreement	-	-	Accounts payable	(325,573)	(17)
Yuanshi Digital Technology Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	Operating costs	145,476	25	Based on agreement	-	-	Accounts payable	(63,844)	(27)
FarEastone Insurance Agency Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	Operating costs	106,439	79	Based on agreement	-	-	Accounts payable	(120,741)	(90)

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.

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

MARCH 31, 2025

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Subsidiary	\$ 100,019	(Note A)	\$ -	-	\$ 92,918	\$ -
	ARCOA Communication Co., Ltd.	Subsidiary	338,641	9.25	-	-	272,216	-
	FarEastone Insurance Agency Co., Ltd.	Subsidiary	121,771	3.55	-	-	36,085	-
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	11,962,731	(Note B)	-	-	248,797	-
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	701,833	13.74	-	-	699,983	-
KGEx.Com Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	351,290	(Note C)	-	-	828	-
Field Delivery Service Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	107,061	2.22	-	-	55,699	-

Note A: The receivables from NCIC is for reimbursed operating expense and from providing operational management services. The turnover rate was unavailable.

Note B: 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.

Note C: The turnover rate was unavailable as the receivables from related parties were due to the financing provided by KGEX to Far EasTone.

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(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	Other payables - related parties	\$ 11,958,573	Note D	7
				Operating costs	491,198	Note D	2
		ARCOA Communication Co., Ltd.	1	Accounts receivable - related parties	325,573	Note D	-
				Accounts payable - related parties	653,932	Note D	-
		KGEEx.com Co., Ltd.		Operating revenue	448,499	Note D	2
				Operating costs	2,158,761	Note D	8
		Yuanshi Digital Technology Co., Ltd.	1	Operating expenses	166,836	Note D	1
				Other payables - related parties	351,290	Note D	-
		FarEastone Insurance Agency Co., Ltd.	1	Operating revenue	145,476	Note D	1
			1	Accounts receivable - related parties	120,741	Note D	-
		Operating revenue	106,439	Note D	-		

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.

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 March 31, 2025; while revenues, costs and expenses are shown as a percentage of consolidated total operating revenues for the three months ended March 31, 2025.

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

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

**INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollar, Unless Stated Otherwise)**

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of March 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2025	December 31, 2024	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	\$ 27,428,608	\$ 340,956	\$ 322,110	Note A
	ARCOA Communication Co., Ltd.	Taiwan	Sales of communications products and office equipment	1,305,802	1,305,802	82,762,221	61.63	599,755	50,970	21,914	Note A
	KGEx.com Co., Ltd.	Taiwan	Telecommunications services	2,340,472	2,340,472	68,897,234	99.99	940,845	27,285	27,281	Note A
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information services	2,381,996	2,381,996	80,403,546	98.96	(91,152)	(29,871)	(29,560)	Note A
	Yuan Cing Co., Ltd.	Taiwan	Call center services	-	-	3,680,000	100.00	98,685	8,168	8,168	Notes A and E
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investments	92,616	92,616	1,200	100.00	6,004	76	(50)	Note A
	IDEAWORKS Entertainment Co., Ltd.	Taiwan	Filmmaking and publishing services	82,500	82,500	8,250,000	50.00	61,831	(2,434)	(1,217)	Note A
	FarEastone Insurance Agency Co., Ltd.	Taiwan	Property and life insurance agent	5,000	5,000	500,000	100.00	156,839	34,887	34,887	Note A
	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	2,126,123	205,495	43,459	Note B
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	139,500	139,500	5,446,644	15.00	41,613	11,068	1,157	Note B
	Asia Pacific Telecom Hong Kong Co., Ltd.	Hong Kong	Telecommunications services	3,292	3,292	7,800,002	100.00	3,549	(43)	(43)	Note A
	Field Delivery Service Co., Ltd.	Taiwan	System integration services	164,700	164,700	8,959,769	34.41	120,294	(16,489)	(5,674)	Note A
	Sustaihub Inc.	Taiwan	Management Consulting	20,000	20,000	2,000,000	20.00	18,904	(14)	(114)	Note B
	Far Reach Entertainment Co., Ltd.	Taiwan	Management Consulting	1,000	1,000	100,000	100.00	748	(231)	(231)	Note A
	ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	Taiwan	Sales of communications products	141,750	141,750	22,890,521	70.00	412,930	31,050	-
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Taiwan	Investments	540,000	540,000	54,000,000	100.00	86,247	447	-	Note C
	Information Security Service Digital United Inc.	Taiwan	Security and monitoring services via internet	148,777	148,777	15,153,784	96.76	239,772	12,514	-	Note C
	Digital United (Cayman) Ltd.	Cayman Islands	Investments	317,446	317,446	10,320,000	100.00	83,566	(1,306)	-	Note C
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information services	49,834	49,579	377,546	0.46	(428)	(29,871)	-	Note A
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	46,500	46,500	1,815,548	5.00	13,871	11,068	-	Note B
	Prime EcoPower Co., Ltd.	Taiwan	Energy technology services	160,000	160,000	16,000,000	100.00	166,752	(5,984)	-	Note C
	Drive Catalyst SPC-SP Tranche One	Cayman Islands	Investments	123,220	123,220	4,000	25.00	153,432	834	-	Note B
	Drive Catalyst SPC-SP Tranche Two	Cayman Islands	Investments	224,820	224,820	8,000	25.00	218,184	(50,870)	-	Note B
	Drive Catalyst SPC-SP Tranche Three	Cayman Islands	Investments	236,440	236,440	8,000	25.00	226,378	(3,613)	-	Note B
	Nextlink Technology Co., Ltd.	Taiwan	Electronic information services	397,294	397,294	12,737,907	57.64	603,478	31,735	-	Note C
	JuAn Long-Age Co., Ltd.	Taiwan	Electronic information services	15,500	15,500	1,000,000	25.00	15,044	2,051	-	Note B
	ARCOA Communication Co., Ltd.	Taiwan	Sales of communications products and office equipment	116,885	116,885	9,025,890	6.72	135,020	50,970	-	Note A
	Field Delivery Service Co., Ltd.	Taiwan	System integration services	22,496	22,496	2,249,649	8.64	13,360	(16,489)	-	Note A
IDEAWORKS Entertainment Co., Ltd.	Mission International Co., Ltd.	Taiwan	Filmmaking and publishing services	160,000	160,000	16,000,000	100.00	119,439	(2,336)	-	Note C
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Hong Kong	Telecommunications services	125	125	30,000	100.00	570	(10)	-	Note C
DataExpress Infotech Co., Ltd.	Home Master Technology Ltd.	Taiwan	Sales of communications products	10,000	10,000	-	100.00	140,349	14,850	-	Note C
Nextlink Technology Co., Ltd.	Microfusion Technology Co., Ltd.	Taiwan	Electronic information services	17,000	17,000	5,933,400	100.00	152,198	17,551	-	Note C
	Nextlink (HK) Technology Co., Ltd.	Hong Kong	Electronic information services	973	973	-	100.00	135,499	2,099	-	Note C
	Microfusion (HK) Technology Co., Ltd.	Hong Kong	Electronic information services	1,494	1,494	-	100.00	19,095	6,201	-	Note C
	MICROFUSION TECHNOLOGY (MY) SDN. BHD	Malaysia	Electronic information services	6,896	6,896	1,000,000	100.00	1,614	(131)	-	Note C
	NEXTLINK (SG) TECHNOLOGY PTE. LTD.	Singapore	Electronic information services	3,205	3,205	100,000	100.00	2,384	(145)	-	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 G.

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

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company	Main Businesses and Products	Paid-in Capital (US\$ in Thousands)	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025 (US\$ in Thousands)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2025 (US\$ in Thousands)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2025 (RMB/HK\$ in Thousands)	Accumulated Repatriation of Investment Income as of March 31, 2025
					Outward	Inward						
Digital United Information Technologies (Shanghai) Ltd.	Design, research, installment and maintenance of computer software and system	\$ 102,936 (US\$ 3,100)	2	\$ 102,936 (US\$ 3,100)	\$ -	\$ -	\$ 102,936 (US\$ 3,100)	\$ (1,177)	100.00	\$ (1,177)	\$ 25,286 (RMB 5,529)	\$ -
Nextlink (Shanghai) Technology Co., Ltd.	Electronic information services	2,391 (US\$ 72)	2	2,391 (US\$ 72)	-	-	2,391 (US\$ 72)	(60)	57.64	(60)	3,108 (HK\$ 723)	-

Company Name	Accumulated Investments in Mainland China as of March 31, 2025 (US\$ in Thousands)	Investment Amounts Authorized by the Investment Commission, MOEA (US\$ in Thousands)	Limit on Investments (Note B)
Far EasTone Telecommunications Co., Ltd.	\$ 92,616 (Note C)	\$ 92,616 (Note C)	\$ 57,477,019
New Century InfoComm Tech Co., Ltd.	102,936 (US\$ 3,100)	102,936 (US\$ 3,100)	15,982,414
New Diligent Co., Ltd.	487,746 (US\$ 14,689) (Note C)	487,746 (US\$ 14,689) (Note C)	51,748
Nextlink Technology Co., Ltd.	2,391 (US\$ 72)	2,391 (US\$ 72)	396,865

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.