Far EasTone Telecommunications Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2022 and 2021 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 June 30, 2022 and 2021, the related consolidated statements of comprehensive income for the three months ended June 30, 2022 and 2021 and for the six months ended June 30, 2022 and 2021, the related consolidated statements of changes in equity and cash flows for the six months ended June 30, 2022 and 2021, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (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 Statement of Auditing Standards No. 65 "Review of 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 June 30, 2022 and 2021, its consolidated financial performance for the three months ended June 30, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2022 and 2021 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

August 3, 2022

<u>*Notice to Readers*</u>

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)

	June 30, 2022 (Reviewed)		December 31, 2021 (Audited)		June 30, 2021 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 32)	$ 4,501,366	3	$ 4,645,674	3	$ 8,461,805	5
Financial assets at fair value through profit or loss - current (Notes 31 and 32)	602,550	-	699,174	-	704,539	-
Financial assets at amortized cost - current (Notes 8 and 32)	664,316	-	1,393,778	1	796,123	1
Contract assets - current (Note 25)	5,314,740	3	5,268,830	3	4,842,190	3
Notes receivable, net (Note 9)	60,578	-	24,087	-	9,676	-
Accounts receivable, net (Note 9)	8,711,695	5	8,491,862	5	8,014,341	5
Accounts receivable - related parties (Notes 9 and 32)	227,645	-	386,374	-	158,319	-
Inventories (Note 10)	1,926,821	1	3,072,540	2	1,819,584	1
Prepaid expenses	1,543,285	1	1,224,173	1	750,496	-
Noncurrent assets held for sale, net (Notes 4 and 11)	-	-	-	-	1,857,022	1
Other financial assets - current (Notes 32 and 33)	786,777	1	788,811	-	723,526	-
Other current assets (Notes 25 and 32)	168,150	-	179,262	-	254,514	-
Total current assets	24,507,923	14	26,174,565	15	28,392,135	16
NONCURRENT ASSETS						
Financial assets at fair value through other comprehensive income - noncurrent (Notes 7 and 31)	4,596,706	3	5,059,853	3	846,867	1
Investments accounted for using the equity method (Note 13)	2,236,217	1	2,060,768	1	1,970,441	1
Contract assets - noncurrent (Note 25)	3,533,892	2	3,362,670	2	3,267,114	2
Property, plant and equipment, net (Notes 14, 32 and 33)	39,857,127	23	40,142,014	23	39,013,355	22
Right-of-use assets (Notes 15 and 32)	7,989,193	5	8,264,265	5	8,505,336	5
Investment properties (Note 16)	624,731	-	624,731	-	641,246	-
Concessions, net (Notes 1 and 17)	67,681,119	40	69,939,207	40	72,489,481	41
Goodwill (Note 17)	11,176,831	7	11,176,831	6	11,176,831	6
Other intangible assets (Notes 17 and 32)	2,473,620	1	2,732,242	2	2,920,725	2
Deferred income tax assets (Note 4)	933,653	1	885,312	-	830,351	1
Incremental costs of obtaining a contract - noncurrent (Note 25)	3,691,837	2	3,908,968	2	3,632,344	2
Other noncurrent assets (Notes 4, 9, 18 and 32)	1,164,425	1	1,212,155	1	1,149,521	1
Total noncurrent assets	145,959,351	86	149,369,016	85	146,443,612	84
TOTAL	$ 170,467,274	100	$ 175,543,581	100	$ 174,835,747	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 19)	$ 2,640,526	1	$ 210,000	-	$ 350,000	-
Short-term bills payable (Note 19)	1,842,866	1	351,490	-	332,192	-
Contract liabilities - current (Note 25)	3,147,291	2	2,981,709	2	2,648,655	2
Notes payable	6,493	-	7,362	-	7,212	-
Accounts payable (Note 32)	6,889,300	4	6,766,131	4	6,036,263	3
Other payables (Note 21)	16,260,037	9	6,645,446	4	17,723,790	10
Current tax liabilities (Note 4)	1,792,836	1	2,530,449	1	1,521,178	1
Provisions - current (Note 22)	183,994	-	189,250	-	188,153	-
Lease liabilities - current (Notes 15 and 32)	2,906,471	2	2,764,961	2	2,984,403	2
Current portion of long-term borrowings (Notes 19 and 20)	3,008,952	2	9,709,248	5	9,707,680	6
Other current liabilities (Note 32)	1,353,998	1	1,242,160	1	1,294,774	1
Total current liabilities	40,032,764	23	33,398,206	19	42,794,300	25
NONCURRENT LIABILITIES						
Contract liabilities - noncurrent (Note 25)	10,839,674	6	10,619,613	6	200,663	-
Bonds payable (Note 20)	24,978,503	15	25,278,622	14	25,275,714	14
Long-term borrowings (Note 19)	23,263,330	14	28,065,621	16	35,816,910	21
Provisions - noncurrent (Note 22)	1,179,179	1	1,149,926	1	1,114,794	1
Deferred income tax liabilities (Note 4)	2,141,192	1	2,139,556	1	2,177,310	1
Lease liabilities - noncurrent (Notes 15 and 32)	4,774,174	3	4,984,281	3	5,218,461	3
Net defined benefit liabilities - noncurrent (Note 4)	523,152	-	533,046	-	498,981	-
Guarantee deposits received - noncurrent	261,866	-	256,502	-	257,422	-
Other noncurrent liabilities (Note 21)	2,856,708	2	3,017,428	2	5	-
Total noncurrent liabilities	70,817,778	42	76,044,595	43	70,560,260	40
Total liabilities	110,850,542	65	109,442,801	62	113,354,560	65
EQUITY ATTRIBUTABLE TO OWNERS OF FAR EASTONE						
Capital stock						
Common stock	32,585,008	19	32,585,008	19	32,585,008	19
Capital surplus	26,166	-	2,389,840	1	2,390,814	1
Retained earnings						
Legal reserve	21,476,579	12	21,122,282	12	21,122,282	12
Special reserve	1,301,537	1	723,516	-	723,516	-
Unappropriated earnings	4,639,589	3	9,149,448	5	3,785,954	2
Total retained earnings	27,417,705	16	30,995,246	17	25,631,752	14
Other equity	(1,265,154)	(1)	(834,378)	-	(104,305)	-
Total equity attributable to owners of Far EasTone	58,763,725	34	65,135,716	37	60,503,269	34
NONCONTROLLING INTERESTS	853,007	1	965,064	1	977,918	1
Total equity	59,616,732	35	66,100,780	38	61,481,187	35
TOTAL	$ 170,467,274	100	$ 175,543,581	100	$ 174,835,747	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)
(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 25 and 32)	$ 20,723,555	100	$ 19,497,981	100	$ 42,627,580	100	$ 40,333,756	100
OPERATING COSTS (Notes 10, 26 and 32)	14,061,588	68	13,260,078	68	29,409,734	69	27,921,855	69
GROSS PROFIT	6,661,967	32	6,237,903	32	13,217,846	31	12,411,901	31
OPERATING EXPENSES (Notes 26 and 32)								
Marketing	2,428,783	12	2,480,776	13	4,836,733	11	5,011,212	13
General and administrative	1,182,977	6	1,113,011	6	2,372,901	6	2,301,382	6
Expected credit losses	63,606	-	73,079	-	114,131	-	142,384	-
Total operating expenses	3,675,366	18	3,666,866	19	7,323,765	17	7,454,978	19
OTHER OPERATING INCOME AND EXPENSES	113,708	1	-	-	225,439	1	-	-
OPERATING INCOME	3,100,309	15	2,571,037	13	6,119,520	15	4,956,923	12
NONOPERATING INCOME AND EXPENSES (Notes 26 and 32)								
Other income	54,182	-	38,137	-	80,197	-	61,404	-
Other gains and losses	(30,840)	-	23,522	-	(27,833)	-	26,665	-
Financial costs	(147,420)	(1)	(173,406)	(1)	(293,308)	(1)	(350,958)	(1)
Share of the gains of associates	1,742	-	7,019	-	27,532	-	51,068	-
Losses on disposal of property, plant and equipment and intangible assets	(102,023)	-	(68,382)	-	(124,074)	-	(130,462)	-
Total nonoperating income and expenses	(224,359)	(1)	(173,110)	(1)	(337,486)	(1)	(342,283)	(1)
INCOME BEFORE INCOME TAX	2,875,950	14	2,397,927	12	5,782,034	14	4,614,640	11
INCOME TAX (Notes 4 and 27)	544,880	3	408,453	2	1,095,862	3	786,069	2
NET INCOME	2,331,070	11	1,989,474	10	4,686,172	11	3,828,571	9
OTHER COMPREHENSIVE INCOME (LOSS) (Note 24)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gains (losses) on investments in equity instruments designated as at fair value through other comprehensive income	243,951	1	965	-	(469,900)	(1)	4,666	-
Share of the other comprehensive (loss) income of associates accounted for using the equity method	(872)	-	545	-	(7,135)	-	578	-
	243,079	1	1,510	-	(477,035)	(1)	5,244	-

(Continued)

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	$ 10,480	-	$ (12,778)	-	$ 45,215	-	$ (12,891)	-
Share of the other comprehensive income of associates accounted for using the equity method	56	-	1,350	-	1,780	-	3,173	-
	10,536	-	(11,428)	-	46,995	-	(9,718)	-
Total other comprehensive income (loss), net of income tax	253,615	1	(9,918)	-	(430,040)	(1)	(4,474)	-
TOTAL COMPREHENSIVE INCOME	$ 2,584,685	12	$ 1,979,556	10	$ 4,256,132	10	$ 3,824,097	9
NET INCOME ATTRIBUTABLE TO:								
Owners of Far EasTone	$ 2,311,822	11	$ 1,972,607	10	$ 4,637,139	11	$ 3,784,095	9
Noncontrolling interests	19,248	-	16,867	-	49,033	-	44,476	-
	$ 2,331,070	11	$ 1,989,474	10	$ 4,686,172	11	$ 3,828,571	9
COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of Far EasTone	$ 2,564,989	12	$ 1,962,793	10	$ 4,206,363	10	$ 3,779,673	9
Noncontrolling interests	19,696	-	16,763	-	49,769	-	44,424	-
	$ 2,584,685	12	$ 1,979,556	10	$ 4,256,132	10	$ 3,824,097	9
EARNINGS PER SHARE, IN NEW TAIWAN DOLLARS (Note 28)								
Basic	$ 0.71		$ 0.61		$ 1.42		$ 1.16	
Diluted	$ 0.71		$ 0.61		$ 1.42		$ 1.16	

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)
(Reviewed, Not Audited)

	Equity Attributable to Owners of Far EasTone										
			Retained Earnings			Other Equity (Note 24)					
	Capital Stock (Note 24)	Capital Surplus (Note 24)	Legal Reserve (Note 24)	Special Reserve (Note 24)	Unappropriated Earnings (Notes 24 and 29)	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized (Losses) Gains on Financial Assets at Fair Value Through Other Comprehensive Income	(Losses) Gains on Hedging Instruments	Total	Noncontrolling Interests (Notes 24 and 29)	Total Equity
BALANCE AT JANUARY 1, 2021	$ 32,585,008	$ 5,701,421	$ 20,299,484	$ 598,988	$ 8,228,676	$ (20,598)	$ (75,931)	$ (3,354)	$ 67,313,694	$ 933,515	$ 68,247,209
Appropriation of the 2020 earnings											
Legal reserve	-	-	822,798	-	(822,798)	-	-	-	-	-	-
Special reserve	-	-	-	124,528	(124,528)	-	-	-	-	-	-
Cash dividends - NT$2.234 per share	-	-	-	-	(7,279,491)	-	-	-	(7,279,491)	-	(7,279,491)
Changes in equity from investments in associates accounted for using the equity method	-	30	-	-	-	-	-	-	30	-	30
Cash dividends from capital surplus - NT$1.016 per share	-	(3,310,637)	-	-	-	-	-	-	(3,310,637)	-	(3,310,637)
Net income for the six months ended June 30, 2021	-	-	-	-	3,784,095	-	-	-	3,784,095	44,476	3,828,571
Other comprehensive (loss) income for the six months ended June 30, 2021, net of income tax	-	-	-	-	-	(12,954)	5,244	3,288	(4,422)	(52)	(4,474)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(21)	(21)
BALANCE AT JUNE 30, 2021	$ 32,585,008	$ 2,390,814	$ 21,122,282	$ 723,516	$ 3,785,954	$ (33,552)	$ (70,687)	$ (66)	$ 60,503,269	$ 977,918	$ 61,481,187
BALANCE AT JANUARY 1, 2022	$ 32,585,008	$ 2,389,840	$ 21,122,282	$ 723,516	$ 9,149,448	$ (36,747)	$ (799,017)	$ 1,386	$ 65,135,716	$ 965,064	$ 66,100,780
Appropriation of the 2021 earnings											
Legal reserve	-	-	914,759	-	(914,759)	-	-	-	-	-	-
Special reserve	-	-	-	578,021	(578,021)	-	-	-	-	-	-
Cash dividends - NT$2.349 per share	-	-	-	-	(7,654,218)	-	-	-	(7,654,218)	-	(7,654,218)
Changes in equity from investments in associates accounted for using the equity method	-	41	-	-	-	-	-	-	41	-	41
Cash dividends from capital surplus - NT$0.729 per share	-	(2,375,447)	-	-	-	-	-	-	(2,375,447)	-	(2,375,447)
Cash dividends from legal reserve - NT$0.172 per share	-	-	(560,462)	-	-	-	-	-	(560,462)	-	(560,462)
Net income for the six months ended June 30, 2022	-	-	-	-	4,637,139	-	-	-	4,637,139	49,033	4,686,172
Other comprehensive income (loss) for the six months ended June 30, 2022, net of income tax	-	-	-	-	-	45,017	(477,035)	1,242	(430,776)	736	(430,040)
Changes in ownership interest of a subsidiary	-	11,732	-	-	-	-	-	-	11,732	(87,367)	(75,635)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(74,459)	(74,459)
BALANCE AT JUNE 30, 2022	$ 32,585,008	$ 26,166	$ 21,476,579	$ 1,301,537	$ 4,639,589	$ 8,270	$ (1,276,052)	$ 2,628	$ 58,763,725	$ 853,007	$ 59,616,732

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)
(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2022	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 5,782,034	$ 4,614,640
Adjustments for:		
Depreciation	5,984,380	5,741,593
Amortization	549,204	543,748
Amortization of concessions	2,557,718	2,543,290
Expected credit losses	114,131	142,384
Net losses (gains) on fair value changes of financial assets at fair value through profit or loss	95,549	(13,900)
Financial costs	293,308	350,958
Interest income	(26,062)	(22,356)
Dividend income	(24,280)	(13,694)
Share of the gains of associates	(27,532)	(51,068)
Losses on disposal of property, plant and equipment and intangible assets	124,074	130,462
Gain on disposal of a subsidiary	(6,220)	-
Write-down of inventories	13,841	7,382
Gains on modifications of lease arrangements	(648)	(169)
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	1,075	-
Contract assets	(217,132)	(46,704)
Notes receivable	(36,491)	10,770
Accounts receivable	(318,722)	(380,180)
Accounts receivable - related parties	158,729	171,293
Inventories	1,131,878	1,289,846
Prepaid expenses	(319,112)	72,770
Other current assets	16,990	113,433
Incremental costs of obtaining a contract	217,131	(141,700)
Contract liabilities	385,643	(178,835)
Notes payable	(869)	(5,349)
Accounts payable	123,169	(338,204)
Other payables	(585,732)	(481,390)
Provisions	(9,016)	(796)
Other current liabilities	79,952	204,311
Net defined benefit liabilities	(9,924)	(10,141)
Other noncurrent liabilities	(244,500)	-
Cash generated from operations	15,802,566	14,252,394
Interest received	25,273	21,388
Dividends received	19,194	13,694
Interest paid	(400,325)	(427,540)
Income taxes paid	(1,881,449)	(1,989,836)
Net cash generated from operating activities	13,565,259	11,870,100

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FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Six Months Ended June 30 2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	$ -	$ (50,000)
Remittance of cash due to capital reduction of financial assets at fair value through other comprehensive income	-	15,300
Proceeds from the disposal of financial assets at amortized cost	729,462	60,357
Acquisition of investments accounted for using the equity method	(110,680)	(243,780)
Acquisition of property, plant and equipment	(4,406,415)	(5,006,300)
Proceeds from the disposal of property, plant and equipment	24,115	1,891
Increase in contract liabilities from the disposal of noncurrent assets held for sale	-	648,585
Increase in refundable deposits	(162,890)	(194,541)
Decrease in refundable deposits	194,666	190,407
Acquisition of intangible assets	(590,212)	(297,176)
Decrease in other financial assets	2,034	37,958
Other investing activities	83,780	52,902
Net cash used in investing activities	(4,236,140)	(4,784,397)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	2,430,526	(27,764)
Increase (decrease) in short-term bills payable	1,491,376	(57,523)
Proceeds from the issuance of bonds payable	2,695,985	1,197,485
Repayment of bonds payable	(9,700,000)	-
Proceeds from long-term borrowings	2,895,454	6,404,295
Repayment of long-term borrowings	(7,697,745)	(10,311,812)
Increase in guarantee deposits received	35,276	35,706
Decrease in guarantee deposits received	(20,634)	(43,024)
Repayment of the principal portion of lease liabilities	(1,535,332)	(1,533,738)
Cash dividends paid	(18)	-
Net changes in noncontrolling interests	(75,635)	-
Net cash used in financing activities	(9,480,747)	(4,336,375)
EFFECT OF EXCHANGE RATE CHANGES	7,320	(1,398)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(144,308)	2,747,930
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	4,645,674	5,713,875
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	$ 4,501,366	$ 8,461,805

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

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'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. As of June 30, 2022 and 2021, Far Eastern New Century Corporation ("Far Eastern New Century") and its affiliates directly and indirectly owned 38.33% and 38.32%, respectively, of Far EasTone's stock. Since Far Eastern New Century and its subsidiaries have the power to cast the majority of votes at the meeting of Far EasTone's board of directors, Far Eastern New Century has control over Far EasTone's finances, operations and personnel affairs. Thus, Far Eastern New Century is the ultimate parent company of Far EasTone.

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 October 14, 2020, 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.

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 reported to Far EasTone's board of directors on August 3, 2022.

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

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

   The application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that are recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments are applied prospectively to transactions that occur on or after January 1, 2022.

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.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Noncurrent"	January 1, 2023

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

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 SIGNIFICANT ACCOUNTING POLICIES

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.

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

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

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

3) Level 3 inputs are unobservable inputs for an asset or liability.

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.

See Note 12, Schedule F and Schedule G for detailed information on subsidiaries, including the percentages of ownership and main businesses.

d. Other significant accounting policies

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, 2021. For the summary of other significant accounting policies, refer to the consolidated financial statements for the year ended December 31, 2021.

1) Noncurrent assets held for sale

Noncurrent assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the noncurrent asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

Noncurrent assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Such assets classified as held for sale are not depreciated.

2) 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.

3) Taxation

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. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical 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, 2021.

6. CASH AND CASH EQUIVALENTS

	June 30, 2022	December 31, 2021	June 30, 2021
Cash on hand	$ 9,904	$ 9,732	$ 10,615
Checking and demand deposits	3,675,648	3,620,409	8,077,396
Cash equivalents			
Commercial paper purchased under resale agreements	669,620	659,642	337,801
Certificates of deposits	146,194	355,891	35,993
	$ 4,501,366	$ 4,645,674	$ 8,461,805

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2022	December 31, 2021	June 30, 2021
Investments in equity instruments - noncurrent			
Stock in domestic listed company through private placement	$ 3,650,000	$ 4,110,000	$ -
Domestic/foreign unlisted common stock	946,706	949,853	846,867
	$ 4,596,706	$ 5,059,853	$ 846,867

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.

In order to maximize the efficiency of utilizing Far EasTone's network and spectrum resources, and to enhance Far EasTone's competitiveness in the 5G markets, on September 4, 2020, the board of directors of Far EasTone resolved to acquire 11.58% ownership of Asia-Pacific Telecom Co., Ltd. (APTC) through private placement by subscribing for 500,000,000 new common stock issued by APTC with the investment amount not exceeding $5,000,000 thousand. The transaction was completed in September 2021 with a total subscription amount of $5,000,000 thousand.

8. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2022	December 31, 2021	June 30, 2021
Current			
Certificates of deposits with original maturities of more than 3 months	$ 664,316	$ 1,393,778	$ 796,123

9. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	June 30, 2022	December 31, 2021	June 30, 2021
Notes receivable			
At amortized cost			
Gross carrying amount	$ 60,578	$ 24,087	$ 9,676
Less: Allowance for impairment loss	-	-	-
	$ 60,578	$ 24,087	$ 9,676
Notes receivable - operating	$ 60,578	$ 24,087	$ 9,676

(Continued)

	June 30, 2022	December 31, 2021	June 30, 2021
Accounts receivable (including related parties and noncurrent portion)			
At amortized cost			
Gross carrying amount	$ 9,878,247	$ 9,795,489	$ 9,069,119
Less: Allowance for impairment loss	(855,206)	(815,318)	(779,722)
Less: Unrealized interest income	(2,753)	(4,181)	(6,300)
Less: Unearned finance income	(3,867)	(4,620)	(5,134)
	$ 9,016,421	$ 8,971,370	$ 8,277,963

(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:

	June 30, 2022	December 31, 2021	June 30, 2021
Gross amount of installment accounts receivable	$ 74,229	$ 95,638	$ 122,659
Allowance for impairment loss	(3,379)	(6,797)	(3,480)
Unrealized interest income	(2,753)	(4,181)	(6,300)
	$ 68,097	$ 84,660	$ 112,879
Current	$ 24,505	$ 28,737	$ 45,779
Noncurrent	43,592	55,923	67,100
	$ 68,097	$ 84,660	$ 112,879

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 2028.

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

	June 30, 2022	December 31, 2021	June 30, 2021
Gross amount of finance lease receivables	$ 44,735	$ 49,081	$ 49,852
Unearned finance income	(3,867)	(4,620)	(5,134)
	$ 40,868	$ 44,461	$ 44,718

	June 30, 2022	December 31, 2021	June 30, 2021
Undiscounted lease payments			
Year 1	$ 8,691	$ 8,691	$ 7,976
Year 2	8,691	8,691	7,976
Year 3	8,691	8,691	7,976
Year 4	8,691	8,691	7,976
Year 5	7,977	8,334	7,976
Year 6 onwards	1,994	5,983	9,972
	44,735	49,081	49,852
Less: Unearned finance income	(3,867)	(4,620)	(5,134)
Less: Allowance for impairment loss	-	-	-
Finance lease receivables	$ 40,868	$ 44,461	$ 44,718
Current	$ 7,379	$ 7,250	$ 6,515
Noncurrent	33,489	37,211	38,203
	$ 40,868	$ 44,461	$ 44,718

The Group entered into a finance lease agreement with a client to lease out its data center equipment as part of the project business services provided to the client. The term of the finance lease entered into was 5-8 years. The interest rate inherent in the lease was 3.5%, which was determined at the contract date and was fixed for the entire term of the lease.

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 recognizes an allowance for impairment loss when there is information indicating that a debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery of the receivable. For notes receivable and accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The Group's expected credit loss rate ranges of receivables which were not overdue and receivables which were overdue were 0.00%-13.34% and 0.09%-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 June 30, 2022, December 31, 2021 and June 30, 2021, 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:

June 30, 2022

	Not Overdue	Overdue up to 60 Days	Overdue 61 Days or More	Total
Gross carrying amount	$ 8,825,783	$ 816,374	$ 290,048	$ 9,932,205
Loss allowance (lifetime ECLs)	(548,779)	(105,263)	(201,164)	(855,206)
Amortized cost	$ 8,277,004	$ 711,111	$ 88,884	$ 9,076,999

December 31, 2021

	Not Overdue	Overdue up to 60 Days	Overdue 61 Days or More	Total
Gross carrying amount	$ 8,771,048	$ 741,999	$ 297,728	$ 9,810,775
Loss allowance (lifetime ECLs)	(518,404)	(87,446)	(209,468)	(815,318)
Amortized cost	$ 8,252,644	$ 654,553	$ 88,260	$ 8,995,457

June 30, 2021

	Not Overdue	Overdue up to 60 Days	Overdue 61 Days or More	Total
Gross carrying amount	$ 8,116,191	$ 641,919	$ 309,251	$ 9,067,361
Loss allowance (lifetime ECLs)	(531,401)	(70,798)	(177,523)	(779,722)
Amortized cost	$ 7,584,790	$ 571,121	$ 131,728	$ 8,287,639

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

	For the Six Months Ended June 30	
	2022	2021
Balance at January 1	$ 815,318	$ 725,460
Add: Amounts recovered	115,337	97,388
Add: Net remeasurement of loss allowance	114,131	142,384
Less: Amounts written off	(190,391)	(185,449)
Foreign exchange gains and losses	811	(61)
Balance at June 30	$ 855,206	$ 779,722

10. INVENTORIES

	June 30, 2022	December 31, 2021	June 30, 2021
Cellular phone equipment and accessories	$ 1,373,431	$ 2,538,589	$ 1,386,634
Others	553,390	533,951	432,950
	$ 1,926,821	$ 3,072,540	$ 1,819,584

Costs of inventories sold were $5,724,933 thousand and $5,732,314 thousand for the three months ended June 30, 2022 and 2021, respectively, and $12,909,875 thousand and $12,870,284 thousand for the six months ended June 30, 2022 and 2021, respectively.

The write-down of inventories amounting to $730 thousand, $12,866 thousand, $13,841 thousand and $7,382 thousand were included in the cost of sales for the three months and six months ended June 30, 2022 and 2021, respectively.

11. NONCURRENT ASSETS HELD FOR SALE

	June 30, 2022	December 31, 2021	June 30, 2021
Properties and equipment held for sale	$ -	$ -	$ 1,857,022

The board of directors of NCIC, Far EasTone's subsidiary, resolved on February 25, 2021 to sell a part of NCIC's properties and equipment located in the Neihu District of Taipei City. On April 28, 2021, NCIC reached an agreement with MediaTek Inc., a non-related party, to sell the aforementioned properties and equipment for $3,260,000 thousand. The related properties and equipment were reclassified as noncurrent assets held for sale. The sales proceeds substantially exceeded the carrying amount of the related net assets and, accordingly, no impairment losses was incurred. This transaction was completed in July 2021.

12. 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 (%) June 30, 2022	December 31, 2021	June 30, 2021	Note
Far EasTone	NCIC	Telecommunications services	100.00	100.00	100.00	
	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	96.18	96.18	96.18	
	Yuan Cing	Call center services	100.00	100.00	100.00	
	FEIS	Investment	100.00	100.00	100.00	
	Yuan Bao	Data processing services and electronic information services	-	-	100.00	Dissolved on September 15, 2021 due to the merger with Far EasTone
	FEPIA	Property insurance agent	100.00	100.00	100.00	
	IDWE	Television and film production and distribution	50.00	-	-	

(Continued)

Investor Company	Investee Company	Main Businesses and Products	Percentage of Ownership (%) June 30, 2022	December 31, 2021	June 30, 2021	Note
NCIC	ISSDU	Security and monitoring service via internet	100.00	100.00	100.00	
	DU (Cayman)	Investment	100.00	100.00	100.00	
	New Diligent	Investment	100.00	100.00	100.00	
	YSDT	Electronic information services	0.67	0.67	0.67	
	Prime Ecopower	Energy technology services	100.00	100.00	100.00	
	Nextlink Technology	Electronic information services	70.00	70.00	70.00	
	ARCOA	Sales of communications products and office equipment	6.72	-	-	
New Diligent	FEND	Investment	-	100.00	100.00	Dissolved in April 2022 with the approval of the local government
	Sino Lead	Telecommunications services	100.00	100.00	100.00	
	New Diligent Hong Kong	Investment	100.00	100.00	100.00	
DU (Cayman)	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	
Nextlink Technology	Microfusion Technology	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	
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	-	-	

(Concluded)

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	June 30, 2022	December 31, 2021	June 30, 2021
Material associate			
Far Eastern Electronic Toll Collection Co., Ltd.	$ 1,439,236	$ 1,403,595	$ 1,346,458
Associates that are not individually material	796,981	657,173	623,983
	$ 2,236,217	$ 2,060,768	$ 1,970,441

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 June 30, 2022, December 31, 2021 and June 30, 2021. 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.

Material associate:

Name of Associate	Nature of Activities	Main Place of Business	Interests and Voting Rights June 30, 2022	December 31, 2021	June 30, 2021
Far Eastern Electronic Toll Collection Co., Ltd.	Electronic information services and electronic toll collection services	Taiwan	39.42%	39.42%	39.42%

Far Eastern Electronic Toll Collection Co., Ltd.

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

FETC failed to complete the taximeter system infrastructure within a specified period under the ETC Project requirements. The Taipei District Court Civil Division pronounced on May 20, 2016 that FETC should pay the compensation for breach of contract to TANFB. FETC filed an appeal on May 31, 2016 and accrued related penalties. The case is currently under trial in the High Court.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Operating Equipment	Computer Equipment	Other Equipment	Construction-in-progress	Total
Cost							
Balance at January 1, 2022	$ 6,148,114	$ 9,110,510	$ 93,662,999	$ 14,231,634	$ 6,411,105	$ 2,418,517	$ 131,982,879
Additions	-	6,209	-	3,473	36,277	4,089,364	4,135,323
Disposals	-	(9,053)	(1,814,631)	(169,837)	(121,111)	(3,217)	(2,117,849)
Effects of foreign currency exchange difference	-	-	-	15	7	-	22
Adjustments and reclassification	-	242,304	4,270,630	230,786	76,432	(4,820,152)	-
Balance at June 30, 2022	$ 6,148,114	$ 9,349,970	$ 96,118,998	$ 14,296,071	$ 6,402,710	$ 1,684,512	$ 134,000,375
Accumulated depreciation and impairment							
Balance at January 1, 2022	$ (59,857)	$ (4,237,947)	$ (68,633,153)	$ (13,363,744)	$ (5,546,164)	$ -	$ (91,840,865)
Depreciation expense	-	(150,682)	(3,729,762)	(218,230)	(113,800)	-	(4,212,474)
Disposals	-	9,051	1,611,668	169,827	119,555	-	1,910,101
Effects of foreign currency exchange difference	-	-	-	(6)	(4)	-	(10)
Adjustments and reclassification	-	(32,249)	-	29	32,220	-	-
Balance at June 30, 2022	$ (59,857)	$ (4,411,827)	$ (70,751,247)	$ (13,412,124)	$ (5,508,193)	$ -	$ (94,143,248)
Carrying amount at January 1, 2022	$ 6,088,257	$ 4,872,563	$ 25,029,846	$ 867,890	$ 864,941	$ 2,418,517	$ 40,142,014
Carrying amount at June 30, 2022	$ 6,088,257	$ 4,938,143	$ 25,367,751	$ 883,947	$ 894,517	$ 1,684,512	$ 39,857,127
Cost							
Balance at January 1, 2021	$ 7,191,408	$ 9,648,717	$ 85,563,488	$ 13,916,984	$ 6,679,501	$ 2,554,932	$ 125,555,030
Additions	-	4,555	1,980	4,150	21,280	6,619,087	6,651,052
Disposals	-	(9,612)	(1,167,892)	(121,460)	(121,901)	(1,665)	(1,422,530)
Reclassified as held for sale	(1,094,244)	(943,282)	(42,809)	-	(39,561)	-	(2,119,896)
Adjustments and reclassification	10,008	168,602	5,554,821	326,629	91,899	(6,151,959)	-
Balance at June 30, 2021	$ 6,107,172	$ 8,868,980	$ 89,909,588	$ 14,126,303	$ 6,631,218	$ 3,020,395	$ 128,663,656
Accumulated depreciation and impairment							
Balance at January 1, 2021	$ (95,894)	$ (4,399,769)	$ (63,816,330)	$ (13,096,501)	$ (5,941,001)	$ -	$ (87,349,495)
Depreciation expense	-	(142,367)	(3,458,464)	(255,480)	(112,793)	-	(3,969,104)
Disposals	-	9,612	957,018	121,244	120,232	-	1,208,106
Reclassified as held for sale	36,037	344,747	41,206	-	38,202	-	460,192
Adjustments and reclassification	-	-	-	(147)	147	-	-
Balance at June 30, 2021	$ (59,857)	$ (4,187,777)	$ (66,276,570)	$ (13,230,884)	$ (5,895,213)	$ -	$ (89,650,301)
Carrying amount at June 30, 2021	$ 6,047,315	$ 4,681,203	$ 23,633,018	$ 895,419	$ 736,005	$ 3,020,395	$ 39,013,355

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

Buildings	
Main buildings	33-55 years
Other building equipment	3-45 years
Operating equipment	3-26 years
Computer equipment	1-8 years
Other equipment	1-20 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2022	December 31, 2021	June 30, 2021
Carrying amount			
Land	$ 72	$ 504	$ 936
Buildings	7,792,653	8,042,861	8,272,484
Other equipment	196,468	220,900	231,916
	$ 7,989,193	$ 8,264,265	$ 8,505,336

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Additions to right-of-use assets			$ 1,607,874	$ 1,744,330
Depreciation charge for right-of-use assets				
Land	$ 216	$ 216	$ 432	$ 432
Buildings	853,080	851,231	1,706,514	1,706,311
Other equipment	32,715	33,572	64,960	65,746
	$ 886,011	$ 885,019	$ 1,771,906	$ 1,772,489

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 six months ended June 30, 2022 and 2021.

b. Lease liabilities

	June 30, 2022	December 31, 2021	June 30, 2021
Carrying amount			
Current	$ 2,906,471	$ 2,764,961	$ 2,984,403
Noncurrent	$ 4,774,174	$ 4,984,281	$ 5,218,461

Discount rate ranges for lease liabilities were as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Land	0.62%	0.62%	0.62%
Buildings	0.51%-1.65%	0.51%-1.44%	0.51%-1.44%
Other equipment	0.51%-1.36%	0.51%-0.99%	0.51%-0.99%

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

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 16.

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Expenses relating to short-term leases	$ 24,690	$ 27,804	$ 47,848	$ 52,847
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 7,955	$ 8,373	$ 15,939	$ 16,715
Total cash outflow for leases			$ (1,606,682)	$ (1,628,114)

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.

16. INVESTMENT PROPERTIES

	June 30, 2022	December 31, 2021	June 30, 2021
Balance of investment properties	$ 624,731	$ 624,731	$ 641,246

The lease terms of investments properties range from 5-6 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:

	June 30, 2022	December 31, 2021	June 30, 2021
Year 1	$ 12,893	$ 11,352	$ 12,763
Year 2	10,362	5,790	8,470
Year 3	10,333	4,389	4,460
Year 4	9,274	4,477	4,433
Year 5	5,900	1,125	3,374
Later than 5 years	1,475	-	-
	$ 50,237	$ 27,133	$ 33,500

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

	June 30, 2022	December 31, 2021	June 30, 2021
Independent valuation	$ 624,731	$ 624,731	$ 641,246

The fair values of the investment properties as of December 31, 2021 and 2020 were based on the valuations respectively carried out on January 14, 2022 and January 15, 2021 by independent qualified professional valuators Mr. Tsai, Chia-Ho. The aforementioned valuators 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, 2021 and 2020 were still valid as of June 30, 2022 and 2021, respectively.

The above fair value measurement has taken into consideration market volatility as a result of the COVID-19 pandemic.

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.

	June 30, 2022	December 31, 2021	June 30, 2021
Expected future cash inflows	$ 773,981	$ 773,981	$ 800,262
Expected future cash outflows	(21,933)	(21,933)	(19,632)
Expected future cash inflows, net	$ 752,048	$ 752,048	$ 780,630
Discount rate	1.92%-2.17%	1.92%-2.17%	2.01%-2.20%

The market rentals in the area where the investment properties are located were between $1 thousand and $18 thousand per ping per month (1 ping = 3.3 square meters). The market rentals for comparable properties were between $1 thousand and $15 thousand per ping per month.

All of the investment properties have been leased out under operating leases. The rental incomes generated were $3,216 thousand and $4,352 thousand for the three months ended June 30, 2022 and 2021, respectively, and $6,404 thousand and $8,690 thousand for the six months ended June 30, 2022 and 2021, 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 0.77% for both of the years ended December 31, 2021 and 2020, 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%.

17. INTANGIBLE ASSETS

	Concessions	Goodwill	Computer Software	Other Intangible Assets	Total
Cost					
Balance at January 1, 2022	$ 90,002,000	$ 11,194,104	$ 19,009,499	$ 862,051	$ 121,067,654
Additions	2,103,320	-	279,153	11,429	2,393,902
Disposals	(2,180,000)	-	(30)	-	(2,180,030)
Balance at June 30, 2022	$ 89,925,320	$ 11,194,104	$ 19,288,622	$ 873,480	$ 121,281,526
Accumulated amortization and impairment					
Balance at January 1, 2022	$ (20,062,793)	$ (17,273)	$ (16,530,767)	$ (608,541)	$ (37,219,374)
Amortization	(2,557,718)	-	(519,711)	(29,493)	(3,106,922)
Disposals	376,310	-	30	-	376,340
Balance at June 30, 2022	$ (22,244,201)	$ (17,273)	$ (17,050,448)	$ (638,034)	$ (39,949,956)
Carrying amount at January 1, 2022	$ 69,939,207	$ 11,176,831	$ 2,478,732	$ 253,510	$ 83,848,280
Carrying amount at June 30, 2022	$ 67,681,119	$ 11,176,831	$ 2,238,174	$ 235,446	$ 81,331,570
Cost					
Balance at January 1, 2021	$ 90,002,000	$ 11,194,104	$ 18,531,583	$ 852,527	$ 120,580,214
Additions	-	-	287,652	9,524	297,176
Disposals	-	-	(153,449)	-	(153,449)
Balance at June 30, 2021	$ 90,002,000	$ 11,194,104	$ 18,665,786	$ 862,051	$ 120,723,941

(Continued)

	Concessions	Goodwill	Computer Software	Other Intangible Assets	Total
Accumulated amortization and impairment					
Balance at January 1, 2021	$ (14,969,229)	$ (17,273)	$ (15,654,384)	$ (549,557)	$ (31,190,443)
Amortization	(2,543,290)	-	(514,255)	(29,493)	(3,087,038)
Disposals	-	-	140,577	-	140,577
Balance at June 30, 2021	$ (17,512,519)	$ (17,273)	$ (16,028,062)	$ (579,050)	$ (34,136,904)
Carrying amount at June 30, 2021	$ 72,489,481	$ 11,176,831	$ 2,637,724	$ 283,001	$ 86,587,037

(Concluded)

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

Concessions	8.5 to 21 years
Computer software	1 to 6 years
Other intangible assets	4 to 15.5 years

Refer to Note 16 of the consolidated financial statements for the year ended December 31, 2020 for the related information of goodwill.

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

18. OTHER NONCURRENT ASSETS

	June 30, 2022	December 31, 2021	June 30, 2021
Refundable deposits	$ 1,070,241	$ 1,101,948	$ 1,025,680
Others	94,184	110,207	123,841
	$ 1,164,425	$ 1,212,155	$ 1,149,521

19. BORROWINGS

a. Short-term borrowings

	June 30, 2022	December 31, 2021	June 30, 2021
Unsecured borrowings			
Credit loans	$ 2,640,526	$ 210,000	$ 350,000
Interest rate range	0.99%-2.06%	1.05%-1.60%	1.00%-1.60%

b. Short-term bills payable

	June 30, 2022	December 31, 2021	June 30, 2021
Unsecured borrowings			
Commercial papers payable	$ 1,835,000	$ 340,000	$ 320,000
Less: Unamortized discount	(3,930)	(606)	(303)
	1,831,070	339,394	319,697
Secured borrowings			
Commercial papers payable	11,800	12,100	12,500
Less: Unamortized discount	(4)	(4)	(5)
	11,796	12,096	12,495
Short-term bills payable	$ 1,842,866	$ 351,490	$ 332,192
Interest rate range			
Unsecured commercial papers payable	1.16%-1.79%	1.04%-1.59%	1.04%-1.59%
Secured commercial papers payable	1.70%	1.70%	1.70%

c. Long-term borrowings

	June 30, 2022	December 31, 2021	June 30, 2021
Unsecured borrowings			
Credit loans	$ 13,650,000	$ 6,550,000	$ 18,300,000
Long-term commercial papers payable	9,500,000	21,400,000	17,400,000
Less: Unamortized discount on commercial papers payable	(9,332)	(11,908)	(15,484)
	23,140,668	27,938,092	35,684,516
Secured borrowings			
Bank loans	132,394	137,261	142,126
Less: Current portion	(9,732)	(9,732)	(9,732)
	122,662	127,529	132,394
Long-term borrowings	$ 23,263,330	$ 28,065,621	$ 35,816,910
Interest rate range			
Credit loans	0.77%-1.25%	0.65%-0.82%	0.76%-0.89%
Unsecured commercial papers payable	0.60%-0.62%	0.60%-0.91%	0.62%-0.91%
Secured bank loans	1.50%-1.98%	1.50%-1.70%	1.50%-1.70%

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 June 2025.

2) The unsecured commercial papers payable are treated as revolving credit facilities under contracts. The repayment dates of the long-term commercial papers payable are no later than November 2024.

3) For related information on the property, plant and equipment that have been pledged as collateral for the secured bank loans and commercial papers payable, see Note 33.

20. BONDS PAYABLE

	June 30, 2022	December 31, 2021	June 30, 2021
Unsecured domestic bonds	$ 28,000,000	$ 35,000,000	$ 35,000,000
Unamortized costs of issuance	(22,277)	(21,862)	(26,338)
	27,977,723	34,978,138	34,973,662
Less: Current portion	(2,999,220)	(9,699,516)	(9,697,948)
	$ 24,978,503	$ 25,278,622	$ 25,275,714

Period	Maturity	Annual Rate (%)	Issued Amount	June 30, 2022	December 31, 2021	June 30, 2021	Repayment
Parent Company							
Unsecured domestic bonds							
2016 1st unsecured domestic bonds	2017.01.05-2022.01.05	1.17	$ 5,200,000	$ -	$ 5,199,982	$ 5,199,143	Note A
2017 1st unsecured domestic bonds	2017.04.26-2022.04.26	1.17	4,500,000	-	4,499,534	4,498,805	Note A
2017 2nd unsecured domestic bonds	2017.09.04-2024.09.04	1.17	2,000,000	1,998,896	1,998,642	1,998,388	Note A
2017 3rd unsecured domestic bonds - type A	2017.12.20-2023.06.20	0.95	1,500,000	1,499,557	1,499,328	1,499,098	Note A
2017 3rd unsecured domestic bonds - type B	2017.12.20-2024.12.20	1.09	1,500,000	1,499,112	1,498,932	1,498,752	Note A
2018 1st unsecured domestic bonds - type A	2018.05.07-2023.05.07	0.85	1,500,000	1,499,663	1,499,464	1,499,266	Note A
2018 1st unsecured domestic bonds - type B	2018.05.07-2025.05.07	1.01	3,500,000	3,498,116	3,497,786	3,497,456	Note A
2019 1st unsecured domestic bonds - type A	2019.06.25-2024.06.25	0.75	3,200,000	3,198,340	3,197,921	3,197,502	Note A
2019 1st unsecured domestic bonds - type B	2019.06.25-2026.06.25	0.81	1,800,000	1,798,660	1,798,492	1,798,324	Note A
2019 2nd unsecured domestic bonds - type A	2019.12.20-2026.12.20	0.80	2,600,000	2,597,532	2,597,256	2,596,980	Note B
2019 2nd unsecured domestic bonds - type B	2019.12.20-2029.12.20	0.85	500,000	499,445	499,407	499,370	Note C
2020 1st unsecured domestic bonds - type A	2020.03.16-2025.03.16	0.67	1,500,000	1,498,942	1,498,746	1,498,551	Note A
2020 1st unsecured domestic bonds - type B	2020.03.16-2027.03.16	0.70	2,500,000	2,497,810	2,497,577	2,497,344	Note A
2020 1st unsecured domestic bonds - type C	2020.03.16-2030.03.16	0.77	1,000,000	998,996	998,931	998,866	Note A
2020 2nd unsecured domestic bonds	2020.06.02-2027.06.02	0.73	1,000,000	998,591	998,448	998,305	Note A
2021 1st unsecured domestic bonds	2021.06.04-2028.06.04	0.55	1,200,000	1,197,871	1,197,692	1,197,512	Note A
2022 1st unsecured domestic bonds	2022.03.29-2027.03.29	0.88	2,700,000	2,696,192	-	-	Note D
Total balance				$ 27,977,723	$ 34,978,138	$ 34,973,662	

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

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

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

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

In January 2022, Far EasTone repaid $5,200,000 thousand, the amount due for the first unsecured domestic bonds of 2016. In April 2022, Far EasTone repaid $4,500,000 thousand, the amount due for the first unsecured domestic bonds of 2017.

On June 4, 2021, Far EasTone issued the first unsecured domestic bonds of 2021 with an aggregate principal amount of $1,200,000 thousand. On March 29, 2022, Far EasTone issued the first unsecured domestic bonds of 2022 with an aggregate principal amount of $2,700,000 thousand.

21. OTHER LIABILITIES

	June 30, 2022	December 31, 2021	June 30, 2021
Current			
Other payables			
Dividends	$ 10,664,568	$ -	$ 10,590,149
Acquisition of properties	1,484,309	1,838,528	2,920,469
Salaries and bonuses	1,313,944	1,690,708	1,348,792
Commission	742,667	791,301	772,305
Maintenance fees	502,440	532,388	510,777
Compensation of employees and remuneration of directors	255,258	306,584	227,320
Others	1,296,851	1,485,937	1,353,978
	$ 16,260,037	$ 6,645,446	$ 17,723,790
Noncurrent			
Other noncurrent liabilities	$ 2,856,708	$ 3,017,428	$ 5

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.

22. PROVISIONS

	June 30, 2022	December 31, 2021	June 30, 2021
Current			
Dismantling obligation	$ 134,631	$ 134,340	$ 134,240
Product warranty	49,363	54,910	53,913
	$ 183,994	$ 189,250	$ 188,153
Noncurrent			
Dismantling obligation	$ 1,179,179	$ 1,149,926	$ 1,114,794

	Dismantling Obligation	Product Warranty
Balance at January 1, 2022	$ 1,284,266	$ 54,910
Recognition (reversal) of additional provisions	33,013	(1,221)
Reductions arising from payments	(3,469)	(4,326)
Balance at June 30, 2022	$ 1,313,810	$ 49,363
Balance at January 1, 2021	$ 1,182,389	$ 51,293
Recognition of additional provisions	70,061	6,459
Reductions arising from payments	(3,416)	(3,839)
Balance at June 30, 2021	$ 1,249,034	$ 53,913

23. RETIREMENT BENEFIT PLANS

For defined benefit plans, employee benefit expenses amounted to $3,428 thousand and $3,195 thousand for the three months ended June 30, 2022 and 2021, respectively, and $6,834 thousand and $6,389 thousand for the six months ended June 30, 2022 and 2021, respectively, which were calculated by using the actuarially determined pension cost discount rates as of December 31, 2021 and 2020, respectively.

24. EQUITY

a. Capital stock

1) Common stock

	June 30, 2022	December 31, 2021	June 30, 2021
Stock authorized (in thousands)	4,200,000	4,200,000	4,200,000
Capital authorized	$ 42,000,000	$ 42,000,000	$ 42,000,000
Issued and fully paid stock (in thousands)	3,258,501	3,258,501	3,258,501
Issued capital	$ 32,585,008	$ 32,585,008	$ 32,585,008

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

2) Global depositary receipts (GDRs)

Since 2004, part of Far EasTone’s issued common stock have been trading on the Luxemburg Stock Exchange in the form of GDRs. One GDR unit represents 15 shares of Far EasTone’s common stock. As of June 30, 2022, December 31, 2021 and June 30, 2021, there were 2 thousand, 194 thousand and 194 thousand units of GDRs outstanding, representing 33 thousand, 2,917 thousand and 2,917 thousand common stock, respectively.

The holders of GDRs have the same rights and obligations as the holders of common stock, except regarding the manner of the exercise of GDR holders' rights, which shall be handled in accordance with the terms of the Depositary Agreements and the relevant laws and regulations of the ROC. Such rights, which shall be exercised through a depositary trust company, include the following:

a) The exercise of voting rights;

b) Conversion of GDRs into common stock; and

c) The receipt of dividends and the exercise of preemptive rights or other rights and interests.

On May 6, 2021, the board of directors of Far EasTone resolved to cease the trading of Far EasTone's issued common stock on the Luxemburg Stock Exchange in the form of GDRs. The GDRs have been delisted on July 26, 2021. However, the holders of GDRs can request redemption through the depositary trust company until July 28, 2022.

b. Capital surplus

	June 30, 2022	December 31, 2021	June 30, 2021
From business combinations	$ 351	$ 2,375,798	$ 2,375,798
Changes in ownership interest of subsidiaries	11,732	-	-
Share of changes in equities of associates	14,083	14,042	15,016
	$ 26,166	$ 2,389,840	$ 2,390,814

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 ownership interest of subsidiaries and share of changes in equities of associates may be used to offset a deficit only.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in Far EasTone's articles of incorporation (the "Articles"), where Far EasTone made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses in previous years, setting aside 10% of the net profit after tax plus the items other than the net profit after tax which is included in the current year's retained earnings as legal reserve, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by Far EasTone's board of directors as the basis for proposing a distribution plan, which should be resolved in the stockholders' meeting for the distribution of dividends and bonuses to stockholders. For the policies on the distribution of compensation of employees and remuneration of directors, refer to Note 26 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 IFRSs", Far EasTone should appropriate or reverse a special reserve.

The appropriations of earnings for 2021 and 2020, which have been approved in the stockholders' meetings on June 14, 2022 and July 22, 2021, respectively, were as follows:

	For the Year Ended December 31	
	2021	**2020**
Legal reserve	$ 914,759	$ 822,798
Special reserve	578,021	124,528
Cash dividends	7,654,218	7,279,491
Cash dividends per share (NT$)	2.349	2.234

In addition to distributing cash dividends at NT$2.234 per share from the unappropriated earnings, Far EasTone's stockholders also approved the cash distribution of $3,310,637 thousand from the additional paid-in capital from business combinations at NT$1.016 per share for the year ended December 31, 2020. Therefore, Far EasTone's cash dividends to stockholders amounted to NT$3.25 per share in 2021.

In addition to distributing cash dividends at NT$2.349 per share from the unappropriated earnings, Far EasTone's stockholders also approved the cash distribution of $2,375,447 thousand from the additional paid-in capital from business combinations and $560,462 thousand from the legal reserve at NT$0.729 and NT$0.172 per share, respectively. Therefore, Far EasTone's cash dividends to stockholders amounted to NT$3.25 per share in 2022; July 20, 2022 was the ex-right record date for cash dividend distribution. As of June 30, 2022, Far EasTone's cash dividends for 2021 amounted to $10,590,127 thousand and was included in other payables.

d. Special reserve

	For the Six Months Ended June 30	
	2022	**2021**
Beginning balance	$ 723,516	$ 598,988
Appropriation (reversal) in respect of		
Application of the fair value model to investment properties	(156,474)	24,645
Debits to other equity items	734,495	99,883
Ending balance	$ 1,301,537	$ 723,516

e. Other equity items

Adjustments to other equity items for the six months ended June 30, 2022 and 2021 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 Comprehensive Income	Gains and Losses on Hedging Instruments	Total
For the six months ended June 30, 2022				
Beginning balance	$ (36,747)	$ (799,017)	$ 1,386	$ (834,378)
Recorded as adjustments to stockholders' equity	8,148	(469,900)	-	(461,752)
Reclassification to profit or loss due to disposal of foreign operations	(6,220)	-	-	(6,220)
Share of the other comprehensive income of associates	43,089	(7,135)	1,242	37,196
Ending balance	$ 8,270	$ (1,276,052)	$ 2,628	$ (1,265,154)
For the six months ended June 30, 2021				
Beginning balance	$ (20,598)	$ (75,931)	$ (3,354)	$ (99,883)
Recorded as adjustments to stockholders' equity	(3,133)	4,666	-	1,533
Share of the other comprehensive income of associates	(9,821)	578	3,288	(5,955)
Ending balance	$ (33,552)	$ (70,687)	$ (66)	$ (104,305)

f. Noncontrolling interests

	For the Six Months Ended June 30	
	2022	2021
Beginning balance	$ 965,064	$ 933,515
Share of profit	49,033	44,476
Other comprehensive income during the period		
Exchange differences on translating the financial statements of foreign operations	736	(52)
Equity transactions	(87,367)	-
Cash dividends distributed by subsidiaries	(74,459)	(21)
Ending balance	$ 853,007	$ 977,918

25. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Contract revenue				
Sales of inventories	$ 5,706,719	$ 5,701,136	$ 12,873,776	$ 12,814,594
Telecommunications service revenue	11,631,662	11,274,720	23,011,225	22,513,557
Other revenue	2,916,318	2,038,166	5,807,274	4,045,512
	20,254,699	19,014,022	41,692,275	39,373,663
Other operating revenue	468,856	483,959	935,305	960,093
	$ 20,723,555	$ 19,497,981	$ 42,627,580	$ 40,333,756

a. Contract balances

	June 30, 2022	December 31, 2021	June 30, 2021	January 1, 2021
Contract assets				
Bundle sale of goods	$ 7,679,594	$ 7,570,619	$ 7,237,506	$ 7,274,473
Others	1,317,553	1,209,396	1,007,723	924,052
Less: Allowance for impairment loss	(148,515)	(148,515)	(135,925)	(135,925)
	$ 8,848,632	$ 8,631,500	$ 8,109,304	$ 8,062,600
Contract assets - current	$ 5,314,740	$ 5,268,830	$ 4,842,190	$ 4,840,684
Contract assets - noncurrent	3,533,892	3,362,670	3,267,114	3,221,916
	$ 8,848,632	$ 8,631,500	$ 8,109,304	$ 8,062,600
Contract liabilities				
Goods	$ 128,030	$ 135,877	$ 143,767	$ 174,842
Services	13,858,935	13,465,445	2,056,966	2,204,726
Others	-	-	648,585	-
	$ 13,986,965	$ 13,601,322	$ 2,849,318	$ 2,379,568
Contract liabilities - current	$ 3,147,291	$ 2,981,709	$ 2,648,655	$ 2,190,246
Contract liabilities - noncurrent	10,839,674	10,619,613	200,663	189,322
	$ 13,986,965	$ 13,601,322	$ 2,849,318	$ 2,379,568

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

For the six months ended June 30, 2022 and 2021, 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.

The Group provides frequency and network sharing services for APTC through a part of 5G spectrum and related cell sites. The consideration received from APTC is included in contract liabilities and revenue is recognized over the useful lives of the assets used in providing frequency and network sharing services.

b. Assets related to contract costs

	June 30, 2022	December 31, 2021	June 30, 2021
Current			
Costs to fulfill a contract (included in other current assets)	$ 887	$ 8,120	$ 8,308
Noncurrent			
Incremental costs of obtaining a contract	$ 3,691,837	$ 3,908,968	$ 3,632,344

1) Costs to fulfill a contract

The Group provides project business services, and the direct costs which are used to fulfill future performance obligations are recognized as costs to fulfill a contract within the expected recoverable scope (accounted for as other current assets). Costs to fulfill a contract are reclassified as operating costs in the contract period, in line with the revenue recognition method.

2) Incremental costs of obtaining a contract

The Group considered its past experience and believes the commission and subsidies paid for obtaining contracts are wholly recoverable. Total expenses recognized were $737,730 thousand and $757,391 thousand for the three months ended June 30, 2022 and 2021, respectively, and $1,509,087 thousand and $1,524,222 thousand for the six months ended June 30, 2022 and 2021, respectively.

c. Disaggregation of revenue

Refer to Note 37 for information about the disaggregation of revenue.

26. CONSOLIDATED NET INCOME

a. Financial costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Interest on financial liabilities measured at amortized cost	$ 131,305	$ 155,888	$ 261,442	$ 314,729
Interest on lease liabilities	15,092	16,576	29,861	33,908
Other financial costs	1,023	942	2,005	2,321
	$ 147,420	$ 173,406	$ 293,308	$ 350,958

b. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Property, plant and equipment	$ 2,099,649	$ 1,985,139	$ 4,212,474	$ 3,969,104
Right-of-use assets	886,011	885,019	1,771,906	1,772,489
Intangible assets	275,360	272,059	549,204	543,748
	$ 3,261,020	$ 3,142,217	$ 6,533,584	$ 6,285,341
Depreciation expense categorized by function				
Operating costs	$ 2,715,355	$ 2,568,975	$ 5,441,138	$ 5,119,856
Operating expenses	270,305	301,183	543,242	621,737
	$ 2,985,660	$ 2,870,158	$ 5,984,380	$ 5,741,593
Amortization expense categorized by function				
Operating costs	$ 46,381	$ 55,908	$ 93,172	$ 110,443
Marketing expenses	78,286	71,354	153,673	141,176
General and administrative expenses	150,693	144,797	302,359	292,129
	$ 275,360	$ 272,059	$ 549,204	$ 543,748

c. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Retirement benefits				
Defined contribution plans	$ 74,608	$ 72,941	$ 148,660	$ 145,957
Defined benefit plans	3,428	3,195	6,834	6,389
	78,036	76,136	155,494	152,346
Other employee benefits				
Salary	1,504,591	1,433,632	3,002,721	2,889,018
Insurance	138,605	139,093	281,848	279,579
Others	81,253	75,314	156,749	153,660
	1,724,449	1,648,039	3,441,318	3,322,257
	$ 1,802,485	$ 1,724,175	$ 3,596,812	$ 3,474,603
Categorized by function				
Operating costs	$ 324,836	$ 266,107	$ 615,305	$ 518,282
Operating expenses	1,477,649	1,458,068	2,981,507	2,956,321
	$ 1,802,485	$ 1,724,175	$ 3,596,812	$ 3,474,603

d. Compensation of employees and remuneration of directors

Far EasTone distributes compensation of employees and remuneration of directors at rates of 1% to 2% and no higher than 1%, respectively, of income before income tax, compensation of employees and remuneration of directors. For the three months and six months ended June 30, 2022 and 2021, the compensation of employees and the remuneration of directors represented 2% and 0.72%, respectively, of income before income tax, compensation of employees and remuneration of directors.

The accrued compensation of employees and remuneration of directors for the three months and six months ended June 30, 2022 and 2021 were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Compensation of employees	$ 56,286	$ 46,189	$ 112,599	$ 88,755
Remuneration of directors	$ 20,262	$ 16,628	$ 40,535	$ 31,952

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 appropriations of compensation of employees and remuneration of directors for 2021 and 2020 resolved by the board of directors on February 25, 2022 and February 25, 2021, respectively, are stated below:

	For the Year Ended December 31			
	2021		2020	
	Cash	Stock	Cash	Stock
Compensation of employees	$ 212,073	$ -	$ 205,762	$ -
Remuneration of directors	76,346	-	74,074	-

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, 2021 and 2020.

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.

27. 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 June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Current tax	$ 580,274	$ 370,256	$ 1,146,181	$ 777,346
Deferred tax	(35,394)	38,197	(50,319)	8,723
Income tax expense recognized in profit or loss	$ 544,880	$ 408,453	$ 1,095,862	$ 786,069

b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Deferred tax				
In respect of the current period				
Fair value changes of financial assets at fair value through other comprehensive income	$ 1,445	$ (274)	$ (3,614)	$ 153

c. Income tax assessments

Income tax returns of NCIC, KGEx.com, ISSDU, Data Express, Home Master and Microfusion Technology through 2019 have been assessed by the tax authorities.

Income tax returns of Far EasTone, YSDT, New Diligent, ARCOA, Prime EcoPower, Nextlink Technology and Yuan Cing through 2020 have been assessed by the tax authorities.
Income tax returns of Yuan Bao through 2021 have been assessed by the tax authorities.

28. 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 June 30		For the Six Months Ended June 30	
	2022	**2021**	**2022**	**2021**
Net income for the period attributable to Far EasTone	$ 2,311,822	$ 1,972,607	$ 4,637,139	$ 3,784,095
Effect of potentially dilutive common stock:				
Compensation of employees	-	-	-	-
Earnings used in the calculation of diluted earnings per share	$ 2,311,822	$ 1,972,607	$ 4,637,139	$ 3,784,095

Weighted Average Number of Common Stock Outstanding

(In Thousands of Shares)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	**2021**	**2022**	**2021**
Weighted average number of common stock used in the calculation of basic earnings per share	3,258,501	3,258,501	3,258,501	3,258,501
Effect of potentially dilutive common stock:				
Compensation of employees	1,347	1,374	2,284	2,421
Weighted average number of common stock used in the calculation of diluted earnings per share	3,259,848	3,259,875	3,260,785	3,260,922

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.

29. EQUITY TRANSACTIONS WITH NONCONTROLLING INTERESTS

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

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

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

	ARCOA	IDWE
Consideration (paid) received	$ (116,885)	$ 41,250
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from (to) noncontrolling interests	128,617	(41,250)
Differences recognized from equity transactions	$ 11,732	$ -

	ARCOA	IDWE	Total
Line items adjusted for equity transactions			
Capital surplus - changes in ownership interest of subsidiaries	$ 11,732	$ -	$ 11,732

30. CASH FLOW INFORMATION

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

For the six months ended June 30, 2022 and 2021, changes in liabilities arising from financing activities, including noncash transactions, were as follows:

For the six months ended June 30, 2022

	Balance on January 1, 2022	Cash Flows from Financing Activities	Changes in Noncash Transactions		Cash Flows from Operating Activities - Interest Paid	Balance on June 30, 2022
			New Leases	Others		
Lease liabilities (including the current and noncurrent portion)	$ 7,749,242	$ (1,535,332)	$ 1,578,423	$ (81,827)	$ (29,861)	$ 7,680,645

For the six months ended June 30, 2021

	Balance on January 1, 2021	Cash Flows from Financing Activities	Changes in Noncash Transactions		Cash Flows from Operating Activities - Interest Paid	Balance on June 30, 2021
			New Leases	Others		
Lease liabilities (including the current and noncurrent portion)	$ 8,156,460	$ (1,533,738)	$ 1,680,520	$ (66,470)	$ (33,908)	$ 8,202,864

31. FINANCIAL INSTRUMENTS

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

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

	June 30, 2022		December 31, 2021		June 30, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities						
Bonds payable	$ 27,977,723	$ 28,020,281	$ 34,978,138	$ 35,137,183	$ 34,973,662	$ 35,179,802

2) Fair value hierarchy

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Bonds payable	$ 28,020,281	$ -	$ -	$ 28,020,281

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Bonds payable	$ 35,137,183	$ -	$ -	$ 35,137,183

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Bonds payable	$ 35,179,802	$ -	$ -	$ 35,179,802

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

1) Fair value hierarchy

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Mutual funds	$ -	$ 602,550	$ -	$ 602,550
Financial assets at fair value through other comprehensive income				
Stock in domestic listed company through private placement	$ -	$ 3,650,000	$ -	$ 3,650,000
Domestic/foreign unlisted common stock	$ -	$ -	$ 946,706	$ 946,706

	December 31, 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
Mutual funds	$ -	$ 699,174	$ -	$ 699,174
Financial assets at fair value through other comprehensive income				
Stock in domestic listed company through private placement	$ -	$ 4,110,000	$ -	$ 4,110,000
Domestic/foreign unlisted common stock	$ -	$ -	$ 949,853	$ 949,853

	June 30, 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
Mutual funds	$ -	$ 704,539	$ -	$ 704,539
Financial assets at fair value through other comprehensive income				
Domestic/foreign unlisted common stock	$ -	$ -	$ 846,867	$ 846,867

There were no transfers of financial assets between the fair value measurements of Level 1 and Level 2 for the six months ended June 30, 2022 and 2021.

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

	Financial Instruments at Fair Value Through Other Comprehensive Income	
	For the Six Months Ended June 30	
	2022	**2021**
Beginning balance	$ 949,853	$ 809,560
Additions	-	50,000
Recognized in other comprehensive income	(6,286)	4,513
Remittance of cash due to capital reduction	-	(15,300)
Effects of foreign currency exchange differences	3,139	(1,906)
Ending balance	$ 946,706	$ 846,867

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

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

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

Financial Instrument	Valuation Techniques and Inputs
Domestic/foreign unlisted common stock	a) Asset-based approach. Valuation based on the fair value of an investee, calculated through each investment of the investee using the income approach, market approach or a combination of the two approaches, while also taking the liquidity premium into consideration. b) Transaction method of market approach. The approach is a valuation strategy that looks at market ratios of companies with similar profitability at the end of the reporting period, while taking the liquidity premium into consideration.

c. Categories of financial instruments

	June 30, 2022	December 31, 2021	June 30, 2021
Financial assets			
Financial assets at fair value through profit or loss	$ 602,550	$ 699,174	$ 704,539
Financial assets at amortized cost (Note 1)	16,202,303	17,011,848	19,364,416
Financial assets at fair value through other comprehensive income	4,596,706	5,059,853	846,867
Financial liabilities			
Financial liabilities at amortized cost (Note 2)	79,376,898	77,491,661	95,686,021

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) and interest rates (see Note (b) 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 Six Months Ended June 30	
	2022	**2021**
5% change in sensitivity rate		
USD	$ (48,562)	$ (23,861)

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:

	June 30, 2022	December 31, 2021	June 30, 2021
Fair value interest rate risk			
Financial assets	$ 3,090,905	$ 4,095,804	$ 2,733,845
Financial liabilities	59,092,058	69,165,302	75,913,277
Cash flow interest rate risk			
Financial assets	3,981,241	3,911,828	8,374,037
Financial liabilities	4,690,589	2,551,258	4,122,928

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 six months ended June 30, 2022 and 2021 would have increased/decreased by $887 thousand and $5,314 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 six months ended June 30, 2022 and 2021 would have increased/decreased by $30,128 thousand and $35,227 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 six months ended June 30, 2022 and 2021 would have increased/decreased by $229,835 thousand and $42,343 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 $51,172,048 thousand, $62,662,074 thousand and $51,502,514 thousand as of June 30, 2022, December 31, 2021 and June 30, 2021, 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**
June 30, 2022					
Short-term borrowings	$ 2,640,526	$ 2,646,210	$ 2,646,210	$ -	$ -
Short-term bills payable	1,842,866	1,846,800	1,846,800	-	-
Long-term borrowings	23,273,062	23,551,004	174,601	23,376,403	-
Bonds payable	27,977,723	28,859,430	3,245,765	22,873,340	2,740,325
Lease liabilities	7,680,645	7,777,242	2,955,190	4,773,353	48,699
	$ 63,414,822	$ 64,680,686	$ 10,868,566	$ 51,023,096	$ 2,789,024
December 31, 2021					
Short-term borrowings	$ 210,000	$ 210,367	$ 210,367	$ -	$ -
Short-term bills payable	351,490	352,100	352,100	-	-
Long-term borrowings	28,075,353	28,171,752	70,353	28,101,399	-
Bonds payable	34,978,138	35,995,890	10,028,370	19,688,095	6,279,425
Lease liabilities	7,749,242	7,838,880	2,810,634	4,971,195	57,051
	$ 71,364,223	$ 72,568,989	$ 13,471,824	$ 52,760,689	$ 6,336,476

(Continued)

	Carrying Amount	Contractual Cash Flows	Within 1 Year	1-5 Years	More than 5 Years
June 30, 2021					
Short-term borrowings	$ 350,000	$ 350,742	$ 350,742	$ -	$ -
Short-term bills payable	332,192	332,500	332,500	-	-
Long-term borrowings	35,826,642	36,112,112	186,062	35,926,050	-
Bonds payable	34,973,662	36,074,940	10,028,370	18,452,495	7,594,075
Lease liabilities	8,202,864	8,302,959	3,034,189	5,203,205	65,565
	$ 79,685,360	$ 81,173,253	$ 13,931,863	$ 59,581,750	$ 7,659,640

(Concluded)

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

	June 30, 2022				
	Within 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Bonds payable	$ 3,245,765	$ 22,873,340	$ 2,740,325	$ -	$ -
Lease liabilities	2,955,190	4,773,353	48,542	98	59
	$ 6,200,955	$ 27,646,693	$ 2,788,867	$ 98	$ 59

	December 31, 2021				
	Within 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Bonds payable	$ 10,028,370	$ 19,688,095	$ 6,279,425	$ -	$ -
Lease liabilities	2,810,634	4,971,195	56,921	81	49
	$ 12,839,004	$ 24,659,290	$ 6,336,346	$ 81	$ 49

	June 30, 2021				
	Within 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Bonds payable	$ 10,028,370	$ 18,452,495	$ 7,594,075	$ -	$ -
Lease liabilities	3,034,189	5,203,205	65,427	81	57
	$ 13,062,559	$ 23,655,700	$ 7,659,502	$ 81	$ 57

32. TRANSACTIONS WITH RELATED PARTIES

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

a. The Group's related parties and their relationships

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

(Continued)

Related Party	Relationship with the Group
Far Eastern Ai Mai CO., Ltd.	Other related party (same chairman as Far EasTone's)
Far Eastern Hospital	Other related party (same chairman as Far EasTone's)
Asia Eastern University of Science and Technology (Oriental Institute of Technology)	Other related party (same chairman as Far EasTone's)
DING DING HOTEL CO., LTD.	Subsidiary of FENC
Yuan-Ze University	Other related party (same chairman as Far EasTone's)
Far Eastern Polytex (Vietnam) Ltd.	Subsidiary of FENC
Deutsche Far Eastern Asset Management Co., Ltd.	Other related party (substantive related party)
Kowloon Cement Corporation Limited	Other related party (substantive related party)
Asia Cement (Singapore) PTE. Ltd	Other related party (substantive related party)
Jianxi Yadong Cement Co., Ltd	Other related party (substantive related party)
Everest Textile Co., Ltd.	Other related party (substantive related party)
Kaohsiung Rapid Transit Corporation	Other related party (substantive related party)
Oriental Petrochemical (Shanghai) Corporation	Subsidiary of FENC
Yuan Ding Enterprise (Shanghai) Limited	Subsidiary of FENC
Systex Corporation	Other related party (substantive related party)
Oriental Green Materials Limited	Subsidiary of FENC
Far Eastern Medical Foundation	Other related party (substantive related party)
Far Eastern Leasing Corporation	Other related party (substantive related party)
Oriental Petrochemical (Taiwan) Co., Ltd.	Subsidiary of FENC
Air Liquide Far Eastern Co., Ltd.	Other related party (equity-method investee of FENC)
Oriental Resources Development Limited	Subsidiary of FENC
Fu Kwok Garment Manufacturing Co., Ltd.	Subsidiary of FENC
U-Ming Marine Transport Corporation	Other related party (same chairman as Far EasTone's)
Ding & Ding Management Consultant Co., Ltd.	Other related party (substantive related party)
Chiahui Power Corporation	Other related party (same chairman as Far EasTone's)
Far Eastern International Bank (FEIB)	Other related party (Far EasTone's chairman is FEIB's vice chairman)
Far Eastern Fibertech Co., Ltd.	Subsidiary of FENC
Far Eastern Union Petrochemical (Yangzhou) Corporation	Other related party (substantive related party)
FETC International Co., Ltd.	Subsidiary of FENC
Far Eastern General Contractor Inc.	Subsidiary of FENC
Yuan Hsin Digital Payment Co., Ltd.	Subsidiary of FENC
Far Eastern Polyclinic of Far Eastern Medical Foundation	Other related party (same chairman as Far EasTone's)
Far Eastern Realty Management Co., Ltd.	Subsidiary of FENC
Far Eastern Apparel (Vietnam) Ltd.	Subsidiary of FENC
Drive Catalyst SPC-SP Tranche Two	Associate
Drive Catalyst SPC-SP Tranche Three	Associate
Opas Fund Segregated Portfolio Company	Other related party (substantive related party)

(Concluded)

b. Operating revenue

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
FENC	$ 27,720	$ 9,453	$ 34,862	$ 16,960
Subsidiaries of FENC	51,709	45,798	103,092	93,388
Other related parties	113,867	63,555	227,454	142,478
	$ 193,296	$ 118,806	$ 365,408	$ 252,826

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

c. Operating costs and expenses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Operating costs				
FENC	$ 186	$ 172	$ 462	$ 292
Subsidiaries of FENC	4,799	3,470	8,563	5,745
Other related parties	36,659	19,929	81,208	37,859
	$ 41,644	$ 23,571	$ 90,233	$ 43,896
Operating expenses				
FENC	$ 22,538	$ 20,769	$ 53,169	$ 48,750
Subsidiaries of FENC	55,194	58,713	113,742	120,960
Other related parties	25,124	20,848	53,507	50,292
	$ 102,856	$ 100,330	$ 220,418	$ 220,002

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 June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Acquisition of property, plant and equipment and intangible assets				
Subsidiaries of FENC	$ -	$ 6,602	$ 1,643	$ 12,307
Other related parties	1,196	4,046	9,065	4,046
	$ 1,196	$ 10,648	$ 10,708	$ 16,353

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Acquisition of securities				
Associates				
Drive Catalyst SPC-SP Tranche Two	$ -	$ 114,140	$ 110,680	$ 114,140
Drive Catalyst SPC-SP Tranche Three	-	114,140	-	114,140
	$ -	$ 228,280	$ 110,680	$ 228,280
Acquisition of financial assets at FVTPL				
Other related parties				
Opas Fund Segregated Portfolio Company	$ -	$ -	$ 138,050	$ -
Disposal of financial assets at FVTPL				
Other related parties				
Opas Fund Segregated Portfolio Company	$ -	$ -	$ 139,125	$ -

In April 2021, the Group acquired a partial interest in Drive Catalyst SPC-SP Tranche Two and Drive Catalyst SPC-SP Tranche Three that each amounted to $114,140 thousand.

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

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

e. Lease arrangements - the Group is lessee

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Acquisition of right-of-use assets				
Other related parties	$ 6,872	$ 2,388	$ 8,915	$ 8,894

	June 30, 2022	December 31, 2021	June 30, 2021
Lease liabilities - current			
FENC	$ -	$ 968	$ 2,835
Subsidiaries of FENC	2,103	1,812	4,361
Other related parties	13,883	16,838	19,925
	$ 15,986	$ 19,618	$ 27,121
Lease liabilities - noncurrent			
Subsidiaries of FENC	$ 250	$ 1,380	$ 2,689
Other related parties	5,363	5,351	11,299
	$ 5,613	$ 6,731	$ 13,988

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Financial costs				
FENC	$ -	$ 5	$ 1	$ 10
Subsidiaries of FENC	7	20	16	74
Other related parties	39	59	75	123
	$ 46	$ 84	$ 92	$ 207

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

	June 30, 2022	December 31, 2021	June 30, 2021
Other related parties			
FEIB	$ 1,807,554	$ 2,382,756	$ 3,510,032

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, which were consigned to FEIB as a trust fund and included in other financial assets - current.

g. Receivables and payables - related parties

	June 30, 2022	December 31, 2021	June 30, 2021
Accounts receivable - related parties			
FENC	$ 1,294	$ 92,518	$ 2,804
Subsidiaries of FENC	37,052	29,351	35,746
Other related parties	189,299	264,505	119,769
	$ 227,645	$ 386,374	$ 158,319

	June 30, 2022	December 31, 2021	June 30, 2021
Other receivables - related parties (included in other current assets)			
Subsidiaries of FENC	$ 3,028	$ 3,513	$ 4,215
Other related parties	7,032	6,376	6,282
	$ 10,060	$ 9,889	$ 10,497
Accounts payable - related parties (included in accounts payable)			
Subsidiaries of FENC	$ 6,784	$ 10,606	$ 9,243
Other related parties	17,274	12,380	6,081
	$ 24,058	$ 22,986	$ 15,324
Other payables - related parties (included in other current liabilities)			
FENC	$ 22,606	$ 22,295	$ 23,232
Subsidiaries of FENC	85,071	73,214	47,560
Other related parties	11,390	9,895	14,620
	$ 119,067	$ 105,404	$ 85,412

h. Refundable deposits (included in other noncurrent assets)

	June 30, 2022	December 31, 2021	June 30, 2021
Subsidiaries of FENC	$ 17,640	$ 21,011	$ 16,849
Other related parties	1,416	1,416	2,235
	$ 19,056	$ 22,427	$ 19,084

i. Others

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Interest income				
Subsidiaries of FENC	$ 4	$ 4	$ 8	$ 8
Other related parties				
FEIB	3,390	3,854	6,576	6,899
Others	-	-	1	1
	3,390	3,854	6,577	6,900
	$ 3,394	$ 3,858	$ 6,585	$ 6,908
Financial costs				
Other related parties	$ 43	$ 45	$ 86	$ 89

j. Remuneration of key management personnel

The remuneration of directors and other members of key management personnel during the three months and six months ended June 30, 2022 and 2021 was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Short-term benefits	$ 59,582	$ 54,824	$ 168,119	$ 149,662
Post-employment benefits	856	908	1,762	1,690
	$ 60,438	$ 55,732	$ 169,881	$ 151,352

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

33. ASSETS PLEDGED OR MORTGAGED AS COLLATERAL

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

	June 30, 2022	December 31, 2021	June 30, 2021
Other financial assets - current	$ 406,745	$ 417,565	$ 369,016
Property, plant and equipment, net	166,209	171,453	176,667
	$ 572,954	$ 589,018	$ 545,683

34. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

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

a. Significant commitments

	June 30, 2022	December 31, 2021	June 30, 2021
Unpaid acquisition of property, plant and equipment and intangible assets under contracts	$ 14,261,704	$ 17,104,556	$ 19,099,284
Unpaid acquisition of inventories under contracts	$ 2,643,998	$ 5,134,425	$ 3,171,275

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:

	June 30, 2022	December 31, 2021	June 30, 2021
Lease commitments	$ 282,455	$ 337,295	$ 238,305

c. In order to maximize the efficiency of utilizing Far EasTone's network and spectrum resources, and to enhance Far EasTone's competitiveness in the 5G markets, on September 4, 2020, the board of directors of Far EasTone resolved to enter into a business cooperation agreement with APTC, which includes issuing new common stock in exchange for part of APTC's shares held by Hon Hai Precision Industry Co., Ltd. (HHPI) under a share swap arrangement on June 30, 2022 after obtaining approval from the competent authority.

   In order to enhance the competitiveness, expand the business scale and achieve the operating synergy, on February 25, 2022, Far EasTone's board of directors resolved to sign a merger agreement with APTC. Far EasTone will be the surviving company. The tentative record date of the merger is September 30, 2022 and the share exchange ratio is one share of APTC for 0.0934406 share of Far EasTone. Far EasTone expects to issue 356,681 thousand shares to complete the merger. The record date of the merger and the related adjustments, if any, to the agreement will be decided after obtaining approval from the competent authority. After Far EasTone and APTC have completed the merger, the aforementioned share swap contract with HHPI signed on September 4, 2020 will be terminated.

35. 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)

June 30, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 55,586	29.72 (USD:NTD)	$ 1,652,026
Nonmonetary items			
USD	42,064	29.72 (USD:NTD)	1,250,148
USD	10,040	6.695 (USD:RMB)	298,383
Financial liabilities			
Monetary items			
USD	22,907	29.72 (USD:NTD)	680,791

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 43,411	27.68 (USD:NTD)	$ 1,201,603
Nonmonetary items			
USD	42,381	27.68 (USD:NTD)	1,173,094
USD	6,770	6.372 (USD:RMB)	187,394
Financial liabilities			
Monetary items			
USD	20,989	27.68 (USD:NTD)	580,972

June 30, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 38,386	27.86 (USD:NTD)	$ 1,069,439
Nonmonetary items			
USD	41,777	27.86 (USD:NTD)	1,163,907
USD	4,709	6.466 (USD:RMB)	131,204
Financial liabilities			
Monetary items			
USD	21,257	27.86 (USD:NTD)	592,216

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

	For the Three Months Ended June 30			
	2022		2021	
Foreign Currency	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gains (Losses)	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	$ 4,868	1 (NTD:NTD)	$ (9,822)
RMB	4.446 (RMB:NTD)	(1,562)	4.331 (RMB:NTD)	(897)
HKD	3.753 (HKD:NTD)	9,315	3.602 (HKD:NTD)	(929)
		$ 12,621		$ (11,648)

	For the Six Months Ended June 30			
	2022		2021	
Foreign Currency	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gains (Losses)	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	$ 11,655	1 (NTD:NTD)	$ (16,168)
RMB	4.426 (RMB:NTD)	(1,548)	4.354 (RMB:NTD)	(317)
HKD	3.670 (HKD:NTD)	8,076	3.630 (HKD:NTD)	(1,945)
		$ 18,183		$ (18,430)

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions

1) Financing provided to others: Schedule A

2) Endorsements/guarantees provided: None

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

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None

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

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

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

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

9) Trading in derivative instruments: None

10) 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.

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

37. SEGMENT INFORMATION

Products and services from which reportable segments derive their revenues:

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

a. Mobile services business: Providing mobile telecommunications services

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

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

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

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

	For the Six Months Ended June 30, 2022				
	Mobile Services Business	Fixed-line Services Business	Sales Business	Adjustment and Elimination	Consolidation
Revenue generated from external customers	$ 22,299,777	$ 5,772,139	$ 14,555,664	$ -	$ 42,627,580
Revenue generated within the Group (Note)	90,272	1,019,742	35,940	(1,145,954)	-
Total revenue	$ 22,390,049	$ 6,791,881	$ 14,591,604	$ (1,145,954)	$ 42,627,580
Segment operating income	$ 4,297,110	$ 1,085,384	$ 1,309,238	$ (909,698)	$ 5,782,034

	For the Six Months Ended June 30, 2021				
	Mobile Services Business	Fixed-line Services Business	Sales Business	Adjustment and Elimination	Consolidation
Revenue generated from external customers	$ 21,280,272	$ 4,920,137	$ 14,133,347	$ -	$ 40,333,756
Revenue generated within the Group (Note)	103,063	1,138,234	20,543	(1,261,840)	-
Total revenue	$ 21,383,335	$ 6,058,371	$ 14,153,890	$ (1,261,840)	$ 40,333,756
Segment operating income	$ 3,157,337	$ 1,139,612	$ 1,275,539	$ (957,848)	$ 4,614,640

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

SCHEDULE A

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(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 - Item	Collateral - Value	Financing Limit for Each Borrower (Note)	Aggregate Financing Limit (Note)
1	New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Other receivables - related parties	Yes	$ 1,800,000	$ 1,800,000	$ 1,800,000	0.7580%-0.9120%	Business transaction	$ 2,037,950	-	$ -	-	$ -	$ 2,037,950	$ 12,046,271
		Far EasTone Telecommunications Co., Ltd.	Other receivables - related parties	Yes	9,200,000	9,200,000	7,700,000	0.7573%-0.9120%	Short-term financing	-	For business operations	-	-	-	9,637,016	12,046,271

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

SCHEDULE B

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2022
(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	June 30, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Far EasTone Telecommunications Co., Ltd.	Stock							
	App Works Fund II Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	5,355,000	$ 75,581	11.11	$ 75,581	Note B
	CDIB Capital Innovation Accelerator Limited	-	Financial assets at fair value through other comprehensive income - noncurrent	9,000,000	105,436	10.71	105,436	Note B
	LINE Bank Taiwan Limited	-	Financial assets at fair value through other comprehensive income - noncurrent	37,500,000	355,794	2.50	355,794	Note B
	LiTV (Taiwan) Inc.	-	Financial assets at fair value through other comprehensive income - noncurrent	1,250,000	21,544	2.50	21,544	Note B
	Asia-Pacific Telecom Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	500,000,000	3,650,000	11.58	3,650,000	Note B
ARCOA Communication Co., Ltd.	Stock							
	THI consultants	-	Financial assets at fair value through other comprehensive income - noncurrent	1,213,594	12,190	18.32	12,190	Note B
	Web Point Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	160,627	1,618	0.63	1,618	Note B
New Century InfoComm Tech Co., Ltd.	Stock							
	Kaohsiung Rapid Transit Corporation	Other related party	Financial assets at fair value through other comprehensive income - noncurrent	8,858,191	44,645	3.18	44,645	Note B
	Bank Pro E-service Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	600,000	4,500	3.33	4,500	Note B
	Stock certificate							
	Changing.ai Inc.	-	Financial assets at fair value through other comprehensive income - noncurrent	500,000	27,015	2.27	27,015	Note B
	Overseas funds							
	Opas Fund Segregated Portfolio Tranche A	Other related party	Financial assets at fair value through profit or loss - current	9,666.832	323,369	-	323,369	Note A
	Opas Fund Segregated Portfolio Tranche B	Other related party	Financial assets at fair value through profit or loss - current	5,000	157,304	-	157,304	Note A
	Opas Fund Segregated Portfolio Tranche C	Other related party	Financial assets at fair value through profit or loss - current	2,216.711	121,877	-	121,877	Note A

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Digital United (Cayman) Ltd.	Stock certificate TBCASoft, Inc.	-	Financial assets at fair value through other comprehensive income - noncurrent	726,995	$ 298,383	4.87	$ 298,383	Note B

Note A: The market values of the overseas funds were calculated at their net asset values as of June 30, 2022.

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

(Concluded)

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 SIX MONTHS ENDED JUNE 30, 2022
(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	$ 4,025,099	16	Based on agreement	-	-	Accounts payable and other payables $ (483,607)	(3)
			Operating revenue	(376,304)	(1)	Based on agreement	-	-	Accounts receivable (Note C) 118,684	2
	New Century InfoComm Tech Co., Ltd.	Subsidiary	Operating costs	952,404	5	Based on agreement	-	-	Accounts payable and other payables (Note A) (380,050)	(2)
	DataExpress Infotech Co., Ltd.	Subsidiary of ARCOA Communication Co., Ltd.	Operating costs and marketing expenses	104,070	-	Based on agreement	-	-	Accounts payable and other payables (55,933)	-
	Yuanshi Digital Technology Co., Ltd.	Subsidiary	Operating revenue	(358,085)	(1)	Based on agreement	-	-	Accounts receivable (Note C) 90,752	1
	FarEastone Property Insurance Agency Co., Ltd.	Subsidiary	Operating revenue	(182,242)	(1)	Based on agreement	-	-	Accounts receivable 104,683	2
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	Operating revenue	(952,404)	(21)	Based on agreement	-	-	Accounts receivable (Note B) 380,050	29
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	Operating revenue	(4,025,099)	(69)	Based on agreement	-	-	Accounts receivable 483,607	54
			Operating costs	376,304	7	Based on agreement	-	-	Accounts payable (Note C) (118,684)	(13)
	Home Master Technology Ltd.	Subsidiary of DataExpress Infotech Co., Ltd.	Operating revenue	(357,159)	(6)	Based on agreement	-	-	Accounts receivable 59,449	7
DataExpress Infotech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	Operating revenue	(104,070)	(4)	Based on agreement	-	-	Accounts receivable 55,933	14
	Home Master Technology Ltd.	Subsidiary	Operating revenue	(103,038)	(4)	Based on agreement	-	-	Accounts receivable 54,708	13
Home Master Technology Ltd.	ARCOA Communication Co., Ltd.	Parent company	Operating costs	357,159	43	Based on agreement	-	-	Accounts payable (59,449)	(41)
	DataExpress Infotech Co., Ltd.	Parent company	Operating costs	103,038	13	Based on agreement	-	-	Accounts payable (54,708)	(37)
Yuanshi Digital Technology Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	Operating costs	358,085	27	Based on agreement	-	-	Accounts payable (Note C) (90,752)	(30)
FarEastone Property Insurance Agency Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	Operating costs	182,242	86	Based on agreement	-	-	Accounts payable (104,683)	(94)

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

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

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

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
JUNE 30, 2022
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	Subsidiary	$ 122,649	10.87	$ -	-	$ 98,898	$ -
	FarEasTone Property Insurance Agency Co., Ltd.	Subsidiary	107,879	3.64	-	-	29,784	-
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	9,939,189	(Note)	-	-	179,185	-
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Parent company	483,607	16.09	-	-	483,607	-

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

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars)

Number (Note A)	Company Name	Counterparty	Flow of Transactions (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Consolidated Assets/Revenue (Note C)
0	Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	1	Accounts receivable - related parties	$ 8,084	Note E	-
				Other receivables - related parties	7,800	Note E	-
				Refundable deposits	5,266	Note E	-
				Other payables - related parties	9,939,189	Note E	6
				Contract liabilities	1,988	Note E	-
				Lease liabilities	116,710	Note E	-
				Operating revenue	66,571	Note E	-
				Operating costs	952,404	Note E	2
				Operating expenses	33,099	Note E	-
				Nonoperating income and gains	22,034	Note E	-
				Nonoperating expenses	39,952	Note E	-
		ARCOA Communication Co., Ltd.	1	Accounts receivable - related parties	118,684	Note E	-
				Other receivables - related parties	3,965	Note E	-
				Accounts payable - related parties	441,596	Note E	-
				Other payables - related parties	42,011	Note E	-
				Contract liabilities	27,815	Note E	-
				Operating revenue	376,304	Note E	1
				Operating costs	3,774,281	Note E	9
				Operating expenses	261,569	Note E	1
		KGEx.com Co., Ltd.	1	Accounts receivable - related parties	5,841	Note E	-
				Other receivables - related parties	5,957	Note E	-
				Other payables - related parties	5,089	Note E	-
				Operating revenue	16,076	Note E	-
				Operating expenses	38,299	Note E	-
		Yuan Cing Co., Ltd.	1	Other receivables - related parties	11,163	Note E	-
				Other payables - related parties	12,698	Note E	-
				Operating costs	4,719	Note E	-
				Operating expenses	38,247	Note E	-
				Nonoperating income and gains	1,480	Note E	-
		DataExpress Infotech Co., Ltd.	1	Other receivables - related parties	4,637	Note E	-
				Accounts payable - related parties	19,129	Note E	-
				Other payables - related parties	36,804	Note E	-
				Operating revenue	27,696	Note E	-
				Operating costs	1,808	Note E	-
				Operating expenses	102,255	Note E	-
				Nonoperating income and gains	2,404	Note E	-

(Continued)

Number (Note A)	Company Name	Counterparty	Flow of Transactions (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Consolidated Assets/Revenue (Note C)
		Home Master Technology Ltd.	1	Other payables - related parties	$ 12,193	Note E	-
				Operating revenue	3,287	Note E	-
				Operating expenses	39,996	Note E	-
		Information Security Service Digital United Inc.	1	Other receivables - related parties	4,501	Note E	-
				Accounts payable - related parties	17,360	Note E	-
				Other payables - related parties	16,226	Note E	-
				Operating costs	21,106	Note E	-
				Operating expenses	2,964	Note E	-
		Yuanshi Digital Technology Co., Ltd.	1	Accounts receivable - related parties	90,752	Note E	-
				Other receivables - related parties	4,577	Note E	-
				Accounts payable - related parties	20,972	Note E	-
				Other payables - related parties	16,313	Note E	-
				Operating revenue	358,085	Note E	1
				Operating expenses	20,543	Note E	-
				Nonoperating income and gains	3,714	Note E	-
		Prime EcoPower Co., Ltd.	1	Other receivables - related parties	3,049	Note E	-
				Operating costs	1,585	Note E	-
		FarEasTone Property Insurance Agency Co., Ltd.	1	Accounts receivable - related parties	104,683	Note E	-
				Other receivables - related parties	3,196	Note E	-
				Operating revenue	182,242	Note E	-
1	New Century InfoComm Tech Co., Ltd.	KGEx.com Co., Ltd.	3	Accounts receivable - related parties	4,612	Note E	-
				Accounts payable - related parties	17,745	Note E	-
				Other payables - related parties	9,734	Note E	-
				Operating revenue	12,885	Note E	-
				Operating costs	38,591	Note E	-
				Operating expenses	30,696	Note E	-
		Yuan Cing Co., Ltd.	3	Accounts payable - related parties	2,340	Note E	-
				Operating costs	5,033	Note E	-
				Operating expenses	1,935	Note E	-
		Information Security Service Digital United Inc.	3	Accounts payable - related parties	20,691	Note E	-
				Other payables - related parties	1,990	Note E	-
				Operating revenue	1,799	Note E	-
				Operating costs	26,669	Note E	-
				Nonoperating income and gains	1,726	Note E	-
		Yuanshi Digital Technology Co., Ltd.	3	Accounts receivable - related parties	1,486	Note E	-
				Operating revenue	3,118	Note E	-
				Operating expenses	4,176	Note E	-
		Prime Ecopower Co., Ltd	3	Accounts payable - related parties	4,929	Note E	-
				Operating costs	12,620	Note E	-
		Sino Lead Enterprise Limited	3	Operating costs	1,342	Note E	-
		Nextlink Technology Co., Ltd.	3	Accounts payable - related parties	16,069	Note E	-
				Operating costs	47,433	Note E	-
		Microfusion Technology Co., Ltd.	3	Accounts payable - related parties	18,615	Note E	-
				Operating costs	38,846	Note E	-

(Continued)

Number (Note A)	Company Name	Counterparty	Flow of Transactions (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Consolidated Assets/Revenue (Note C)
2	ARCOA Communication Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	3	Accounts receivable - related parties	$ 20,155	Note E	-
				Operating revenue	45,508	Note E	-
				Operating expenses	1,117	Note E	-
		DataExpress Infotech Co., Ltd.	3	Accounts receivable - related parties	1,313	Note E	-
				Other receivables - related parties	1,555	Note E	-
				Accounts payable - related parties	18,522	Note E	-
				Operating revenue	3,753	Note E	-
				Operating costs	2,001	Note E	-
		Home Master Technology Ltd.	3	Accounts receivable - related parties	59,449	Note E	-
				Accounts payable - related parties	2,647	Note E	-
				Operating revenue	357,159	Note E	1
3	Yuan Cing Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	3	Accounts receivable - related parties	4,386	Note E	-
				Operating revenue	6,680	Note E	-
4	DataExpress Infotech Co., Ltd.	Home Master Technology Ltd.	3	Accounts receivable - related parties	54,708	Note E	-
				Other receivables - related parties	1,003	Note E	-
				Operating revenue	103,038	Note E	-
				Operating costs	3,277	Note E	-
				Nonoperating income and gains	5,655	Note E	-
		Yuanshi Digital Technology Co., Ltd.	3	Operating revenue	55,046	Note E	-
5	Information Security Service Digital United Inc.	Yuanshi Digital Technology Co., Ltd.	3	Accounts receivable - related parties	1,223	Note E	-
				Operating revenue	1,125	Note E	-
6	Nextlink Technology Co., Ltd.	Microfusion Technology Co., Ltd.	3	Other receivables - related parties	1,785	Note E	-
				Nonoperating income and gains	10,200	Note E	-
		Nextlink (HK) Technology Co., Ltd.	3	Other receivables - related parties	6,086	Note E	-
				Operating revenue	13,287	Note E	-
				Nonoperating income and gains	17,200	Note E	-
		Microfusion (HK) Technology Co., Ltd.	3	Nonoperating income and gains	1,600	Note E	-
7	Microfusion Technology Co., Ltd.	Nextlink (HK) Technology Co., Ltd.	3	Accounts receivable - related parties	9,573	Note E	-
				Operating revenue	41,260	Note E	-
				Nonoperating income and gains	1,210	Note E	-
		Microfusion (HK) Technology Co., Ltd.	3	Operating revenue	2,099	Note E	-
				Operating costs	1,840	Note E	-
8	Nextlink (HK) Technology Co., Ltd.	Microfusion (HK) Technology Co., Ltd.	3	Operating costs	1,649	Note E	-

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

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

(Continued)

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

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

Note C: For assets and liabilities, amount is shown as a percentage of consolidated total assets as of June 30, 2022; while revenues, costs and expenses are shown as a percentage of consolidated total operating revenues for the six months ended June 30, 2022.

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

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

(Concluded)

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2022	December 31, 2021	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	$ 25,551,027	$ 818,065	$ 768,270	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	655,268	84,810	57,496	Note A
	KGEx.com Co., Ltd.	Taiwan	Telecommunications services	2,340,472	2,340,472	68,897,234	99.99	850,795	77,670	77,658	Note A
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information services	1,686,169	1,686,169	107,004,329	96.18	(378,785)	(102,563)	(98,648)	Note A
	Yuan Cing Co., Ltd.	Taiwan	Call center services	-	-	2,000,000	100.00	38,723	11,238	11,238	Notes A and E
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investments	92,616	92,616	1,200	100.00	5,245	254	254	Note A
	IDEAWORKS Entertainment Co., Ltd.	Taiwan	Filmmaking and publishing services	41,250	-	4,125,000	50.00	41,206	(88)	(44)	Note A
	FarEastone Property Insurance Agency Co., Ltd.	Taiwan	Property insurance agent	5,000	5,000	500,000	100.00	54,297	43,335	43,335	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	1,439,236	123,799	35,863	Note B
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	139,500	139,500	5,446,644	15.00	37,294	2,006	366	Note B
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Other financing and supporting services	600,000	600,000	12,342,478	18.11	83,071	(60,941)	(11,558)	Note B
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	Taiwan	Sales of communications products	141,750	141,750	15,285,235	70.00	264,788	55,002	-	Note C
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Taiwan	Investments	540,000	540,000	54,000,000	100.00	82,853	9,850	-	Note C
	Information Security Service Digital United Inc.	Taiwan	Security and monitoring services via internet	148,777	148,777	11,195,034	100.00	110,293	(19,593)	-	Note C
	Digital United (Cayman) Ltd.	Cayman Islands	Investments	317,446	317,446	10,320,000	100.00	455,540	7,019	-	Note C
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information services	20,000	20,000	749,885	0.67	(2,655)	(102,563)	-	Note A
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	46,500	46,500	1,815,548	5.00	12,431	2,006	-	Note B
	Prime Ecopower Co., Ltd.	Taiwan	Energy technology services	160,000	160,000	16,000,000	100.00	120,492	(4,959)	-	Note C
	Drive Catalyst SPC-SP Tranche One	Cayman Islands	Investments	123,220	123,220	4,000	25.00	121,855	(370)	-	Note B
	Drive Catalyst SPC-SP Tranche Two	Cayman Islands	Investments	224,820	114,140	8,000	25.00	243,992	(1,331)	-	Note B
	Drive Catalyst SPC-SP Tranche Three	Cayman Islands	Investments	236,440	236,440	8,000	25.00	254,736	(1,032)	-	Note B
	Nextlink Technology Co., Ltd.	Taiwan	Electronic information services	420,000	420,000	3,430,000	70.00	468,877	25,033	-	Note C
	JuAn Long-Age Co., Ltd.	Taiwan	Electronic information services	15,500	15,500	1,000,000	25.00	15,093	(637)	-	Note B
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Other financing and supporting services	42,358	42,358	4,235,794	6.22	28,509	(60,941)	-	Note B
	ARCOA Communication Co., Ltd.	Taiwan	Sales of communications products and office equipment	116,885	-	9,025,890	6.72	119,682	84,810	-	Note A
IDEAWORKS Entertainment Co., Ltd.	Mission International Co., Ltd.	Taiwan	Filmmaking and publishing services	100	-	10,000	100.00	100	-	-	Note C
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Hong Kong	Telecommunications services	125	125	30,000	100.00	353	32	-	Note C
	Far Eastern New Diligent Company Ltd.	British Virgin Islands	Investments	-	330,598	-	-	-	611	-	Note C and F
	New Diligent Hong Kong Co., Ltd.	Hong Kong	Investments	3,051	3,051	-	100.00	2,211	105	-	Note C
DataExpress Infotech Co., Ltd.	Home Master Technology Ltd.	Taiwan	Sales of communications products	10,000	10,000	-	100.00	50,673	7,814	-	Note C
Nextlink Technology Co., Ltd.	Microfusion Technology Co., Ltd.	Taiwan	Electronic information services	17,000	17,000	2,900,000	100.00	45,955	(1,359)	-	Note C
	Nextlink (HK) Technology Co., Ltd.	Hong Kong	Electronic information services	973	973	-	100.00	44,683	5,260	-	Note C
	Microfusion (HK) Technology Co., Ltd.	Hong Kong	Electronic information services	1,494	1,494	-	100.00	3,966	892	-	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.

Note F: Far Eastern New Diligent Company Ltd. was dissolved in April 2022 with the approval of the local government.

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of June 30, 2022	Accumulated Repatriation of Investment Income as of June 30, 2022
					Outward	Inward						
Digital United Information Technologies (Shanghai) Ltd.	Design, research, installment and maintenance of computer software and system	$ 92,132 (US$ 3,100,000)	2	$ 92,132 (US$ 3,100,000)	$ -	$ -	$ 92,132 (US$ 3,100,000)	$ (141)	100.00	$ (141)	$ 11,468 (RMB 2,583,000)	$ -
Nextlink (Shanghai) Technology Co., Ltd.	Electronic information services	2,140 (US$ 72,000)	2	2,140 (US$ 72,000)	-	-	2,140 (US$ 72,000)	(332)	70.00	(332)	1,697 (HK$ 445,000)	-

Company Name	Accumulated Investments in Mainland China as of June 30, 2022	Investment Amounts Authorized by the Investment Commission, MOEA	Limit on Investments (Note B)
Far EasTone Telecommunications Co., Ltd.	$ 92,616 (Note C)	$ 92,616 (Note C)	$ 35,770,039
New Century InfoComm Tech Co., Ltd.	92,132 (US$ 3,100,000)	92,132 (US$ 3,100,000)	14,548,093
New Diligent Co., Ltd.	443,630 (US$ 14,927,000) (Note C)	443,630 (US$ 14,927,000) (Note C)	49,712
Nextlink Technology Co., Ltd.	2,140 (US$ 72,000)	2,140 (US$ 72,000)	115,284

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$14,927,000 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 registered with the Investment Commission of the MOEA was remitted back to Taiwan on June 27, 2012 and the same amount was written off on the same date.

SCHEDULE H

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES

INFORMATION ON MAJOR STOCKHOLDERS
JUNE 30, 2022

Name of Major Stockholder	Shareholding	
	Number of Shares	Percentage of Ownership (%)
Yuan Ding Investment Co., Ltd.	1,066,657,614	32.73
Shin Kong Life Insurance Co., Ltd.	237,994,000	7.30
Cathay Life Insurance Co., Ltd.	229,480,230	7.04

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